Labor-Management Cooperation: Recent Efforts and Results

Readings from the Monthly Labor Review

U.S. Department of Labor
Labor-Management Services Administration
and Bureau of Labor Statistics

December 1982

LMSA Publication 6
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The Division of Cooperative Labor-Management Programs was created by the Department of Labor in 1982 to encourage and assist employers and unions to undertake joint efforts to improve productivity and enhance the quality of working life. Central to the Division's purpose is the conviction that cooperative relations between the parties, particularly those creating new opportunities for worker participation in decisionmaking, can contribute substantially to the furtherance of their mutual interests.

Initial attention is being directed to meeting already identified needs for technical assistance and information throughout the private sector. A chief aim will be to work closely with trade associations, international unions, area labor-management committees, and national, State, and regional productivity/quality of working life centers. In addition, the Division will regularly compile and disseminate information on current issues and practices through publications, conferences, and workshops. This volume, published jointly with the Bureau of Labor Statistics, is one in a series of planned publications.

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U.S. Department of Labor
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Foreword

Although there is a long history of labor-management cooperation in American industrial relations, a new chapter was begun in the 1970's. Labor and management in several key industries set about to reexamine their traditional relationship and to discover anew their interdependence. As in World War II, cooperation developed in response to a national challenge. Unlike the past, however, the impetus came, not from a threat to the country's security, but from a challenge to the resiliency and adaptability of its economic and social institutions.

Once the leader in the world economy, the United States found itself in intense competition with other industrial nations. As U.S. industry's share of world markets began to shrink, traditional approaches no longer could protect, let alone enhance, the U.S. competitive position. Exceptional measures were called for, including the forging of new alliances between labor and management to spur the growth of productivity and preserve the economic health of their enterprises. Working within the context of collective bargaining, the parties in such vital sectors as steel, autos, and communications devised cooperative arrangements to enlist more fully the talents and energies of both groups to improve the effectiveness of their organizations.

A second and closely related development, most commonly referred to under the rubric "quality of worklife," also took form in the past decade. Managers and union leaders alike found themselves confronted by a labor force whose members expected and demanded more of their jobs and work lives. But today's definition of the "more" goes well beyond historical pressures for higher wages and better fringe benefits, or even safer and more healthful working conditions. Workers seek more opportunity to develop and apply their capabilities, more flexibility in the patterning of work and family life, and, perhaps above all, more say in how work is organized and managed.

Although the voices heard have not always been in unison, the underlying theme has been unmistakable: there has been growing interest in recasting work and work organizations in ways that take account of the needs, abilities, interests, and aspirations of those who "turn out the production." Because these innovative ideas could lead to a labor force that is more satisfied, more committed, and more productive, the economic needs of the Nation and the personal needs of its working people have become inextricably intertwined.

The *Monthly Labor Review* has closely followed developments in this new area of labor-management cooperation, both in the United States and abroad. The *Review* has published numerous articles by researchers and practitioners describing the kinds of problems employers and unions face and illustrating some of the cooperative strategies they have invented in seeking solutions. Twenty-eight of these articles are reprinted in this volume, along with pertinent extracts from important contracts, statements, articles, and laws. The experience recorded in this volume should encourage and assist further innovation in this area of increasing national concern.

This publication was planned and assembled by Edgar Weinberg, formerly economic adviser in the Office of the Assistant Secretary for Policy, with the assistance of Thomas H. Roadley and William L. Batt, Jr., of the Division of Cooperative Labor-Management Programs in the Labor-Management Services Administration. The staff of the BLS Office of Publications was responsible for editing and production.

JOHN R. STEPP, Director
Office of Labor-Management Relations Services
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Contents

