must meet both criteria: They must achieve personal and substantive organizational goals but adhere to procedures even when those procedures do not serve either set of goals. For procedures, not outputs, are at the core of bureaucracies. It is the necessity of circumventing procedures to get things done while at the same time satisfying procedural rules that requires the invention of cover stories.

The same argument underlies Jackall's analysis of the role of the bureaucratic ethic in the moral order of society. Just as managerial cover stories weave together facts and ethical principles to conceal tensions between procedural, personal, and substantive goals inside organizations, public relations activities do the same for communication between organizations and their publics. Managers engaging in external communication often invent and disseminate cover stories that legitimate organizational decisions, mistakes, and policies to the outside world. They too must choose not only appropriate moral justifications for their decisions and actions according to the audience to whom they are communicating, but also stories that are consistent with their social context (that is, cover stories in one industry may take different forms from those in another).

These explanations are particularly enlightening because they do not rely on so-called "moral crisis" arguments proposed by business scholars and journalists or on bare-bones rational-choice arguments proposed by economists and sociologists. From the moral crisis perspective Jackall's findings would illustrate a loss of ethical verve by American business and political leaders that has filtered into every part of American life. The rational choice view would lend greater weight to the inexorable self-interest of people and see the situational ethics that Jackall describes as generalizable across all organizations and historical epochs. Jackall, like Weber before him, argues more convincingly that the roots of the moral order of modern managers lie in the social structure of rational-legal bureaucracy. *Moral Mazes* is a finely crafted work that can and should be read by both scholars and practitioners interested in organizational life. It will surely be the standard by which to measure future studies of morality and bureaucracy.

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Trends in the Job Arena

Employment Futures. Reorganization, Dislocation, and Public Policy. PAUL OSTERMAN. Oxford University Press, New York, 1988. xii, 207 pp. $24.95.

Consider the labor market for professors. It is shaped by an unusual institutional arrangement—tenure, a guarantee of almost lifetime employment after successful completion of a 6-to-10-year probationary period. Of course, professors do change jobs, and the forces of supply and demand govern both the rate at which this occurs and the compensation received. Nevertheless, these market forces, as well as the other conditions of life in this labor market—worker levels of effort over the life cycle of employment, employer monitoring of worker performance and employer decisions regarding compensation and promotion, worker turnover rates—are adjusted to the central fact of essentially complete job security for tenured workers.

This represents an extreme version of what Osterman calls the salaried model, in which, after a probationary period, employment security with the firm is essentially guaranteed. Some (albeit weaker) version of this model characterizes much white-collar and some blue-collar employment. Juxtaposed to this is the industrial model, in which the employer adjusts the size of the labor force at will, typically in response to changing market conditions. Osterman organizes his discussion of labor markets and employment policy around the contrast between these two "ideai type" employment systems. In so doing he contributes to a growing literature in which labor market analysis is enriched by the attempt to *jointly* consider market forces and the institutional arrangements within which they are operating.

The book has two main concerns. The first of these is to summarize labor market facts and trends in the current time period. The second is to suggest a national employment policy responsive to these facts and trends. Central to both discussions is the difficulty in finding reemployment, and the lower wages when it is found, encountered by some laid-off experienced workers.

Osterman defines a laid-off worker as a "loser" from the experience if he or she has either failed to find a new job or found one but had to take an earnings cut of 25% or more. Using data collected in 1984, he finds that one year after layoff, one-third of workers can be defined in this way. (This finding is replicated with 1986 data.) The chance of falling into this category is increased if the worker is black, poorly educated, or blue-collar or (among those reemployed) finds work in a different industry from the one she or he was laid off from. Osterman concludes that this reemployment difficulty faced by experienced workers constitutes a legitimate issue for an active national employment policy. By contrast with those of other writers, his policy prescriptions aim at fundamentally altering certain of our labor market institutions. These institutions, he believes, are the cause of the problem.

This brings us to the contrast between the salaried and the industrial employment models. These are the two alternative, dominant models defining the internal labor market arrangements (job classification, movement of workers across jobs, security, wage rules) of core (non–low-wage) firms. The industrial model resulted from union successes in the 1930s and was solidified in the postwar period. It involves narrowly defined jobs, with wages attached to the job rather than the individual. The ability of management to redefine work and transfer workers across jobs is limited. However, management *is* free to lay off workers at will, generally via reverse seniority. Through imitation and union-threat effects, this employment system has spread beyond its original stronghold of blue-collar jobs in unionized firms and industries. Nevertheless, it is still primarily a blue-collar employment system.

By contrast, the salaried model is typical of much white-collar employment. Here, job descriptions and career lines are more flexible and wages are set on a more personalistic basis. Workers provide a flexible response to the firm's needs in return for a commitment to avoid layoffs except under extreme circumstances. The firm's commitment to the worker's job security is central to this model. Osterman quotes the personnel director at IBM: "We believe that if people are not worried about being laid off they are flexible in making the changes we ask of them." Temporary workers, overtime, and outsourcing provide buffers against market shocks.

In the author's view, we are at the beginning of a time of change in these internal labor market arrangements. The industrial system is under pressure from new technologies that are altering traditional job classifications and whose demand for worker flexibility pushes employers toward a version of the salaried model for blue-collar workers (a push they sometimes resist quite strongly, bargaining hard for changes in work rules without concessions on their part). On the other hand, competitive pressures and new technologies have in some cases led to employment reductions among white-collar workers, calling into doubt the job security of the salaried model. Employers faced with such market pressures have in many cases opted for a two-tier model, in which they continue to guarantee the job security of a core group of white-collar workers, while using a peripheral group of temporaries, part-timers, and others who do not receive this guarantee.

