

CHANGING EMPLOYMENT RELATIONS:
EMPIRICAL DATA, SOCIAL PERSPECTIVES
AND POLICY OPTIONS

Julian Barling

"For the times, they are a-changing" — Bob Dylan

WHEN BOB DYLAN FIRST SANG THESE WORDS in 1964, he was certainly correct. Today, however, with the unprecedented depth and breadth of changes in the workplace coinciding with a change in millennium, his words could not be more prescient. The aim of this chapter is to provide a basis for understanding the nature and meaning of these changes, primarily from the perspective of workers who inhabit our workplaces, and to start to understand how governments, employers, unions, and academics might begin to respond to these changes. To do so, three interrelated issues will be addressed. First, empirical data showing changes in the amount, timing and nature of work are examined. These data are then used to understand how the subjective experience, or quality, of employment has changed. Thereafter, the implications of these changes for policy makers, employers, unions, and academics are considered.

While it is well beyond the scope of this chapter to examine the causes of these changes, we would be remiss if we did not mention some of the primary causal factors. These include substantial growth in technological sophistication and increasing accessibility to the technology, the notion of "just-in-time" production, the practice of "re-engineering," entrenching globalization, and, of course, shrinking budgets and increasing competitiveness. Importantly, these issues do not act in isolation, but instead are interrelated. Thus, as pressure for "just-in-time" manufacturing increases, so does the need for increased technological sophistication. As we move more toward global markets, increased competitiveness gains in importance, and vice versa. Importantly, these complex interactions hasten the rate of change in the amount of work available, and the experience of work.

Just how widespread are these changes? A decade ago, Tom Peters (1988) speculated on the meaning of these changes, and showed how all aspects of work, production and organization had been affected. Over and above changes in manufacturing, he showed how dramatic changes were occurring in marketing functions (increased use of niche markets and advertising), sales and service (e.g., teams), international activity (global manufacturing), innovation (speed), people management (increased use of teams; contingent workers), organizational changes (flatter hierarchies), information technology (decentralized data processing), financial management and control (spending authority delegated to appropriate unit level) and leadership (value driven, visionary leadership). Two points are worth noting. First, these functions are interrelated, and their complex interactions have led to major changes in the amount, timing and distribution of work; it is to an examination of these factors that we now turn our attention. Second, most of these changes are now commonplace.

CHANGES IN THE AMOUNT AND TIMING OF WORK

To understand the enormity of these changes, we will explore shifts in the amount of work, part-time work, self-employment, and unemployment. This will provide the basis for understanding the current subjective experience of work.

The Amount of Full-Time Work

For most of the 20th century, the story about the amount of work employees had to engage in has been very positive, as is evident in the case of workers in manufacturing. In 1901, the average number of hours worked per week was 59, and by 1957 it had dropped dramatically to 40. These changes seemed to occur in spurts (primarily between 1911-21, and again between 1941-51), with most of this decline in place before 1949 (Sunter and Morisette, 1994). After 1960, the downward trend levelled off, so that by the beginning of the 1980s, the average length of the work week for the manufacturing sector had stabilized at around 38 hours.

At about that time, however, the story changes and becomes more complex and diverse. In her book *The Overworked American*, Schorr (1993) showed that there was an increase from 1967 to 1987 both in the average number of hours worked per week (from 39.8 to 40.7), as

well as in the number of weeks worked per year (from 43.9 to 47.1). This increase was certainly more pronounced for women for whom the number of hours went from 35.2 to 47, and the number of weeks worked per year from 39.3 to 45.4 (compared with 43.0 to 43.8, and 47.1 to 48.5 respectively, for men). Of course, some of the increase in the amount of work engaged in by women is attributable to the increase of employed mothers in the labour force (see Barling, 1990). More recently, workers report having to work much harder than they had previously (Angus Reid, 1996; Canadian Auto Workers, 1996; Hancock, *et al.*, 1995). Of greater concern from our perspective here, however, is the extent to which employees engage in more (or less) work by choice or not, and we will return to this issue after considering trends in part-time employment.

When considering the amount of time spent working, an additional consideration would be the amount of time devoted on a daily basis to commuting. In 1992, about 25 percent of Canadians spent more than an hour per day commuting to and from work (Marshall, 1994). For residents of Toronto and Vancouver, the average is more than one hour per day; for those in Montreal, Ottawa-Hull and Winnipeg, the daily commute approached one hour. Commuting time is significant inasmuch as commuters increase the amount of time devoted directly or indirectly to work, thereby decreasing the amount of time they have available for non-work pursuits.