Part I. Problems of the Workplace

Workplace problems and various efforts to measure their dimensions are the principal concerns of articles in this section. Graham L. Staines and Robert P. Quinn report on the 1977 Quality of Employment Survey, the third and last in a series conducted over an 8-year period by the University of Michigan Survey Research Center for the U.S. Department of Labor. A provocative finding is a decline in selected indicators of worker well-being, including overall job satisfaction, desire to stay with present employer, and contentment with life in general. At the same time, work-related problems such as availability of fringe benefits and severity of accidents showed improvement. Two articles deal with worker dissatisfaction: George Strauss looks at causes and concludes that economic conditions are primary, but intrinsic factors such as jobs without challenge cannot be ignored, even if less important. Peter Henle examines data on economic effects such as trends in quit rates, strikes, labor force participation, and absenteeism and finds little evidence of significant adverse change traceable to disaffection with work. Robert L. Kahn reviews research findings on the adverse physiological and behavioral effects of various stresses and points out that laboratory situations are suggestive of conditions imposed by many jobs. A list of guidelines is presented for designing less stressful jobs and organizations. Thomas A. Kochan analyzes data from the 1977 Quality of Employment Survey regarding the perceptions of union members about the performance of unions. While they expected their union to give the highest priority to internal administration and traditional bread and butter issues, a majority also wanted their unions to expand union activity to quality-of-worklife issues.

American workers evaluate the quality of their jobs

They called work-related problems less serious in 1977, but reported declines in overall job satisfaction, desire to stay with present employer, and contentment with life in general

GRAHAM L. STAINES AND ROBERT P. QUINN

A new survey designed to measure the quality of employment in America shows that U.S. workers have experienced declines both in job satisfaction and in the desire to stay with their present employers. The survey, the third conducted by the Survey Research Center, provides an overview of conditions of employment in the United States in 1977, as reported by workers. Data are compared with results of surveys conducted in 1969 and 1973, thus providing trends over an 8-year period.[1] (See appendix.)

The 1977 survey, for the first time, asked questions about the relationships between worklife and certain domains of life away from the job, particularly the relationships between employment and family life and between employment and leisure activities. A third of the married workers reported that their jobs interfered with family life "somewhat" or "a lot." Much of the conflict involved time—the amount of time spent at work, inconvenient work schedules, or uncertainty about work schedules. Available energy for family life was also a factor, especially for working wives with children. Most married workers (80 percent) reported spending at least half of their free time with their spouses. A third of all workers said their work interfered with leisure activities "somewhat" or "a lot."

Graham L. Staines is study director and Robert P. Quinn is senior study director at the Survey Research Center, The University of Michigan.

From the *Review* of January 1979

These results confirm important connections between life on and off the job. Changes in employment patterns are inducing major shifts in family life, leisure, and other activities away from work. For example, the rise in the proportion of working wives has installed the dual-earner household as the modal family type. This shift from housewife to working wife has a multitude of potential implications for life off the job: fewer volunteers available for charity work, greater demand for after work and weekend shopping and business hours, steadily rising purchases of fast foods and easily prepared foods as well as the increasing tendency for families to eat out, and, finally, more socializing with people from work and less with other families in the neighborhood. Clearly, the investigation of the interplay between work and leisure-time activities has only begun.

Indicators of worker well-being

Following are indicators of the well-being of workers that are known to be associated with employment conditions.

Job satisfaction. In all three surveys, job satisfaction was measured in two ways: first, with a set of general questions phrased so the worker could invoke any considerations of his or her choice; second, with a series of questions about specific aspects of the worker's job and employment

conditions (pay or hours, for example). Responses to the general questions were averaged to form a "general satisfaction" index. The specific responses were indexed by topic and statistical similarity, and were averaged to form a "specific satisfactions" index. The topics included: comfort, challenge, financial rewards, relations with coworkers, resource adequacy, and promotions. The overall index combines the "general satisfaction" and "specific satisfactions" indexes.[2] (See table 1.)

There was no change in overall job satisfaction between 1969 and 1973; in contrast, there was an appreciable drop between 1973 and 1977. The full story on job satisfaction, however, requires separate consideration of the various components of the overall job satisfaction index and also of the various demographic subgroups of workers. Over the 8-year period from 1969 to 1977, particularly between 1973 and 1977, the specific satisfactions index exhibited a marked and significant decline, whereas the general satisfaction index declined slightly but significantly. The decrease was about equally distributed among five areas—comfort, challenge, financial rewards, resource adequacy, and promotions—but was absent for the sixth, relations with coworkers.

Analysis of the decline in the general satisfaction index requires a review of analogous data from other years and other surveys. A 1974 report concluded that there was no evidence of significant changes in job satisfaction over the 15-year period, 1958-73.[3] This conclusion was based on data from 15 comparable national surveys, conducted by four different agencies. All surveys included a similar question which asked, "How satisfied would you say you are with your job?" This question was asked in the three surveys discussed in this article. Job satisfaction, as measured by this question, did not decline significantly between 1969 and 1977.

