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The Texas Instruments Experience

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The Texas Instruments Experience

Comments

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HOT TOPIC
"Future Worker"

U.S. COMMISSION ON THE FUTURE OF WORKER-MANAGEMENT RELATIONS

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**CONFERENCE ON INTERNATIONAL EVIDENCE:
WORKER MANAGEMENT INSTITUTIONS AND ECONOMIC PERFORMANCE**

PANEL 4

**MULTINATIONAL CORPORATIONS IN WORKER-MANAGEMENT RELATIONS AND
ECONOMIC PERFORMANCE IN DIFFERENT NATIONAL SETTINGS**

THE TEXAS INSTRUMENTS EXPERIENCE

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THE TEXAS INSTRUMENTS EXPERIENCE

I. Introduction

Over the past several years, TI has made major changes not only in our business but also in the way we do business. While TI's overseas facilities are located in countries with very different cultures, TI has a global corporate culture which is committed to achieving "Customer Satisfaction through Total Quality." We expect the highest levels of performance and integrity from our people and Tiers around the world are building a quality culture where people are valued as individuals and treated with respect and dignity, fairness and equality. In every country, TI strives to create opportunities for Tiers to develop and reach their full potential and to achieve their professional and personal goals. This paper will focus on what TI has learned from its experience in accommodating its corporate culture to different employee relations systems throughout the world.

II. About Texas Instruments

Texas Instruments Incorporated, headquartered in Dallas, Texas, is a high technology company with 47 manufacturing plants in 18 countries and sales offices in more than 30 countries. We have had a presence in Europe and Asia for over 25 years. TI products and services include semiconductors, defense electronics systems, software productivity tools, printers, notebook computers and consumer electronics products, electrical controls and metallurgical materials.

TI employs over 60,000 people worldwide with 37,000 in the U.S., 10,000 in Asia/Pacific region, 6,500 in Europe, 5,500 in Japan, and 1,000 in Latin America. We have successfully brought together teams of Tiers to start up new semiconductor plants in Japan, Taiwan, Singapore, and Italy. Typically, these teams had representatives from at least four major regions, i.e. U.S., Asia, Europe, and Japan. This was done under a wide variety of employee relations and legal systems with very good results in each location.

III. Communication and Consultation

TI practices open communication both downward and upward and adjusts this company policy to each country's culture as necessary. Whatever the national system, TI works to educate/communicate with all employees about the company's complete business situation.

IV. Decision Making and Dispute Resolution

Depending on the country, decisions affecting the workforce may be made in a company developed framework, (i.e. management committees) or in an externally legislated framework (i.e. works councils). In both instances employee input is an integral part of the process.

All countries have some type of informal (internal) and formal (external) procedures for resolving labor disputes. TI believes that it is in everyone's best interests to agree on a resolution therefore, we first try to settle disputes at the supervisor-employee level. Extensive supervisor training is provided to accomplish this.

V. Economic Impact of National Labor Policy

In deciding where in the world to locate a manufacturing facility, TI considers many factors. The national labor policy and labor costs are but one significant concern. All other factors being equal however, a restrictive, versus a free labor market, would be a disincentive.

VI. Social Obligations

TI and most international companies recognize that social responsibility is an inevitable component of any operation. People management policies are therefore, built around strong principles of ethics, fairness, and good corporate citizenship. The costs involved in this may be optional, direct, or in-line with TI policies, e.g. almost all TIers worldwide enjoy sponsored medical facilities over and above legal requirements; it may be mandated, e.g. high levels of social security payments to fund national retirement and unemployment systems; or the costs may be related to the absence of infrastructure in less developed countries, e.g. buses to bring employees to work, security measures against political instability, taxes, etc.

VII. Conclusions

A. While a company like TI, which is committed to the principles of total quality management, is able to successfully operate in a variety of cultural environments, one cannot assume that the successes of one national labor policy can (or even should) be duplicated in the same way in another country. Cultural differences as simple and obvious as "a collective versus an individual mentality," are very significant. Even within Europe, the diversity in cultures is significant enough to warrant different labor practice approaches.

B. Successful international companies practice "global localization," meaning they think globally and act locally. TI's own experience is that labor relations also succeed or fail at the local enterprise level. Most successful high-performance companies have value-based principles which go beyond the particular national labor policies. Management and employees should have the flexibility to meet their social and commercial responsibilities in the best way possible.

C. In every country, TI's people are its greatest asset. In seeking to redefine labor-management relations in the United States, the government should recognize and encourage policies which promote the development of management-employee cooperation and partnership rather than an environment which assumes adversarial conflict. Too often in the labor relations field we see management and employees locked in a win-lose struggle. Through whatever means possible, the key is to have both parties realize that the enterprise, as a whole, wins or loses against its competition. Therefore, management and employees must seek win-win situations.