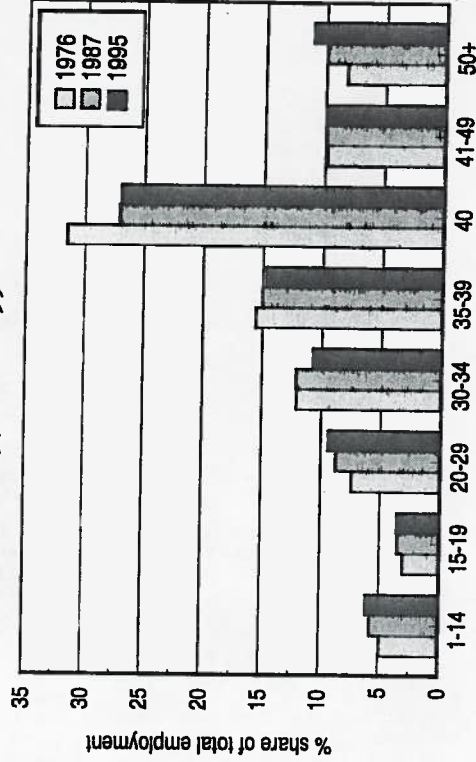
One final issue concerns the distribution of the actual number of hours worked over time. Specifically, while the *average* number of hours worked over the past 20 years has remained constant, compositional change has occurred (Cohen, 1991), that is, there has been some change at both extremes of the distribution. As can be seen from Figure 1, more people are now working longer hours, and more people are working fewer hours (Sheridan, Sunter and Diverry, 1996). The extent to which we are now witnessing polarization within the workforce will be examined in more detail later in this chapter.

Part-Time Work

Despite reassurances by politicians about the growth of high-paying, high-quality full-time jobs, the most significant changes to the amount and timing of work relates to non-standard work in general, and part-time work in particular (Krahn, 1995). In fact, part-time jobs more than doubled in Canada between 1975 and 1993, while the rate of

FIGURE 1

COMPOSITIONAL CHANGES IN THE NUMBER OF HOURS
WORKED PER WEEK IN CANADA BETWEEN
1976 AND 1996



growth of full-time jobs was relatively flat (see Figure 2). While it is obvious that some of the growth in part-time jobs has occurred as a function of people seeking part-time work, such as mothers with young children who are joining or returning to the labour force (Barling, 1990), the effect of economic conditions on the increase of part-time jobs cannot be ignored as it has important implications. First, two important trends are evident from the data pertaining to the United States for the period 1968-93 (see Figure 3; Nardone, 1995): (1) involuntary part-time jobs increase far more rapidly during periods of recessions, presumably when individuals' options are more limited; and (2) ever since 1980, these increases in part-time jobs have been paralleled by *decreases* in the extent to which individuals are employed part-time on a voluntary basis. This phenomenon is replicated in Canada, as is evident from the data reflecting the pattern between 1975 and 1993 (Logan, 1994; see Figure 4). Presumably, any increase in involuntary part-time employment is linked to the declining availability of full-time positions (Noreau, 1994), and is not simply a function of individuals choosing to work part-time. The implications of individuals being forced to assume working arrangements that do not match their desired state will be considered later in this chapter.