Table 1. Job satisfaction indicators, 1969, 1973, and 1977

[Mean overall job satisfaction in 1969 = 0]

Indicator	Mean		
	1969	1973	1977
Overall job satisfaction index[1]	0	-2	[2]-24
General satisfaction values	3.75	3.79	[3]3.66
Specific satisfactions values	3.24	3.20	[3]3.05
Comfort	3.14	[2]3.03	[2]2.87
Challenge	3.26	3.21	[3]3.06
Financial rewards	3.06	3.10	[2]2.89
Relations with coworkers	3.41	3.34	[3]3.40
Resource adequacy	3.45	3.44	[3]3.28
Promotions	---	2.63	[2]2.46

[1]The overall job satisfaction index is an equally weighted combination of the general and specific satisfaction values, transformed arbitrarily to a mean of zero in 1969.

[2]Statistically significant changes from 1973 to 1977 and, in the case of comfort, from 1969 to 1973.

[3]The derivation of the relations with coworkers index is somewhat different for 1977 than for the prior years, and its comparability has not yet been ascertained. However, versions of this index were constructed for comparing 1969 and 1973 and for comparing 1973 and 1977. Neither difference was statistically significant.

This finding indicates the limitations of a single-question measure of job satisfaction. Despite the considerable face validity of this general job satisfaction question, it fails to show much change over periods when other more elaborate measures detect a substantial decline in satisfaction. This insensitivity to change may be attributable, in part, to the gross generality of the question (because such measures reveal less decline than their more specifically stated counterparts) and, in part, to its distinctive wording (because other general questions do show the decrement in job satisfaction over time). In contrast, the indicators shown in table 1 have a high degree of consistency in their representation of change.

The decline in job satisfaction has been pervasive, affecting virtually all demographic and occupational classes tested. (See table 2.) Still, there are some differences and similarities worth noting. Men, for example, reported greater declines in satisfaction between 1969 and 1977 than did women. Satisfaction of workers under age 21 was unchanged, whereas that of older workers changed. The decline was virtually identical for white and black workers, although black workers continued to remain less satisfied than did whites. Satisfaction dropped in all educational achievement categories, but the drop was larger among workers with a college degree. The self-employed had a relatively slight decrement in satisfaction, compared with wage and salary employees. Workers in the higher skilled occupations (professional, technical, and managerial jobs) exhibited a smaller decline than did those in lower skilled occupations (operatives and laborers).

Intention to change jobs. In each survey, wage and salary workers were asked: "Taking everything into account, how likely is it that you will make a genuine effort to find a new job with another employer within the next year?" The answers reveal a slight shift towards greater willingness to seek a different employer. In 1969, 70 percent of wage and salary workers said that it was "not at all likely" that they would try to find a new job; in 1973, the figure was 72 percent; but by 1977, it had fallen significantly to 66 percent. Therefore, as a behavior-oriented indicator of increasing worker discontent, willingness to change employers discloses a shift between 1973 and 1977 that is not incompatible with the decline in job satisfaction suggested by other measures. The magnitude of the shift is not great, but it should be remembered that between 1973 and 1977 the availability of alternative employment declined significantly, and job change became an increasingly impractical medium for expressing discontent.

Table 2. Overall job satisfaction index by demographic and occupational groups, 1969, 1973, and 1977[1]

