BOOK REVIEWS

HRM, Technical Workers and the Multinational Corporation. Patrick McGovern. Routledge: 1998, hb 184pp. ISBN 0-415-18487-8

Pat McGovern's pioneering contribution to the sociology of work in Ireland is the first major in-depth study of the impact of contemporary management practices on a key and rapidly expanding sector of the Irish workforce – chemists, engineers and technicians. The empirical evidence on this technical sector of the Irish service class is based on critical case studies of matched pairs (two union, two non-union) in the branch plants of four multinational firms in the elite high technology sector. Illustrative extracts from his interviews with employers, managers and technical professionals are used extensively throughout the text. These provide illuminating and realistic insights into the perceptions, frustrations, values and attitudes of the key players involved.

The main theoretical focus is on examining the management of technical labour in order to assess the validity of recent research which has suggested significant qualifications to Alan Fox's (Beyond Contract, 1974) micro-sociological model of trust relations. The traditional application of Fox's model of 'high-trust high-discretion' to the employment of professional and technical workers in the service class proposes that their organisational integration is best explained by their moral commitment to the goals of their employer. McGovern's results complement recent studies which find that multinational employers do not simply trust their professional employees. They do not trust them as they have applied a range of labour control mechanisms to them.

Each of the four MNC employers implemented a range of formal managerial policies that were designed to coordinate, monitor, evaluate and reward the work of their professional staff. In doing so, they extended the principles of bureaucratic rationalisation into the employment of professional and managerial workers with the intention of achieving greater predictability, calculability and control in relation to the behaviour of these employees. While this is of interest in itself, it is of particular significance here because it shows that these employers did not simply trust their professional (and managerial) employees to act in their best interests (p. 148).

This is an important finding in an era when ideas of trust, empowerment and partnership are often simplistically presented in Ireland as a panacea for managing all levels of the employment relationship and psychological contract. McGovern suggests that Fox's use of the concept of discretion should be replaced by that of responsibility as employers were more concerned with the allocation of responsibility than with discretion *per se*. Furthermore, he argues that variations in levels of responsibility provide a more consistent criterion for distinguishing between chemists or engineers and technicians.

His empirical research is presented in separate chapters on the recruitment, work

organisation, supervision, payment, and promotion of these employees. He finds that their employment was subject to bureaucratic controls while also being influenced by labour and product market trends. The management of these firms were, however, still dependent on the professional values of these workers and, more specifically, on their job and career commitments. Where the commitment of these technical employees was not acknowledged and rewarded, it resulted in extensive criticism of what was mostly perceived as management incompetence. Contrary to the predictions of the new working class theorists these criticisms did not lead to challenges to managerial authority. Instead the involvement of these employees in their organisations and their sense of professionalism was such that they merely demanded more effective management.

He finds that remuneration practices were primarily concerned with the maintenance of competitive levels of pay, status differentials and seniority-based pay rather than with the development of individual performance related rewards. While there was some element of performance pay within the various systems, this was not the guiding principle. Payment systems were organised around clear status differences between the salaried and hourly employees, these differentials being consciously maintained by the employers. Employment structures and practices in the MNCs are viewed as reflecting more general changes taking place in the Irish class structure. The increasing specialisation and differentiation of the labour force in parallel with the expansion of the education system has led to the increased use of educational credentials in selection for jobs. The principal 'sorting device' is the Irish education system and the 'piece of paper'. Staffing practices in all four plants were solidly based on the principle of market exposure. Contrary to the prescriptions of the 'best practice' HRM literature, employers did not rely on internal job hierarchies as a means of staff retention and development. Entry points between internal and external labour markets for technologists were quite fluid. This was particularly obvious in two areas.

First, ever more qualified staff were recruited in specific occupational areas. Technicians were only appointed if they held NCEA diplomas, while engineers and chemists required postgraduate qualifications. This qualification inflation placed a 'graduate barrier' on technicians' career paths as they could not move up from technician to associate engineer, as is common within the professional logic of the German skill system. From a position of massive technical emigration of technologists from Ireland in the mid 1980s one now regularly hears discussions of technical skill shortages. This pool of experienced technicians frustrated by the bureaucratic logic of the Irish skill structure probably represents a source of human, intellectual and technological capital which is underutilised. This reviewer personally knows a number of technicians with master's degree level qualifications frustrated by this bureaucratic and unprofessional barrier – it needs to be removed.

Second, employers preferred to recruit younger, cheaper and more qualified individuals from outside the firm rather than promote more experienced staff internally.

This was particularly true of technicians but also of engineers and chemists who, often frustrated by the lack of technical career opportunities within the project directed systems in the branch plants, left to further their careers elsewhere. This flow of frustrated engineers and chemists was not stemmed by the employers but exploited by them as it allowed them to recruit 'cheap fresh blood' in the external labour market. This also avoided the problem of holding on to and motivating professionals who, in many cases, had become bored and frustrated by the narrow range of technical and scientific activities available in most Irish branch plants. McGovern notes that only one of the plants undertook something approaching genuine R&D activity and cites a manager who stated that 'there is no genuine R&D in Ireland'. He concludes that it is unlikely that there ever will be so long as the best Irish chemists, engineers and technicians are employed by the branch plants of multinational corporations in relatively mundane technical and scientific activities.

McGovern's analysis is comprehensive, concise, critical and eminently readable. This book is essential reading for reflective technical professionals, students and researchers in human resource management, organisation behaviour and the sociology of work, and policy makers in the field of technical and scientific higher education. Extracts should be required reading on every certificate, diploma and degree level technical curriculum in Ireland.

David O'Donnell,
Graduate Centre of Business, University of Limerick

Corporate Financial Crisis in Ireland, Edward Cahill. Gill and Macmillan: 1997, Dublin, £35 (hb).

Over the last ten years a number of major Irish companies such as Goodman International, GPA and PMPA have either collapsed or been on the verge of extinction. Many of these had previously been highly successful. Some were even on the verge of becoming industry leaders in the global marketplace. So why did they fail? Edward Cahill claims that in many instances the founding entrepreneurs and their families were at fault. By combining the roles of major shareholder, chairman and chief executive they were able to dominate other shareholders and directors to the point where high risk expansion projects were pursued with the willing assistance of 'soft' banks despite weak financial control, poor management accounting systems and limited human resources. Variations of this argument emerge repeatedly in his detailed case studies of recent financial crisis in nine major Irish companies: Goodman International, Kentz Corporation, Xtra-vision, GPA, Arthur Guinness, P.J. Carroll, Irish Press, Waterford Wedgwood and Irish Shipping. For example, the dominance of the founder's instincts as a 'trader and dealmaker' in Goodman led the company into an unbalanced growth strategy. Mistakes