FIGURE 2

INCREASE IN PART-TIME JOBS IN CANADA
BETWEEN 1975 AND 1993

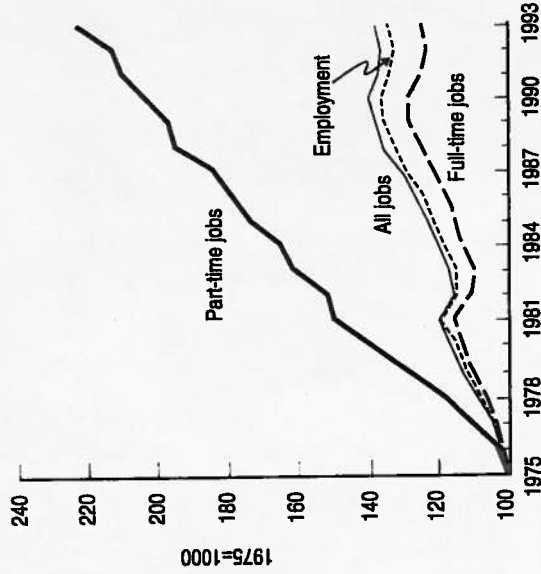


FIGURE 3

INCREASES IN VOLUNTARY AND NON-VOLUNTARY
PART-TIME WORK IN THE U.S., 1968-93

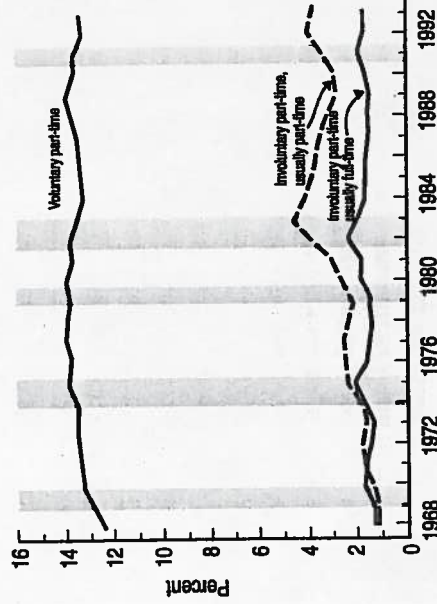
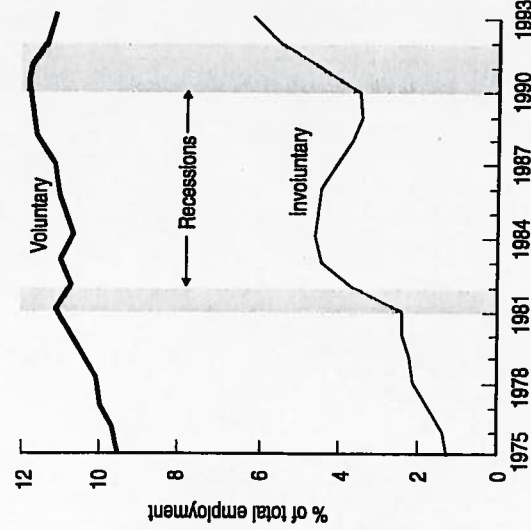


FIGURE 4

INCREASES IN VOLUNTARY AND NON-VOLUNTARY
PART-TIME WORK IN CANADA, 1975-93



It is worth noting at this stage that providing realistic estimates of the extent of part-time work would be difficult. In Canada, any person working more than 30 hours per week is classified as a full-time employee (Pold, 1994); in the United States, the criterion is 35 hours (Gardner, 1996). Thus, in Canada, an individual working two part-time jobs for 20 hours per week each would be officially classified as a full-time employee. The reported number of individuals holding part-time jobs underestimates the real number, with this underestimate being greater in Canada than in the United States. This phenomenon may have critical implications, as policy makers, employers, unions and academics would be moved to action more readily if the real extent of the problem were realized.

The extent to which growth in part-time employment is a function of economic conditions (as opposed to individual volition) can be appreciated further from the differential growth rates in part-time and full-time work in Canada between 1975 and 1993. The proportion of full-time job creation is greatest in those provinces enjoying the most favourable economic conditions — British Columbia and Alberta.

In contrast, in provinces experiencing more challenging economic conditions — Newfoundland, Nova Scotia, Quebec, Manitoba and Saskatchewan — new job creation is limited almost entirely to part-time jobs.

One aspect of part-time work that is frequently overlooked is “moonlighting,” which typically refers to any additional work engaged in by someone who has a full-time job. This phenomenon increased dramatically in Canada between 1977 and 1993 across all industries (Cohen, 1994; Pold, 1995). The amount of moonlighting is also relatively substantial: the vast majority of moonlighters holding a full-time job in Canada are also engaged in their second job every week (usually one or two days per week). On average, men moonlight approximately 14 hours per week, and women about 11 hours. Moonlighting is important for at least two reasons. First, the actual number of part-time jobs in the economy (as opposed to the number of people working on a part-time basis as defined above) is vastly underestimated. Second, the single most frequent reason given for engaging in moonlighting is financial. One-third of moonlighters do so because it is the only way to meet their regular household expenses; an additional 29 percent do so because they are saving for some specific item or event, or paying off a debt (Cohen, 1994).

Clearly, therefore, many individuals are not engaging in part-time work by choice. This is critical as research shows that when employed mothers' employment status is not consistent with what they want (e.g., full-time employees who want to be employed on a part-time basis, and part-time employees who want to be employed on a full-time basis), they score higher in terms of depression (Hock and DeMeis, 1990), and their children manifest more behavioural problems (Barling, Fullagar and Marchl-Dingel, 1987).