Characteristics	1969		1973		1977	
	Number of respondents	Mean job satisfaction	Number of respondents[2]	Mean job satisfaction	Number of respondents[2]	Mean job satisfaction
Sex:						
Men	993	7	1,291	0	1,359	-26
Women, sole wage earners	176	-16	182	-1	235	-21
Women with other wage earners in household	362	-8	616	-5	691	-21
Age:						
Under 21	97	-40	173	-42	203	-41
21–29	333	-21	568	-26	594	-49
30–44	489	5	634	11	759	-20
45–54	340	12	422	11	389	-4
55–64	210	19	248	17	271	-2
65 or older	55	23	41	63	45	11
Race:						
White	1,354	5	1,853	3	2,019	-21
Black	157	-34	166	-32	167	-59
Education:						
8 years or less	240	0	234	-1	173	-17
Some high school	269	-7	294	-10	315	-39
High school diploma	554	-1	805	-6	863	-26
Some college	253	-2	436	-8	515	-24
College degree	111	14	162	18	193	-28
Graduate education	102	23	153	35	201	2
Employment status:						
Self-employed	205	25	184	39	287	15
Wage and salary	1,326	-3	1,270	-7	1,998	-30
Occupation:						
Professional and technical	225	20	311	26	365	0
Managers, administrators, and proprietors	206	27	315	18	317	-6
Salesworkers	80	4	105	10	112	-3
Clerical workers	244	-6	344	-10	370	-19
Craftworkers	224	9	277	7	309	-14
Operatives	294	-11	361	-38	389	-67
Laborers, nonfarm	45	-25	73	-36	79	-58
Farmers and farm managers	43	28	44	31	41	18
Farm laborers and supervisors	22	-55	8	1	11	0
Service workers	146	-35	241	-6	292	-27

[1]The overall job satisfaction index is an equally weighted combination of the general satisfaction and the specific satisfactions values transformed to a mean of zero and standard deviation of 87 in 1969. Negative figures indicate deviations below the 1969 mean. Because significance indicators are not provided, the reader should note that some subpopulations are very small and have unstable means.

[2]Number of respondents in 1973 and 1977 was weighted to provide comparability with 1969 data.

Life satisfaction. The index of overall life satisfaction contains two equally weighted components. The first, general life satisfaction, is measured by two questions: (1) "Taking all things together, how would you say things are these days? Would you say you're very happy, pretty happy, or not too happy these days?" and (2) "In general, how satisfying do you find the ways you're spending your life these days? Would you call it completely satisfying, pretty satisfying, or not very satisfying?" In the second component, satisfaction is assessed through eight scales representing specific moods or affective states that can characterize a person's life (for example, interesting versus boring, full versus empty, and hopeful versus discouraging). Life satisfaction declined between 1969 and 1977, although the change occurred between 1973 and 1977. The data from the first component (general life satisfaction) display this pattern significantly, with the response "very happy" declining from 38 percent in 1973 to 27 percent in 1977 and "completely satisfying" from 23 percent to 15 percent. The data on the second component (specific moods and affects) are available only for 1973 and 1977; they evidence an unmistakable and significant decline between these 2 years, with responses in the most positive category dropping by an average of 8 percentage points.

Work-related problems

All workers were asked about aspects of their employment they considered to be problems; those who mentioned a specific problem were asked to judge its severity. Table 3 shows the percent reporting one problem or more in each of 12 problem areas commonly mentioned. Problem severity is represented by the proportion reporting the problem as "sizable" or "great."

From 1969 to 1977, problem frequency varied by direction and degree of change, but problem severity declined consistently by small amounts. Inadequate family income as a problem was mentioned significantly less frequently in 1973 and 1977 than in 1969 (although no change since 1973); however, in 1977, it maintained the highest rated severity. Problems relating to the desire for additional fringe benefits were frequently mentioned and were rated relatively high in severity. The proportion reporting problems related to occupational handicaps remained constant over the 8-year period, but the severity of such problems in 1977 remained nonsignificantly below that reported in 1969. The results on trends in the desire for additional fringe benefits and trends in safety and health were anomalous because of survey method changes in 1977.

The frequency of work-related problems can be considered in more detail if account is taken of certain data that are available for 1977 but not necessarily from the prior surveys. (See table 4.) The problems related to earnings, income, and fringe benefits generally had higher rates of occurrence than other problem areas. The relatively frequent mention of problems concerning work content, specifically workers reporting they had skills they would like to use but could not and those "overeducated" for their jobs suggests a prevalent concern about misfit between job requirements and self-appraised capabilities. Unsteady employment and layoff or job loss were relatively uncommon problems, although only employed people were interviewed. In four areas for which such questions were asked, lack of control over conditions very often was seen as a problem, not the conditions themselves. For example, lack of control over days worked (77

Table 3. Frequency and severity of selected work-related problems, 1969, 1973, and 1977

