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Comments
Includes Scott/UPIU Joint Declaration Statement.

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Future Worker-Management"

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Background Information

FOUR YEARS OF JOINTNESS AT SCOTT PAPER COMPANY AND THE UNITED PAPERWORKERS INTERNATIONAL UNION (UPIU)

John P. Nee, Vice President, Corporate Employee Relations, Scott Paper Company
and
Donald L. Langham, Vice President/Regional Director, United Paperworkers International Union

Presenting to:

Commission on the Future of Worker-Management Relations
Washington, DC
September 15, 1993

General Background Information

Scott Paper Company, headquartered in Philadelphia and with nearly $5 billion in sales, is the world's leading manufacturer and marketer of sanitary tissue products. Its subsidiary, S. D. Warren Company, is the largest producer of quality coated printing paper in the U.S.

Scott makes a broad range of consumer, commercial and health care products including ScotTissue, ScotTowels, Viva, Cottonelle, Baby Fresh, Sani-Fresh soap and dispensing systems, Jumbo Roll Tissue and Promise incontinence protection systems.

Scott's S. D. Warren subsidiary produces a wide array of printing and publishing papers that are used for magazines, textbooks, high-quality brochures, catalogs, and advertising inserts. It was also the first major company to manufacture a premium line of recycled coated printing papers.

Scott has operations in 21 countries and approximately 33,000 employees worldwide. In the U.S., the Company has 15,700 employees, manufacturing sites in 12 states and owns approximately 1.5 million acres of timberlands located primarily in Alabama, Maine and Mississippi. The majority of production and maintenance employees are located at thirteen (13) manufacturing sites, including nine (9) paper mills. All but two (2) of these sites are organized with the United Paperworkers International Union representing over 80% of all unionized workers in the Company (U.S.)

The Company's paper mills are large manufacturing sites employing anywhere from 400 employees to over 3,000. Most production and maintenance employees are engaged in wood handling, pulp making or pulp preparation, operating paper machines, converting, material handling, distribution or maintaining plant and equipment.

The paper industry is one of America's highest paying manufacturing sectors. Scott employees at represented sites average over $15.00 per hour in straight time with average earnings between $40,000 to $50,000 per annum.

The United Paperworkers International Union represents over 200,000 workers in the U.S. and Canada. Scott workers account for slightly less than 5% of the UPIU's membership.

Collective bargaining is conducted site by site. There is no regional or national bargaining in the industry, and very little coordinated bargaining within companies. Each Scott site has its own Local Union(s), and bargaining at the current time typically produces five (5) year labor agreements.

Scott/UPIU Jointness Effort

In February 1989, Scott Paper Company and the United Paperworkers International Union agreed to form a committee of senior leadership of the two (2) organizations for the purpose of first learning about cooperative labor-management efforts or jointness, and then to make an informed decision as to whether or not we could jointly agree to embrace the idea of working together to transform labor-management relationships between Scott and the UPIU.

By August 1989, the Executive Committee of Scott and the Executive Board of the UPIU had both approved a Declaration Statement committing to this work. This Declaration was the first product of joint decision making by members of the newly formed committee. A copy is attached.

The Joint Advisory Committee (JAC) is made up of twelve (12) members. Five (5) of the management members are corporate officers of Scott. Three (3) of the union members are Vice Presidents of the International Union.

Both parties believed there was sufficient reason to change the nature of labor-management relations in Scott. Of the many reasons, there were three (3) in retrospect that stand out.

- Scott had not demanded concessions during the round of industry bargaining in the mid-1980's. Management felt strongly that increased employee effectiveness and improved manufacturing effectiveness could be better achieved through working with its employees and their legal bargaining representatives.

- Change in the workplace is occurring everywhere in the paper industry, with virtually every mill workforce. The UPIU strongly felt they have a right and a responsibility to participate in work redesign and other changes impacting its members. That requires a change in the union's traditional role and it defines a new opportunity to effectively represent its membership.

- Both parties believe that the union can and under appropriate circumstances will enable change to occur as long as they fully participate in the decision-making processes and as long as better business results are reasonably shared with the employee/member.