Self-Employment

Coinciding with ever-increasing levels of unemployment (see next section), there has been a marked growth in self-employment. An examination of the trends between 1981 and 1991 illustrates this growth in self-employment (Crompton, 1993). Excluding the agricultural sector (where there was a slight decline in self-employment from 2.2 percent to 1.8 percent of the experienced labour force), self-employment increased from 6.9 percent in 1981, to 7.5 percent in 1986, to 8.1 percent in 1991 of the total experienced labour force

(Gardner, 1995). Stated somewhat differently, while total employment grew by just over 14 percent in Canada between 1981 and 1990, self-employment grew by 29 percent during that same period (Pold, 1991).

In an era of chronically high unemployment, this movement toward self-employment emphasizing individual responsibility has become the mantra of many politicians. However, major changes are involved when moving to self-employment (such as loss of benefits), not least of which is an increase in the number of hours worked. For example, while employees work on average 37.2 hours per week, self-employed independent workers work on average 39.7 hours per week, and self-employed employees average 47.1 hours per week (Gardner, 1995). One effect of the lack of benefits to the self-employed is that self-employed individuals are more likely to work later in life. To illustrate this point, we note that between 17 and 18 percent of self-employed individuals remain working after the age of 55. In contrast, less than 10 percent of employees do so (Gardner, 1995).

Unemployment

Several interrelated factors concerning unemployment in Canada combine to make the idea of changing employment relations anything but attractive to employees. First and foremost, the national unemployment rate has increased over the past few decades. However, when workers look around themselves, they also see several other related factors that would no doubt cause them even more concern. For example, the average duration of unemployment has also been increasing (Cohen, 1991; Corak, 1993). Add to this the fact that following unemployment, most employees will assume a full-time or part-time job that pays less than their former job. Using U.S. data, Cappelli, *et al.* (1977) show, for example, that following a spell of unemployment, only 27.4 percent will be employed full-time with the same income or higher than the job they previously held.

These experiences, however, would not be felt uniformly; instead, there are marked variations in unemployment levels on a regional and an urban/rural level. Thus, the national unemployment rate does not provide an appropriate reflection of the extent of the problem, a factor that has been known for some time (see George Orwell's [1937] *The Road to Wigan Pier*). Similarly, there are distinct disparities in the duration of unemployment, with individuals being rehired off the unemployment roll with what Corak (1993) has described as a "last in, first

out" phenomenon. Thus, concerns about a growing polarization within the work force are heightened, and we will return to this issue.

CHANGES IN THE QUALITY OF WORK

Perhaps the major reason that any changes in the amount, timing and availability of work are of some consequence is that they have an impact on the experienced quality of work. This section, therefore, examines how the subjective experience of work has changed consistent with transformations in employment relations.

The Quality of Work during the 20th Century

If a history of management were to be written by employees, what we would discover is that for most of the 20th century, the quality of work seemed to be increasing most of the time for most employees: while the number of hours decreased substantially, the quality of work improved dramatically. A brief examination of some of the historical turning points in the field of management and organizational behaviour during the 20th century will exemplify how this affected the quality of working life for most employees. It should be noted that this historical discussion provides a very brief overview of the development of the quality of work; for a more comprehensive picture, see Ott (1989).

From the perspective of the quality of work, the century got off to a bad start. By taking so much of the responsibility for work away from employees themselves, and handing it over to a group later to become known as industrial engineers (Taylor, 1911), Taylor's scientific management committed the cardinal error of separating the "doing" of work from the "thinking about" work. Following the now-famous Hawthorne study, however, there was a growing realization that social and group factors were critical in employee motivation, a notion that was later reinforced by findings from the Tavistock Coal Mining Studies.

Equally important in challenging the mechanistic notions of scientific management was Maslow's (1943) emphasis on self-actualization as the pinnacle of motivation. While Maslow's (1943) earlier writings were not intended for an industrial audience, Maslow can be credited with starting the process of bringing the role of individual needs back into the organization. This perspective was continued by Herzberg (1959), whose primary contribution was his introduction of the job enrichment approach.

Aside from these developments, perhaps the single most important influence was the establishment of the Institute for Social Research at the University of Michigan in 1947 by Rensis Likert. Together with many of the luminaries who were attracted to the institute (including Arnold Tannenbaum, Daniel Katz, and Robert Kahn), the ideas of employee participation in decision making and employee autonomy were popularized and tested at the Institute for Social Research. In this way, many of the excesses of scientific management began to be reversed, and this trend toward improvements in the quality of work life was accelerated by the growing realization of the importance of work-related stress (Kahn, *et al.*, 1964), and relational issues in leadership (McGregor, 1960).