Problem	Percent reporting problem			Percent regarding the problem as "sizable" or "great"		
	1969	1973	1977	1969	1973	1977
Inadequacy of family income for meeting monthly expenses	26	21	21	63	55	57
Desire for additional fringe benefits, all workers	39	40	[1]46	43	39	[1]40
Wage and salary workers receiving at least one benefit[2]	45	45	[1]55	43	39	[1]40
Exposure to one or more safety and health hazards	38	42	[1]78	46	40	[1]32
Work-related illness or injury during last 3 years	13	14	15	56	48	44
Occupational handicap(s)	9	9	10	39	30	29
Inconvenient or excessive hours	30	39	34	38	34	36
Age discrimination	5	4	6	[3]35	[3]35	[3]34
Sex discrimination, all workers	3	5	5	[3]44	[3]37	[3]33
Women only[2]	8	14	12	[3]44	[3]37	[3]33
Race or national origin discrimination, all workers	3	3	6	[3]53	[3]52	[3]51
Blacks only[2]	17	15	16	[3]62	[3]68	[3]37
Unsteady employment	11	9	9	36	26	27
Transportation problems	35	40	34	40	37	33
Unpleasant work environment	33	40	37	38	36	37

[1]The 1969 and 1973 data are not comparable to those from 1977.
[2]The percentage is based on all workers in this subsample.
[3]N <100 in 1969 or weighted N <140 in 1973 or 1977.

percent) was a problem more frequently than was working on days that did not suit the worker (12 percent), and lack of control over own job assignment (54 percent) was a more frequent problem than not being able to use one's skills in present job assignment (36 percent). Also, 42 percent said it would be difficult to find a job similar to the one they have, but only 15 percent said they were likely to lose their job in the next year.

Earnings, income, and fringe benefits. The three surveys reveal only limited changes in levels and adequacy of income. Adjusted for inflation, levels of family income increased somewhat between 1969 and 1973 and then decreased between 1973 and 1977. Similarly adjusted figures for job earnings showed little change between 1969 and 1973, but declined between 1973 and 1977. As judged by workers, inadequacy of family income for meeting monthly expenses declined significantly between 1969 and 1973, with no change thereafter. Inadequacy of family income for living comfortably remained virtually constant over the 8-year span.

Between 1969 and 1977, there was a modest but significant gain in the proportion of wage and salary workers reporting the availability of various fringe benefits. For example, between 1969 and 1977 the proportion with paid vacations rose from 74 percent to 81 percent, those with a retirement program other than social security rose from 61 percent to 67 percent, and medical contingency insurance rose from 72 percent to 78 percent. The gain was especially noticeable for two benefits offered to women only—maternity leave with full reemployment rights, and maternity leave with pay. The proportion receiving these benefits increased a significant 15 percentage points between 1969 and 1977.

These findings regarding economic benefits available to wage and salary workers reveal two different trends between 1969 and 1977. There was

Table 4. Frequency of work-related problems in 1977

Problem	Number of respondents[1]	Percent reporting problem
Earnings, income, and fringe benefits:		
Desire for improvement of present fringe benefits (including wage and salary workers receiving at least one benefit)	1,829	58.1
Desire for additional fringe benefits (includes wage and salaried workers receiving at least one benefit)	1,943	54.5
Earns less than deserved compared to others doing similar work	2,199	39.0
Inadequacy of family income for meeting monthly expenses	2,261	20.8
Safety and health hazards:		
Exposed to one or more safety and health hazard	2,289	78.0
Not informed about dangerous or unhealthy conditions (includes wage and salary workers only)	1,947	15.7
Work-related illness or injury during last 3 years	2,289	15.6
Occupational handicap(s)	2,291	10.0
Work schedule:		
Difficult to get work days changed	2,264	76.6
Difficult to get work hours changed	2,251	71.5
Inconvenient or excessive hours	2,258	33.6
Difficult to take time off for personal matters	2,251	26.0
Hours do not suit	2,267	19.3
Employer determines overtime and worker cannot refuse (includes wage and salary workers who work some overtime)	1,506	15.9
Days do not suit	2,261	12.0
Work content:		
Difficult to get duties changed	2,274	54.0
Feeling that time drags at work	2,290	39.6
Skills underutilized in present job	2,290	35.6
"Overeducated" for job	2,236	32.2
Conscience violated by required job duties	2,215	28.2
Substandard quality of product or service provided	2,179	12.8
Low value of present job skills 5 years hence	2,268	11.8
Job mobility and security:		
Shortage of jobs in worker's line of work (including only those not reporting a shortage of workers with their skills)	1,405	54.1
Stake in present job too great to change jobs	2,241	47.8
Difficult to find another job with similar pay	2,254	41.9
Likely to lose job in next year	2,219	14.6
Unsteady employment	2,276	9.4
Laid off in last year	2,268	5.1
Other problems:		
Inadequate time for leisure activities	2,259	55.2
Transportation problems	2,284	37.7
Unpleasant work environment	1,666	37.1
Interference between work and family life (includes only workers with spouse or children 17 years or younger in household)	1,622	34.7
Interference between work and leisure	2,258	32.8
Child care cost problems (includes only workers who used a child care arrangement	215	20.0
Problems with work schedules caused by child care arrangements (includes only workers who used a child care arrangement)	276	14.5

