

Holger Lengfeld: **Mitbestimmung und Gerechtigkeit.
Zur moralischen Grundstruktur betrieblicher Verhandlungen**

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Neither simple interest oriented nor a consensus oriented analysis of industrial relations is adequate to explain actions in industrial relations.

It is Lengfeld's conviction that interests and values are complementary to bargaining activities. Only legitimate interests lead to powerful actions.

He intends to predict the *Betriebsrat* bargaining power by these factors.

Beyond this, Lengfeld demonstrates that these ideologies are determined by structural factors in the organization, e.g. hierarchy and social integration at the work place.

This empirical approach to social justice is new in industrial relations, and research in *Mitbestimmung* has a long tradition. Most of these hypotheses can be demonstrated in his dissertation through a case study and a quantitative analysis of nearly 800 interviews, comprising employees, managers and works councils. This is a unique research approach in the long tradition of research in this field, therefore, and is therefore another novel aspect of this book.

In Part I he gives a concise review of past research in works councils' efficiency. Interactional approaches were developed only recently, but these do not combine interests and values in their approaches, as Max Weber did in order to explain legitimacy.

Part II introduces the US *organizational justice* – approach, hardly used in Germany until now.

Based on earlier research of Liebig (1997) he develops four expressions of justice based on hierarchy (grid) and social integration (group):

- high control by hierarchy and high solidarity leads to corporatism
- low control by hierarchy and high solidarity leads to collectivism
- high control by hierarchy and low solidarity leads to fatalism
- low control by hierarchy and low solidarity leads to individualism.

Whereas for the first two ideologies Lengfeld sees high legitimacy of co-determination in its function to formal bargaining (corporatism) or co-management (collectivism) the last two are low in legitimacy and entail only legal security (individualism) or no function at all (fatalism). Therefore a works council will be more powerful and efficient in the first two cases, because there is more support from employees brought to the bargaining table and this is true for all actors, employees, works councils and management. To investigate what is seen as a just distribution of income is Lengfeld's intention as well as to find out what ideology of a just distribution the different actors have. Whereas *individualism* and *fatalism* in the mind of employees and works councillors lead to less efficiency for the works council in bargaining, it is *corporatism* and *collectivism* in these actors as well as management's mind that makes a works council more powerful.

How power is transformed to the bargaining table is, however, not really explained in his argumentation.

In Part III most of these hypotheses are demonstrated through qualitative interviews and a quantitative analysis of 21 companies. He can also demonstrate statistically by factor analysis four clusters of companies with dominant ideologies. In his empirical research Holger Lengfeld refers to four case studies which demonstrate that these four ideologies can be identified in reality.

In the more interesting quantitative study, a project that was originally conducted to follow the introduction of group work, he finds the four ideologies by factor analysis and groups the 21 companies according to these ideologies. He can also demonstrate statistically by factor analysis four clusters of companies.

That the concept of “efficiency of works council” is only efficiency in the opinion of individual actors and not measured in reality is not mentioned in the book until the end.

Lengfeld’s central hypothesis is that the more workers regard their remuneration as just, the more they support the works council. This thesis is introduced without reference to earlier research. Only when the works council is made responsible for this situation this may be the case, a condition introduced by Lengfeld much later. His hypothesis is, however, supported by his empirical analysis as well as the ideology of collectivism of workers as the highest support of the works council. As an example, the missing change of the wage system after introduction of group work leads to a higher feeling of injustice.

For the other dependencies: fatalism and individualism is in fact dependent on social integration and hierarchical control, corporatism and collectivism on seniority and age (more corporatism with higher age) or size of the organization (the larger the company, the more collectivism). Fatalism is a state of mind that does not lead to any result for employees, managers or works councillors.

One lesson, however, is also that individualism (particularly in smaller companies) may be a powerful tool for management to reduce works councils bargaining power.

In some parts of the discussion Holger Lengfeld tends to fill analytic holes with intensive interpretation. For example, whereas legitimacy is only mentioned in the preliminary sentences on page 100 we find the four ideologies of justice interpreted by the dimension of legitimacy, low for individualism, very low for fatalism, high for corporatism and collectivism. This necessary link in his chain of arguments is filled with descriptive words, not with reference to a theoretical base, nor by reference to Weber as mentioned in the beginning to increase his own legitimacy.

What is to be learned from Lengfelds new approach to interpreting and explaining industrial relations at plant level?

In his conclusions he suggests how to overcome fatalism. More important, however, is that Lengfeld introduces the feeling of justice as an intermediate variable between interests and their structural determinants. Therefore:

- Social justice in organizations is a variable of high relevance that must be controlled in further research.

- Further research should adopt Lengfeld's approach and continue with more objective indicators beyond opinion surveys.
- Quantitative research with more than one actor is a must in the future.

Therefore, Lengfeld's dissertation on "Co-determination and Justice" is a very innovative and potentially influential approach. It may be also very interesting for practitioners.