Continuing with a historical analysis from the eyes of employees, we would find that starting in the mid-1980s, and accelerating thereafter, there was a reduction in the quality of work for most employees, as is evident from the following statement based on data from the United States Bureau for Labor Statistics:

Nearly half of America's businesses reduced their workforce during the last decade.... Today, companies routinely ask one employee to do the work of 1.3 people ... overtime is at an all time high, an average of 4.3 hours per week ... in the last decade, average yearly vacation and paid absence decreased by 3.5 days (Hancock, *et al.*, 1995).

Further illustrative of this dramatic reversal, 34 percent of people interviewed even more recently in a random poll in the United States indicated that they or someone in their families were moonlighting during the past three years, and 54 percent had to work overtime (*New York Times*, 1996). Nor were employees in Canada exempt from this turnaround, as is evident from a survey conducted in December 1995: 65 percent of employed respondents in a national representative sample indicated that they were now working more than they had a few years before, and only 16 percent of this group received an increase in pay consistent with their extra work (Angus Reid Group, 1995). Thus, regardless of any jargon about a "jobless recovery," most employees find themselves engaged in a "new, ruthless economy" (Head, 1996).

The "Age of Insecurity"

In trying to understand how most employees presently experience their work, the words of Robert Reich, former U.S. Secretary of Labor, loom

large; he suggested that we are now in an "age of insecurity," one in which chronic uncertainty for employees is quite possibly the norm. With unemployment in Canada remaining at such high levels, and no real chance for a "job-full recovery" in sight, employees (or in the current jargon, "survivors") look around and are confronted everywhere with the remnants of organizational downsizing. Not surprisingly, therefore, job insecurity seems to be at an all-time high, and together with the increasing overtime work for many, job insecurity is probably the central concern of employed workers today (Canadian Auto Workers, 1997).

Why are employees so afraid of losing their jobs? Aside from the continuing number of people who are still being laid off, employees look around and see that the duration of unemployment is increasing, and that social and financial benefits for unemployed individuals in Canada are shrinking. Just as important, employees fear that losing a full-time job may mean assuming one or more part-time jobs. And it is not just the diminution of hours, and even salary, which often follows layoffs, that casts fear into employees. One factor that has increased substantially over the past 50 years is the level of benefits received by full-time employees: while benefits were just over 15 percent of regular salary in 1955, by 1987 average benefits for full-time workers in Canada were approximately 35 percent of salary. Given that most part-time employees receive few, if any benefits, the prospect of losing one's job becomes even more scary. At the same time, it should be noted that even keeping one's job will be associated with having to work harder, probably for the same pay, and with lingering job insecurity.

Together with job insecurity come several associated feelings that reflect the massive changes in employment relations, namely, violated psychological contracts between employer and employee, and a feeling of loss of control. Aside from any legally binding contract between employee and employer, the implicit psychological contract has always served as a point of potential motivation or frustration for employees (Rousseau, 1995). Given that one of the most basic elements of this psychological contract has traditionally been one of job security in exchange for a reasonable quantity and quality of work, it is not surprising that feelings that the psychological contract have been violated are widespread. The possible consequences for organizations range from employee theft (Greenberg and Barling, 1996) to psychological and physical violence against authority figures in the workplace (Barling, 1996), and should serve as a sufficient cause for

considering alternatives to layoffs and strategies that result in chronic job insecurity.

Perhaps the psychological experience that forms the foundation of job insecurity is a feeling of powerlessness (Ashford, Lee and Bobko, 1989); powerlessness to be able to exert any control over the most basic element of one's job. From a psychological perspective, this powerlessness reflects more than a feeling of lack of control. Because of the belief that one could previously control one's job security, the feeling of powerlessness reflects a feeling of a *loss* of control, which is more psychologically harmful than a lack of control. Nevertheless, feelings of powerlessness are associated with health-related problems, and employees who perceive some form of workplace control are less likely to respond to job insecurity with health problems (Barling and Kelloway, 1996). Similarly, employees who feel a lack of control also tend to be less productive and less satisfied (Stanton and Barnes-Farrell, 1996).

UNINTENDED CONSEQUENCES OF CHANGING EMPLOYMENT RELATIONS

We have long known that children's knowledge about, and attitudes toward, the world of work are profoundly affected by their observations of their employed parents (Barling, 1990, 1992). If this is indeed the case, we need to ask what children might be learning as they see their parents experiencing layoffs and chronic job insecurity (Barling and Sorensen, 1997). Data now being accumulated suggests that when adolescents perceive their parents to be insecure in their jobs, their own work attitudes and work motivation (e.g., work-related cynicism) are negatively affected (Barling, DuPre and Hepburn, 1998). A separate study has shown that when adolescent university students see their parents' insecure about their jobs, their concentration is affected, resulting in poorer grade performance (Barling, Zacharatos and Hepburn, 1997). Thus, because experiencing job insecurity influences not just the individual job holder, but family members as well, greater attention should be given to the possible effects of changing employment relations.

