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Value of Joint Programs Underestimated

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Value of Joint Programs Underestimated

Abstract
[Excerpt] I am happy to comment on a provocative monograph that raises important issues for union policies and strategies.

The authors make two main points:

1. Unions should be proactive in developing worker participation programs in industry and should push them beyond the shopfloor into strategic economic and technological issues.

2. As far as possible, worker participation programs should be controlled by the union. Union leaders should firmly reject programs jointly controlled by union and management.

I agree with the first point and disagree with the second. I also question what I see as a bias in selecting case examples to support the Banks-Metzgar thesis. If authors are free to choose any cases to support their arguments, they can "prove" almost anything.

Keywords
worker participation programs, bias, policy, strategy

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Response

Value of Joint Programs Underestimated

■ *William F. Whyte*

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The bias issue arises in the most clear cut form in the authors' use of the Harrison Radiator case, where the cost study team was organized and controlled exclusively by the local union. The case was drawn from *A Fighting Chance*, a book published by Programs for Employment and Workplace Systems in Cornell University's New York State School of Industrial and Labor Relations. What Banks-Metzgar do not mention is that *A Fighting Chance* also discussed two other cases (ACTWU Local 14A at Xerox Corp. in Webster, New York, and UAW Local 2100 at Trico Products Corp. in Buffalo) in which the cost study team was a

joint project of the union and management.

Drawing Lessons from the Cases

If we look at the three cost study team cases in the Cornell book instead of just focusing on Harrison Radiator, what conclusions can we draw? My conclusion is that what the union should do depends very much upon the recent history and current nature of union-management relations in its particular company. Banks and Metzgar take a contrary view based upon the implicit assumption that U.S. management is monolithic, that all managers act toward the union in the same way, and therefore that a universal prescription can be written.

In the Trico case, management and the UAW local had been experiencing a fairly conventional adversarial relationship. Furthermore, by the time our Cornell team was able to get involved with this case, the chief executive officer had already persuaded his board of directors to go the *maquiladora* route, shifting assembly operations to plants under construction in Matamoros, Mexico and Brownsville, Texas. Furthermore, the CEO refused to put the construction projects on hold during the time when the cost study teams were carrying our their analyses and preparing their reports. Complete success on these projects would have required the CEO to reverse course, write off some millions of dollars already invested in the *maquiladora* plan, and shift the investments into the Buffalo operations. In a project operating under such extremely adverse conditions, it seemed extraordinary that several hundred jobs were saved, according to union leaders.

In the Xerox case, the joint program was built upon a foundation of a long history of relatively cooperative union-management relations. Here the joint cost study teams were spectacularly successful, from the standpoint of the union and management. They have been credited with saving over 900 jobs and helping to make possible a 21% increase in employment in the Webster, New York plants between January 1983 and July 1988. The ability of the parties to work together to save jobs also made it possible for the ACTWU to secure an extraordinary employment guarantee in the 1983 and again in the 1986 contracts with Xerox. The clause guaranteed against layoffs any member of the bargaining unit who had at least three years of seniority with the company. Finally, as key members of management, working with the cost study teams, persuaded themselves of the value of this participative strategy, management extended worker participation into the

design process for building a new plant and also into the research and development program. Management reports now that the reorganized program for research and development has reduced by more than 50% the time it takes Xerox to bring a new product to the market. In a highly competitive field, profitability and jobs frequently depend upon how quickly the company can get a new product to the market, so these participative changes have been of major benefit both to labor and management.

In the Harrison Radiator case, when the union leaders and members of management who had been involved in the warehouse project met with their counterparts in Xerox and ACTWU in a December 1988 workshop at Cornell to review and evaluate their experiences, the union leaders told us that they themselves had doubts about their go-it-alone strategy. They had insisted on that strategy because they did not trust management at the time, but they were still hoping to develop relations that would make it possible to carry out joint projects in the future.

Questioning Implicit Assumptions

I question the implicit assumption underlying the argument against joint programs. According to the Banks-Metzgar thesis, joint programs enable management to learn valuable worker secrets to use against workers in the future and also help manage-

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ment to manipulate workers so as to change their attitudes and behavior. The unstated corollary of that proposition is that a joint program has no effect upon the attitudes and behavior of the managers who are involved in it and furthermore provides no worker opportunities to share in management secrets.

As a general proposition, that argument is patently false. In the Xerox case as well as in others we have observed over the years, wherever a joint participative program has been fully implemented and has produced good results, it has also had important influences on managerial attitudes and behavior. Where the union leadership plays a strong role in the joint program, it is unrealistic to assume that the program can be used simply to extract worker secrets for the benefit of management. In the normal course of business of any large and complex organization, there are innumerable management secrets that could be useful to the union, but they have traditionally been withheld in defense of managerial prerogatives. When a joint program is successfully conducted, traditional managerial prerogatives tend to be breached in important ways. For example, in the Xerox case, management agreed to provide the members of the cost study teams with any financial and operating information that might be useful to them. Without this deep penetration into traditional management secrets, it would have been impossible to achieve the results gained by the Xerox cost study teams.

I would also question another implicit assumption underlying the Banks-Metzgar thesis: that the role universally played by American managers involves simply exploiting workers, without contributing any intelligence to the organization of the production and the assembly operations. Over the years, I have seen various cases that fit that model, but I have also seen cases where managers have learned from experience to respect the intelligence and job knowledge of workers and have devised creative ways to help the parties work together for mutual advantage.

The history of labor relations in this country provides more than enough evidence to suggest that workers and union leaders should be skeptical regarding managerial intentions and competence, but it is poor policy for union leaders to assume that every management has the same exploitative characteristics or that managerial behavior cannot be changed to the advantage of workers when the parties get together on joint projects, with strong union leadership.

Finally, I question the authors' thesis on the "ideology of cooperationism." I agree that the main benefits to be gained from participation arise from the information and ideas possessed by

workers, but how can these payoffs be obtained? Many important ideas do not get expressed initially in a form that clearly proves their practical value. A good idea may come encumbered with technical problems. Where mutual respect and trust prevail, the parties will try to resolve those technical problems so as to transform the idea into action. Where mutual respect and trust are lacking, good ideas have much less chance of being refined and acted upon.

No doubt there are managers who hope to use participation simply to secure more willing worker compliance with managerial actions, but such an orientation does not fool workers for long. If they do not see their participation producing changes in company policies and managerial behavior, they decide management is not to be trusted and withhold their cooperation.

Attitudes of mutual respect and trust should not be regarded as ends in themselves but rather as conditions influencing the ability of the parties to achieve their objectives in the collective bargaining relationship. ■