[1]Number of respondents weighted to provide comparability with earlier surveys. (See appendix.)

no gain over time in direct monetary returns, but fairly steady gains in fringe benefits. Such findings indicate that workers may have been exchanging additional pay for more fringe benefits.

The 1977 interview schedule included a question about the tradeoff between pay and other job returns. Workers were asked whether they would prefer a 10-percent pay raise or some other improvement in their conditions of employment (such as more interesting work, more comfortable working conditions, better fringe benefits, a shorter workweek, or greater job security). About one-half of the respondents indicated they favored more fringe benefits over additional earnings. Wage and salary workers were frequently willing to trade increments in pay for three economic benefits: better retirement benefits (54 percent preferred an improvement in such benefits over a pay increase), more paid vacation days (48 percent), and better medical insurance benefits (47 percent). It is likely that increases in the total economic package over the last 8 years have been in the form of more fringe benefits rather than additional earnings.

The 1977 survey permits a detailed examination of how workers evaluate 18 fringe benefits. Table 5 presents five items of information on each benefit: the percent of workers to whom it is available, the percent receiving the benefit who describe it as most important, the percent who describe it as least important, and the percent saying they would like to see the benefit improved. The fifth item concerns fringe benefits that workers do not receive but would like to; for each such benefit, the column records the percent of all mentions (not of all persons) that refer to this benefit.

The data reveal considerable concern by workers over their current fringe benefits. More than half of the workers wanted improvement in some of their fringe benefits. Of these, large percentages desired improvements in widely available benefits: 51 percent in the case of medical contingency insurance, 42 percent for retirement programs, and 28 percent for paid vacation. More than a third of those with dental benefits wished them to be improved, and 22 percent of all mentions of desired additional benefits referred to a dental program. Additional data indicate that workers expressed less satisfaction with fringe benefits than with numerous other features of their conditions of employment. Also, fringe benefits were the only workplace improvements, among several suggested, for which large numbers of workers were willing to sacrifice a pay increase.

Prevalence of safety and health hazards. In all three surveys, workers were asked if, within the previous 3 years, they had experienced any illnesses or injuries that they thought had been caused or made more severe by any job held during that period. The frequency of such reported illnesses or injuries changed little from 1969 to 1977; nonetheless, workers in 1977 rated such illnesses or injuries as somewhat less severe and were less likely to report missing more than 2 weeks of work as a consequence.

Although a casual examination of the data seems to indicate dramatic changes in the frequency of various safety and health hazards, these changes, in part, represent only a change in measurement methods. In both 1969 and 1973, workers were asked an open-end question about safety and health hazards: "Does your job at any time expose you to what you feel are physical dangers or unhealthy conditions?" The 1977 survey, however, asked the worker to report exposure to each of 13 specific hazards (plus a residual category for any other hazards). The open-end and close-end procedures produce substantially different estimates of the prevalence of safety hazards, with the close-end approach suggesting a much higher rate of occurrence.

The 1977 survey collected specific information on frequency and severity of 13 presumably hazardous conditions on the job. The four hazards most frequently reported were air pollution (cited by 40 percent of the workers), fire or shock (30 percent), noise (30 percent), and dangerous chemicals (29 percent). However, these hazards are not all regarded as particularly severe by the workers exposed to them. Noise was among the highest ranked hazards (40 percent of the workers exposed described it as a "sizable" or "great" problem), and air pollution ranked in the middle (32 percent); fire or shock and dangerous chemicals were regarded as less severe (21 percent and 18 percent, respectively).