PRODUCTIVITY AND PROFITABILITY

From a perspective that looks only at individual productivity and organizational profitability, the new changing employment relation-

ship would be constructive if intended economic benefits were achieved, or at worst, if there were no negative effects. To the contrary, research findings are beginning to accumulate that suggest that the initial aims of the changes (to become "lean and mean") have not been realized; moreover, there are often negative effects. This is evident in at least three different levels — individual productivity, health and safety, and corporate profitability.

One criterion of individual productivity is innovation and problem solving, behaviours that are increasingly critical to success in today's business environment. Given this, it is of considerable importance that Dougherty and Bowman (1995) showed that problem solving is *lower* among employees in high-downsizing firms than their counterparts in low-downsizing firms, possibly because of a breakdown in networking in the destabilized, high-downsizing firms. These results are consistent with surveys showing that many of the anticipated benefits, such as better communications, do not materialize following downsizing (Cascio, 1993).

Moving to a consideration of occupational health and safety, Little, *et al.* (1990) demonstrated that corporate instability is associated with psychological stress and depression, and they question the long-term effects for employee and public safety. Kochan, Smith, Wells and Rebitzer (1994) extend this: while acknowledging that the use of temporary and contingent workers offers employers a high degree of flexibility required to meet rapid changes in labour demand, they found more workplace safety problems exist with contingent workers than with full-time workers. One possible cause of this is that employers are less likely to spend money on training individuals whose tenure with the organization is either very short or uncertain.

From an organizational perspective, the most profound questions concerning the viability of the new employment relationship derive from findings concerning post-layoff profitability. Cascio (1993) provided an early indication from survey data that intended economic benefits (reduced expense ratios, increased return-on-investments) do not necessarily emerge. Using case studies, Pfeffer (1994, 1998) takes a complementary but different approach, showing that offering some form of employment security can serve as a source of sustained competitive advantage, as has been the case at Lincoln Electric; and employment security is now an integral part of most conceptualizations of successful human resource systems (Pfeffer, 1998). Importantly, these observations are now supported by empirical data: based on a

five-year study of the layoff histories of Fortune 500 companies, De Meuse, Vanderheiden and Bergmann (1994) showed that financial performance (specifically, profit margin, return on assets and return on equity) is worsened during the two years following layoffs. If the leading corporations in the United States, with all the resources available to them, cannot benefit from downsizing, we must ask ourselves how likely it is that less resourced or smaller organizations will benefit from similar strategies.

POLICY OPTIONS

The magnitude of the changes that have taken place cannot be underestimated. Then U.S. Secretary of Labor Robert Reich's observation that we are beginning to witness the "apartheidization" of the American workforce may not only be more true today (Freeman, 1996), but given the data presented above, is equally true of Canadian workplaces. However, even given the widespread changes that have taken place, and the effects they have wrought on the subjective quality of work, the purpose of this chapter is not simply to bemoan our collective fate. The more urgent need is to turn our attention to policy options that should be considered by employers, government, unions and academics. As Freeman (1996) suggests in concluding his article about the problems experienced as a function of changing employment relations, "Let's start reasoning together about how to solve them" (121).

Government

Consistent with (1) a tilt toward more right-wing governments in North America that started in the 1980s; (2) the corporatist refrain from the business community for ever-decreasing levels of government intervention in business; and (3) the fall of communism in the former Soviet bloc, perhaps the most basic question confronting government is whether it has any legitimate role in changing employment relations at all. Like Charles Handy (1995), however, I would argue that while the old order has undoubtedly changed, it simply does not follow logically that everything in the old order was necessarily bad. As Handy (1995) concluded "The end of communism does not mean that capitalism, in its old form, is therefore the one right way" (270), and it is premature to throw the baby out with the bathwater. Mintzberg (1976,

75) reaches the same conclusion from a different perspective, that it would be inappropriate to move from one extreme model to another. He observes that: "Capitalism has triumphed.' That was the pat conclusion reached in the West as, one by one, the Communist regimes of Eastern Europe began to fall.... Capitalism did not triumph at all; balance did.... The countries under communism were totally out of balance." Mintzberg (1976, 75) continues, reminding us that "When the enterprises are really free, the people are not." Thus, consistent with the notion that government does indeed have a role in ensuring that a balance is maintained between the needs of business and the citizenry, several policy options might be considered, such as compulsory part-time benefits for part-time workers, placing a mandatory limit on overtime work, and the feasibility of employment models resulting in employment security.