References

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Dietzfelbinger, Daniel / Thurm, Ralph (Eds.):

Nachhaltige Entwicklung: Grundlage einer neuen Wirtschaftsethik

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As editors of the book, Daniel Dietzfelbinger and Ralph Thurm examine the question whether sustainable development can or should be used as a basis for business ethics. This was also the main issue discussed at the 10th conference of the German Network of Business Ethics (DNWE) in April 2003. Like the umbrella organization, the European Business Ethics Network (EBEN) situated in Oslo, the DNWE wants to promote values-based management, ethical leadership and increased awareness of companies' responsibility in society.

More than 150 participants attended the conference, which was divided into plenary sessions and four workshop tracks. Dietzfelbinger and Thurm selected 13 articles from the conference for the 12th DNWE publication series with the title "Sustainable Development: Basis of a new Business Ethic". The focus of the articles in this book is how to realize sustainable development in business practice.

With the first of four plenary articles *Claudia Wippich* opened the conference by asking whether sustainable development is "nice to have" or of vital importance to society. Working for an insurance company, she concludes that all companies will benefit from sustainable development. However, businesses have to be convinced to face their problems with sustainable concepts especially by networking with partners. The next two articles comment on the world conference "Rio+10" in Johannesburg in September 2002, in a similar way: partnerships have to be emphasized for gaining sustainability. *Maritta von Bieberstein Koch-Weser* sees a change towards informal networks of committed citizens and social product organizations. *Franz J. Rademacher* describes sustainable development as a business design obligation which is a big challenge for world politics. The eco-social market economy is, according to Rademacher, the only

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chance for a peaceful and sustainable future. The last plenary article with a philosophical view from *Annemarie Pieper* is concerned with blind spots in economics. She goes back to Aristoteles who speaks of inseparable moral, economic and political acts. Instead of a profit maximizing homo oeconomicus she sees a development towards a "homo oecologicus" as well as a tendency for "careholder" instead of shareholder value. She explains this future orientated view as society being more engaged in ecologic and social problems instead of economic growth and personal profit.

The first workshop with the title "Incentive systems for sustainable development" starts with an article about the tradition of sustainability of Faber-Castell, a German producer of writing products. Hermann Belch argues that their success goes along with responsibility for customers, employees and the environment. Sustainable integration of employees is the title of the next article from *Martin Schütte*. The personnel of a company as most important strategic success factor is, according to Schütte, the only truly scarce resource. Therefore, management has to take care of the motivation, identification and integration of employees.

The "Stakeholder Dialogue", title of the second workshop track, contains three articles. *Andreas Suchanek* sees the stakeholder dialogue as a possible consensus model, so that societal cooperation leads to mutual advantages. *Ralph Thurm* states that sustainable development needs transparency. He concludes that on the basis of a stakeholder dialogue integrated sustainability reporting is required as part of a corporate governance strategy. *Axel Klein and Andreas Steinert* see the stakeholder dialogue in relation to sustainable development, more as a dialogue with critical NGOs and politics. Only through such a "trialogue" can societal consensus become possible.

In the third workshop the "Cultural Accordance" of sustainable development was discussed. *Daniel Dietzfelbinger* presents a concept of corporate responsibility for the future in the case of MAN. He describes how MAN focuses on responsibility towards customers, investors, employees and society in their corporate culture. Then *Ignacio Campino and Johannes Hoffmann* reported on the cultural contribution of companies in the case of Deutsche Telekom AG. They understand sustainable development as responsibility in relation to nature, social and cultures. Heinz-Dieter Koeppel discusses the perception of sustainability in other cultures in a similar way. Thus, sustainability as a fundamental of a healthy economy, based on the economic, ecologic and social dimension, has to be supplemented by political and cultural dimensions.

From the last workshop with the title "Which innovations are required for sustainability?" only one article is presented in this book. *Nico Paech* discusses whether sustainability and innovation are mutually contradictory. Firstly, product and process innovations are, according to Paech, mere excuses for economic growth. The second dimension of service and system innovations reflects on new forms of satisfying needs. Paech concludes that the dominant orientation towards innovation has to be questioned and follows aesthetic simplicity as a new paradigm.

All in all the articles presented at the DNWE conference give valuable insights into the recent discussion of sustainable development. In summary two aspects were frequently prominent. On the one hand many authors see increased relevance of businesses networks and the discussion of critical aspects in sustainability also with critical

groups. On the other hand the integration of a cultural and political dimension in sustainability was discussed. The ethical perspective in this book contributes to the global business perspective in German literature of sustainability (Majer 1995, Hardtke/Prehn 2001, Leisten/Krcal 2003). Therefore sustainable development has to be emphasized as an interdisciplinary field of research.

In future, sustainability will play a major part of the agenda in world politics. For example, the German government published a concept of sustainability as a future basis for society (Deutscher Bundestag 1997). However, according to Dietzfelbinger and Thurm, the question of how the concepts can realistically be transformed into practice has to accompany the discussion.

Thus, Dietzfelbinger and Thurm present a book with highly innovative aspects that can be seen as basis for further discussion and research, aspects required in the field of sustainable development and business ethics.

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