The 1977 survey also generated an additional finding that underscores the salience to workers of issues involving safety and health. The 1977 interview schedule included questions concerning how much say workers should have about work-related decisions, such as safety equipment and practices, how the work is done, the wages and salaries paid, the particular days and hours of work, and hiring or layoffs. The respondents singled out safety equipment and practices as the area in which workers should have the greatest say. In fact, 76 percent of respondents believed that workers should have "complete say" or "a lot of say" regarding safety decisions. No other category of decision produced a figure over 41 percent.

Table 5. Wage and salary workers' evaluation of fringe benefits

Benefit	Availability of benefit		Most important benefits		Least important benefits		Want benefits improved		Want to receive benefit[1]
	Number	Percent	Number[2]	Percent	Number[2]	Percent	Number[2]	Percent	Percent
Paid vacation	1,956	80.8	1,550	47.0	1,534	6.6	899	28.1	3.1
Medical, surgical, or hospital insurance that covers any illness or injury that might occur to you while off the job	1,962	78.1	1,506	83.9	1,504	2.3	921	51.4	9.7
Maternity leave with full re-employment rights[3]	707	74.5	513	12.7	509	33.4	266	3.8	[4]1.7
A retirement program	1,949	67.4	1,288	50.3	1,286	7.9	764	42.3	8.1
Life insurance that would cover a death occuring for reasons not connected with your job	1,942	64.1	1,218	41.2	1,220	9.4	730	14.1	4.3
Sick leave with full pay	1,940	62.8	1,193	59.1	1,190	5.1	665	18.6	7.9
A training program that you can take to improve your skills	1,963	49.0	941	18.3	936	13.8	526	10.3	2.0
Thrift or savings plan	1,913	39.8	757	13.1	761	19.1	450	3.6	1.5
Free or discounted merchandise	1,992	34.3	669	10.5	660	33.3	382	5.8	0.0
Dental benefits	1,934	29.4	569	35.5	568	12.1	353	36.3	22.3
Maternity leave with pay[3]	691	29.4	197	10.7	197	47.2	78	6.4	(4)
Eyeglass or eye care benefits	1,911	21.8	416	25.5	415	21.0	264	15.9	12.2
Profit sharing	1,939	19.8	378	33.1	377	13.3	220	16.8	3.9
Stock options	1,912	17.6	333	16.2	332	27.4	181	4.4	1.8
Work clothing allowance	1,969	16.8	330	18.5	322	33.2	169	15.4	3.4
Free or discounted meals	1,982	16.3	313	14.7	308	40.3	157	9.6	1.6
Legal aid service	1,885	10.3	193	13.5	191	18.3	104	6.7	2.0
Child care arrangements for working parents	1,943	2.2	42	9.5	42	38.1	18	0.0	1.6

[1]The base number for this column (N = 2278) is the (total) number of benefits mentioned by all workers in response to the question: "Are there any fringe benefits you are not getting that you'd like to be getting?" Percentages add to less than 100 percent because some benefits mentioned by workers do not appear on this list.

[2] Includes only workers who report the benefit as available and, in the case of desired improvement of fringe benefits, only those who want at least one benefit improved.

[3]Only women were asked about this benefit.

[4]The category for this item is nonspecific maternity leave.

Decision	*Percent responding "complete say" or "lot of say"*
Safety equipment and practices	76
How work is done	41
Wages and salaries	30
Days and hours of work	19
Hiring or layoffs	16

Working hours. The 40-hour week persisted as the prevalent workweek. However, the surveys reveal a distinct and significant decline between 1969 and 1977 in the proportion working exactly 40 hours per week on their main job (from 39 to 30 percent) and an increase in the proportion working more than 40 hours (from 39 to 42 percent) or less than 40 hours (from 22 to 28 percent). Using a broader range of hours, for example, 35 to 44 hours as a "normal" workweek, there is still a significant decline in the proportion working such a "normal" workweek (from 57 to 51 percent). These changes do not reflect sex differences in work-hour preferences or in labor force composition. The same pattern of changes applied to both men and women—declines in the proportions working exactly 40 hours per week with compensating changes of similar magnitude and directions.