One of the most profound of the changes in employees' experience of the world of work has been the extent to which traditional benefits may no longer be available; indeed, this may be one of the factors that make part-time jobs so attractive to employers. The notion of compulsory part-time benefits commensurate with the amount of part-time work may not be far-fetched; some form of this arrangement has been mandatory in Saskatchewan since 1995, and in the European Union as well. Even in jurisdictions where part-time benefits are not mandatory, more progressive private organizations (e.g., UPS, Starbucks) are implementing some benefits for part-time work, such as stock ownership, as an instrument of competitive advantage.

In Canada, unemployment is at an all-time high, as are levels of overtime work. The extent to which these two phenomena are related, and their consequences, should be confronted. As noted earlier, some employees are working more and more hours, and others find themselves with much less work than they would like. Various groups (such as the Canadian Labour Congress, and the Advisory Group on Working Time and the Distribution of Work, established by the federal government and comprised of business and labour leaders and academics) have called on the federal government to limit the amount of overtime work. To date, however, no action has been taken. At the same time, some provincial governments, like Ontario, are proceeding with plans to *increase* the amount of overtime work employers can ask employees to engage in, to limit employees' right to refuse the overtime, and to extend the definition of normal hours beyond that of 48 hours per week, thereby limiting the amount workers would get paid for doing even more work.

Why do employers oppose any limits to the amount of overtime allowed? Perhaps the most salient factor is the legislated structure of compensation: it is more profitable for employers to ask 40 employees to each work an extra hour than to hire one more worker for 40 hours, because benefits paid to workers, and the various taxes paid to governments, are based on the number of employees, rather than on the number of hours worked. Government has a role in ensuring a balance between the needs of employers and employees; however, they are by no means simply an interested bystander. There is a potential conflict of interest as any change in the legislation would result in governments themselves having less access to employees working overtime as well, precisely when shrinking budgets and fighting deficits is their self-imposed primary aim. Until some modification occurs in the legislation governing compensation and hours worked, however, little change can be expected.

Following closely on the heels of the private sector, governments across North America joined the rush toward downsizing. The consequences of this for productivity will be discussed in terms of policy options for employers; what is at stake here is the broader social consequences of widespread unemployment and chronic job insecurity. The medical, social and familial costs of unemployment have long been known (Barling 1990; Jahoda, 1982; Warr, 1987). What is becoming increasingly evident is that chronic job insecurity is associated with equally negative effects. Given this, government's role is to ensure a balance between the needs of the corporate world on the one hand, and the mental and physical well-being of the citizenry on the other. Following from Mintzberg's (1996) argument concerning the importance of balance, government's role must be to ensure that the needs of corporations are not fulfilled at the expense of the citizenry.

Employers

Charles Handy (1995, 9) tells the story of two junior executives bemoaning their excessive work involvement, one of whom ended the discussion by stating: "It's a crazy system. It doesn't make sense. Why don't they employ twice as many people at half the salary and work them half as hard? That way they could all lead a normal life." However, Handy (1995) holds out no hope that this might happen anytime soon, given the central belief that dominates and drives changing employment relations — that productivity and profit can be

summarized as " $1/2 \times 2 \times 3 = P$ ", i.e., half as many people, all of whom are paid twice as much, producing three times as much, will result in increased productivity and profitability.

In sharp contrast to this belief, however, data being accumulated suggest that this model of employment does not necessarily result in higher levels of employee performance (e.g., Cascio, 1993; Dougherty and Bowman, 1995; De Meuse, Vanderheiden, and Bergmann, 1994). Instead, case studies of demonstrably and consistently successful organizations such as the Lincoln Electric Company show that some form of employment security (as opposed to job security) is a critical element in producing sustained levels of high-quality employee performance, which can serve as a competitive advantage (Pfeffer, 1994, 1998). In addition, controlled empirical studies show that mentally and physically healthy employees involved in jobs that are interesting and challenging result in higher levels of work performance (e.g., Wall, *et al.*, 1990).

As a result, while acknowledging that full job security is not feasible within a market economy, it behooves management to examine alternative models that stand a better chance of achieving their aim of ensuring higher levels of employee performance. In the process, revisiting fads such as re-engineering would be worthwhile given current concerns about its success (Byrne, 1997). This is critical, given that the available data, rather than management fads, suggest that a more plausible alternative to Handy's formula would read: " $.7 \times 1.3 \times 1 \times \downarrow B \neq P$ ", i.e., that 70 percent of the people working 30 percent more hours for the same pay while receiving fewer benefits will never be more productive!

