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Competitiveness & Worker-Management Relations: A Review of Selected Recent Studies

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Competitiveness & Worker-Management Relations: A Review of Selected Recent Studies

Comments

Report Submitted to the Commission on the Future of Worker-Management Relations

Incorrect date listed on document.

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* Future Warker - Management

June 21, 1792

Competitiveness & Worker-Management Relations

A Review of Selected Recent Studies

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INDUSTRIAL AND LABOR RELATIONS

Cornell University

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Economics and Statistics Administration
U.S. Department of Commerce

Purpose of Briefing

Relate recent work on competitiveness issues to worker-management relations.

- 3 of 18 Council on Competitiveness/Harvard Business School Project papers are reviewed
 - International Differences in Labor Turnover (Blinder and Krueger)
 - Human Resource Development and Utilization (Kochan and Osterman)
 - Capabilities and Capital Investment: New Perspectives on Capital Budgeting (Baldwin and Clark)
- Second Annual Report of the Competitiveness Policy Council
- Other studies reach similar conclusions

Findings

Human resource management and enhanced worker participation are increasingly critical elements of competitiveness

Worker-Management relations are affected by all competitive forces, but most directly by:

- Education and Training
- Investment
- Workplace organization
- Compensation

Worker-Management relations are determined by the private sector but influenced by public policy and economic conditions

Council/Harvard Study Highlights

Divergence of Interests

- The U.S. system creates a divergence of interests among shareholders, lenders, investment managers, corporate directors, corporate managers, and employees.
- Foreign systems are different, but not necessarily better or worse
- Need to learn from others where appropriate
- American system can benefit from small changes—not wholesale adoption of the way others behave

Focus on investment—tangible & intangible

- Plant and Equipment
- Human resources
- Research and Development
- Education

Compensation - health insurance imedical and dentall ---- various types of insurance _ Lenal Compensation -- pension provided by state - nension provided by the company - unemployment insurance L- workman's compensation insurance - Basic Compensation (Salary) ----- Noge, Nonus .- company owned house - Additional Compensation ----- Housing ----- dormitory - ment (restaurant for unployee, midulate snack assistance) - Llylnu --- co-op store - educational facilities - unlform - Commuting Allowance L. Provision of old age. - retirement allowance Economic Compansation . - age-limit system - installment savings - safety and health control - Health Core - company hospital - expenses for medical - locker room, bath room - working hours Life Security -- security for accidents. - life insurance - deposit for housing (special interest rate 7,22 a year) - Property - deposit for properly - loans for housing - employee's stock holding system Others — marriage pay, funeral pay, loans - Human Relations ----------- Sports, Culture, Recreation -__ company home for rest and recreation - sports and culture facilities - assistance for athletic meetings etc. tiental Companesation - recreation allowance • Career Development -- personnel activities L job training Competitiveness & Worker-Management Relations

Alternate Human Resource System

	Traditional	Transformed
Workplace Level	258	8
Job Design	Narrow	Broad
Job Assignment	Single Job	Job Rotation
Work Organization	Individual Jobs	Teamwork
Training	Job Specific	Broad Skills
Career Progression	Seniority Based	Competency Based
Supervision	First Line Management	Team Leader
Quality Control	Specialized Function	Team Function
Participation	Grievance Procedure	Employee Involvement
Personnel Policy Level	8	
Pay Criteria	External Comparison	Individual Performance
Staffing	Layoffs	Continuity Commitment
Training & Development	Limited	Major Commitment
•		

Building Capabilities

Organizational Capability \Rightarrow Competitive Asset

Internal Integration

Speed and Productivity

External Integration \implies Quality

Flexibility \implies Variety & Responsiveness

Capacity to Experiment

Incremental Innovation

Capacity to Cannibalize

Radical Innovation

Competitiveness Policy Council

High-performance workplaces

- Improved skills and work organization cannot be separated
- Individuals, firms, union, and government must work together
- Create environment of life long learning and constant improvement
- Find synergy between government resources and private initiative

Standards based school systems

- Curricula relevant for tomorrow's job market
- School to work transition
- Individualized student incentives