How does all this relate to the difficulty in finding reemployment, and the lower wages when such employment is found, of experienced, laid-off workers? Osterman believes that these reemployment difficulties are a central fact of the current functioning of internal labor markets, whether under the industrial or the salaried model. That is, both models are based on hiring at lower levels and advancement "through the ranks." Workers understand this and thus strongly desire the security guarantee. Yet employers, who may wish to move toward the salaried model for their blue-collar workers, are also feeling market pressures to weaken the security guarantee for salaried workers, be they blue- or white-collar. In the ensuing struggle between workers and employers both sides may lose. In particular, the good faith upon which the salaried model trade-off is based—worker flexibility and initiative offered in return for employer guarantees of job security—may begin to erode.

Osterman would like to shore up the salaried model and see it extended to the entire labor force. He proposes this as a goal of public employment policy. A review of such policies in Germany and Sweden is used to argue that employment policy can be successfully directed to the characteristics of firm internal labor markets.

Osterman's concrete suggestions are as follows. First, expand the current employment and training system. Pay for this with a percentage tax on firms based on their payroll. Second, base this expanded system in local agencies built up by consolidating and expanding currently existing Private Industry Councils and Service Delivery Agencies (initiated under the Comprehensive Employment and Training Act but expanded under the Job Training Partnership Act). Place local Employment Service offices under the administrative control of these expanded local Service Delivery Agencies. Finally, direct these agencies to decrease the penalties of job loss for local workers through both safety net (unemployment insurance, extended health insurance) and employment and training efforts. Creative experiments might be tried. For example, it is often observed that firms simultaneously lay off some workers (say, middle managers) and hire others (technicians and salespeople). In this situation, the local agency might offer subsidies to firms that are willing to retrain workers due to be laid off for other jobs that are becoming available. In Osterman's view, such public policy efforts to increase workers' job security and decrease the costs of layoff can aid firms in maintaining or moving toward the salaried model.

What should be made of these analyses and policy suggestions? The issues may be usefully concretized by returning to our beginning point, the labor market for professors. Here the tenure system provides an extreme example of Osterman's salaried model. This system offers complete job security (through age 70), within which at least some professors gracefully lose their research (and even teaching) momentum and essentially "retire on the job" with impunity. There is little doubt that in the absence of the institution of tenure at least some professors would face the job loss, and difficulty in finding comparable reemployment, that Osterman finds for the labor market as a whole. In this event, would we welcome Osterman's proposals to reform the system?

Perhaps. On the one hand, efforts to increase the security, better the life chances, and more fully utilize the skills of experienced workers must be applauded. On the other hand, one might be skeptical of the government's ability to perform non-wastefully in an area such as this, where every provision of subsidy seems to be accompanied by perverse incentives. Indeed, just these arguments have been made with regard to federal employment and training policy. However, whichever side one comes down on, it is difficult to dispute the argument that institutional arrangements play at least as large a role as market forces in determining both problems and their potential solutions. It is in fleshing out the picture of these two forces at work within current American labor markets that Osterman makes an undeniable contribution.

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Pay Equity: An Effort at Implementation

Wage Justice. Comparable Worth and the Paradox of Technocratic Reform. SARA M. EVANS and BARBARA J. NELSON. University of Chicago Press, Chicago, 1989. xiv, 224 pp., illus. $24.95. Women in Culture and Society.

The ideological debate surrounding comparable worth has been fierce. Opponents have called it "the looniest idea since Looney Tunes" (p. 4) and "a repeal of the law of supply and demand" (p. 65); according to proponents comparable worth is "the issue of the 80s" (p. 4) and will lead to "a fundamental revaluing of women and their work" (p. 170). *Wage Justice* is one of several new books that take comparable worth out of the purely ideological realm and bring it under the lens of careful social science inquiry. The book provides a highly readable, analytic examination of an effort to initiate and implement comparable worth legislation at both the state and the local levels in Minnesota during the period 1982 to 1987.

"Comparable worth" is the shorthand term for "equal pay for work of comparable value." In a world characterized by marked occupational segregation—about 60% of men (or women) would have to change their occupations in order for men and women to be distributed equally across the approximately 400 Census-defined occupations—comparable worth policies seek to equalize the wages of jobs done largely by women relative to the wages of jobs done largely by men.

In order to compare their worth, a common currency across jobs needs to be established. Job evaluation provides such a currency by assigning each job a certain number of points on the basis of its particular characteristics: for example, required skill, training, responsibility, effort, and working conditions. Once a job evaluation has been completed, the principle of comparable worth then requires that jobs equivalent in point value be compensated equivalently. The authors note that, as of the summer of 1987, 42 states had engaged in research or data collection on comparable worth, 36 had appointed task forces or commissions, 28 had participated in a job evaluation study, and 20 had provided some comparable worth payments to state employees (pp. 71–72).

Not only the nitty gritty of job evaluation and the politics of lobbying and implementation but also the historical, theoretical, and ideological context of comparable worth are explored in the book. Chapter 2 places the efforts to achieve comparable worth legislation in the broad sweep of American labor history. In chapter 3, the authors compare the neoclassical economic theory with the institutional economists' approach to labor