Unions

Changes in employment relations over the past 15 years have presented major challenges to organized labour, so much so that some observers have concluded that organized labour is finally obsolete and irrelevant. At the same time, however, I would argue that depending on how unions respond, changes in the quantity, availability and quality of work may paradoxically present the labor movement with its greatest opportunity in recent times. Several challenges, however, will need to be overcome, including organizing part-time workers and influencing legislation.

Unions have traditionally paid less attention to, and have been less successful in organizing part-time workers in an economy that empha-

sized full-time jobs (Barling, Fullagar and Kelloway, 1992; Barling and Gallagher, 1996; Kelloway, Barling and Harvey, 1998). With the recent and continuing growth in part-time jobs both in absolute terms as well as relative to the total number of jobs, unions will continue to ignore part-time employees at their own peril. Paradoxically, one reason why unions have been less than enthusiastic about organizing the part-time sector is their belief that the growth in part-time work really reflects a management attempt to avoid, or even decertify unions. Yet this is perhaps the very reason for unions to pursue aggressively attempts to organize part-time workers.

What unions do not win through collective bargaining they often pursue through legislative change via political lobbying, and vice versa. Recent legislative endeavours in many jurisdictions across Canada can at best be seen as an attack on the power, if not the very existence, of the union movement. Whether governments are overturning existing bans on replacement workers, or reducing the right to strike among certain workers in Ontario, or intervening in union-management issues, such as the confrontation between the Canadian Auto Workers and Canadian Airlines at the end of 1996, unions see their power potentially eroding. The extent to which unions can achieve gains in legislation will be critical to their overall success: consistent with the model of "business unionism" within which unions focus their attention on bread-and-butter issues, labor unions will attract new members and the continuing support of their current members to the extent to which they deliver valued outcomes (Barling *et al.*, 1992). Given that the challenges inherent in changing employment relations extend beyond any one workplace, workers may well look to their unions to gain some legislative relief through political lobbying and political action campaigns such as the Days of Protest in Ontario in 1996 against the Progressive Conservative government. These activities are widely recognized as a legitimate tactic for unions, and can certainly be effective (Catano and Kelloway, 1997). Simply stated, unions need to again demonstrate their effectiveness and utility both to their members as well as to workers in general, which includes both full-time and part-time employees.

Academics

Academic researchers have traditionally enjoyed the luxury of researching whatever issues took their fancy, communicating their results with

relatively small groups of peers. A new challenge now confronts academics: what happens when our research findings teach us, as they do in the case of changing employment relations, that all may not be well, that productivity gains may not be achieved, and that workers may be hurting in the process? Given that this situation is occurring, I would argue that it is no longer acceptable for researchers to act as if they operate in a vacuum. We need to share our results with those people, whether management or workers, whose success and well-being might be changed with some of the knowledge that has recently been gained.

If this model is pursued, however, it would not be appropriate to simply share our results. Instead, a more productive course would be to conduct further research with those affected, rather than on those who are affected. This would mean involving all affected parties, including legislators, management and workers in setting the research agenda, and encouraging their participation in deciding the appropriate methodology for further research. While not underestimating the enormity of the change from current practice this would reflect, research on changing employment relations in particular, and our understanding of work in general, would become more relevant if this strategy were to be followed.

CONCLUSION

Given the preceding discussion, it would be redundant to reiterate that work has indeed changed. However, it would be worthwhile ending this chapter reiterating several truths. First, the recurring theme within all the changes in employment relations is the extent to which employees are losing opportunities to exert control over their work, their workplaces and their work lives. Yet, workers both feel better and do better when they believe they can exert control. Consequently, to ensure higher levels of employee performance and psychological well-being, an intensive examination of current employment relations, and in what direction they are headed, is urgently required. Second, it is obvious that organizations need to be more productive and profitable. It is equally obvious that psychological and physically healthy employees are in the best position to help their organizations achieve this aim. Focusing solely on higher levels of productivity in the short-term is no longer appropriate, and it now behooves governments, employers, unions and academics to simultaneously generate ways of ensuring the productive well-being of corporations and the psychological well-being

of employees. Last, but by no means least, while work has changed dramatically, there is absolutely no indication whatsoever that work will become any less important psychologically to employees in the future. Instead, because of its role in ensuring that financial necessities can be met, and the role of employment in overall psychological well-being (Jahoda, 1982), work will remain central in our lives. Accordingly, government, management, workers, unions and academics need to intensify their focus on the meaning and consequences of changes in employment relations.

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