Beyond being a champion for jointness and supporting the cooperative efforts that are ongoing at eleven (11) Scott sites, the JAC engages in work that is fundamentally boundary setting or barrier removal in nature. Mill management and local union officers at all sites have both a need and an expectation that the JAC will serve as a catalyst for the sharing of learning and accomplishments across sites and will assist by providing clear and consistent direction.

At each unionized site, joint labor-management committees (LMC's) are established. Tangible results are now occurring as we move through this transformation. Examples are:

- Collective bargaining processes and results are much improved. Long term agreements are the norm.

- Each mill and local union, having embraced jointness through collectively bargained enabling agreements, are increasingly more capable of working together and with others to achieve business and workplace improvements.

- Joint LMC's are working on tangible workforce change. Examples of their efforts include:

  1) Cost reduction improvement teams
  2) Departmental redesigns or reorganization of work
  3) Design and implementation of multiskilling programs for maintenance
  4) Creating an environment where self-managing teams can have space, freedom and training to develop and grow
  5) Developing customer connectedness with focus on how to jointly help the business respond to customer needs and wants
  6) Downsizing the workforce through volunteerism and job consolidating.

- Joint LMC's are far more prospective in their dealings with one another and are often focused on teamwork, training, retraining, and capability development, bona fide employee participation in decision-making processes and on manufacturing effectiveness.

We find that in all, there are four (4) stages of the transformation from traditional labor relations to jointness. It starts with relationship building. The next stage is learning the skills to work together effectively. The third is working in teams or groups with a keen focus on barrier removal. The final stage is working together in empowered teams and getting tangible results for the business, for our people, and for our customers.

The parties are committed to lead in the transformation of labor-management relations in Scott so as to ensure a successful company, a successful UPIU, delighted customers, and secure and excellent work opportunities for all employees/members.

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SCOTT/UPIU JOINT DECLARATION STATEMENT

AUGUST 28, 1989

THE UPIU AND SCOTT PAPER ARE COMMITTED TO WORK TOGETHER TO MORE EFFECTIVELY MEET THE NEEDS OF:

- ALL SCOTT'S EMPLOYEES, CUSTOMERS, SHAREHOLDERS, THE UNION AND THE COMMUNITY.

BUILDING UPON OUR LONGSTANDING COLLECTIVE BARGAINING RELATIONSHIP, THE PARTIES WILL BE GUIDED BY THE FOLLOWING PRINCIPLES:

- HONESTY AND TRUST.
- UNDERSTANDING AND RESPECT FOR OUR DIFFERENCES.
- IMPROVED COMMUNICATION, SHARING OF INFORMATION AND JOINT EDUCATION EFFORTS.
- WORKING ON AREAS OF MUTUAL INTEREST THROUGH JOINT PROBLEM SOLVING AND DECISION MAKING.

THE JOINT COOPERATIVE LABOR/MANAGEMENT EFFORT WILL BE SUCCESSFUL IF IT:

- ENHANCES JOB OPPORTUNITIES, SKILL TRAINING & RE-TRAINING AND EARNINGS OPPORTUNITIES.
- PROVIDES LONG-TERM EMPLOYMENT SECURITY FOR ALL EMPLOYEES.
- IMPROVES QUALITY AND PRODUCTIVITY IN A SAFE MANNER.
- ENSURES UNDERSTANDING OF & MEETING CUSTOMER NEEDS.
- INCREASES JOB & PERSONAL SATISFACTION.
- IMPROVES THE LABOR/MANAGEMENT RELATIONSHIP BASED ON MUTUAL RESPECT AND TRUST.

WE CHOOSE THIS PATH NOT MOTIVATED BY CRISIS, BUT BY THE DESIRE TO ANTICIPATE AND TO FOSTER AND GUIDE ORGANIZATIONAL CHANGE AND THUS DEMONSTRATE LEADERSHIP IN OUR INDUSTRY IN THE BEST INTEREST OF ALL THE PARTIES CONCERNED.