Another important dimension of working hours concerns the extent to which workers have control over their work schedules. In all three surveys, workers were asked how much control they felt they had over whether or not they worked overtime. Between 1969 and 1977, there was a small but significant increase in the percent reporting control of their overtime hours. More workers in the third survey were in the top two categories of overtime control (mostly up to the worker, and both worker and employer have a say but worker can refuse without penalty), up significantly from 36 percent in 1969 to 52 percent in 1977. The proportion reporting that it was up to their employers and that they could not refuse overtime without penalty remained constant between 1969 and 1977 at about 16 percent.

The percent reporting some kind of problem concerning " . . . the hours you work, your work schedule, or overtime" rose slightly between 1969 and 1977 (nonsignificantly from 30 to 34 percent), but the nature of these problems changed. Of the total number of problems mentioned, inadequate control by workers over hours (excluding the issue of overtime) rose from 4 percent of the problems in 1969 to 16 percent in 1977. Such evidence points to

a sizable constituency of workers who would be receptive to flexitime and other experiments in which workers could help determine their own work schedules.

Beyond the issue of trends, the 1977 data indicate that workers took off very little time for personal activities during a regular workday. Among full-time workers, 60 percent spent no more than 30 minutes a day on meal breaks. Nor did workers take off much time during an average workday on regular coffee breaks or scheduled rest breaks. Almost 40 percent of the full-time workers received no such time off, and more than 70 percent received less than half an hour. Workers also were asked how much additional time they spent on activities such as talking to friends, doing personal business, or just relaxing. Among full-time workers, 45 percent reported no time off at all, and two-thirds reported less than half an hour. By comparison, among part-time workers (those who worked 20 to 34 hours a week) the use of time during an average workday for personal activities was even more restricted: almost a third of all part-time workers (compared with 8 percent of all full-time workers) reported no time off for meal breaks; and almost half (compared with 39 percent of all full-time workers) reported no time off for coffee or rest breaks. By their own accounts, part-time workers spent virtually all of their time at work on the tasks for which they are paid.

Discrimination. The data on different types of job discrimination are as interesting for the trends they do not show as for those they do. All workers in the three surveys were asked whether they felt discriminated against on their jobs because of age. There was no significant change in overall age discrimination. Young workers reported nonsignificantl decreases during the period (from 24 to 15 percent for those under age 21). Workers age 55 and over reported no change in age discrimination between 1969 and 1973 but reported a significant increase between 1973 and 1977 (from 4 to 10 percent). The proportion of women reporting sex discrimination at work increased significantly from 8 to 14 percent between 1969 and 1973, but in 1977, the figure dropped to 12 percent. Among black workers, reports of job discrimination based on race or national origin held relatively constant at 15 to 17 percent between 1969 and 1977.

Utilization of skills. Evidence from the surveys suggests a decline in the extent to which jobs provide the opportunity for full use of skills. This decline applies to future as well as current opportunities. With respect to the future, the interviewed workers were asked, "How useful and valuable will your present job skills be 5 years from now?" In 1973, 68 percent reported their skills would be "very useful and valuable;" the proportion dropped to 62 percent in 1977.

The decline relating to use of available skills on the worker's present job was even more substantial. In 1969, 27 percent of those interviewed claimed that they had some skills from their experience and training that they would like to use but could not on their present jobs. By 1977, this measure of underutilization of skills had risen significantly to 36 percent, with all of the change occurring between 1973 and 1977. One plausible source of underutilization of skills is "overeducation." Workers who feel that their levels of formal education exceed those required by their jobs seem likely to possess skills that cannot be used on their present jobs. "Overeducation" (or underutilization of education) might, thus, be expected to increase in tandem with underutilization of skills. This prediction, however, is not confirmed by the 1969 and 1977 data. Data from these 2 years show no increase whatsoever in the proportion of workers with more education than their jobs required. Consequently, the increase in perceived underutilization of skills may have originated outside of formal education.

Such findings should not be taken to mean that workers felt that their jobs made few demands on their skills. Some of the 1977 data indicate that most workers reported that their jobs utilized a fair measure of their skills. For example, 69 percent of all workers "strongly agree" or "agree" that their jobs required "a high level of skill" and 78 percent said they were using their "skills and abilities." Moreover, most workers reported that their jobs helped them acquire new skills. Thus, 62 percent of all workers "strongly agree" or "agree" that their jobs required them to be "creative" and 83 percent said their jobs required them to "keep learning new things." Nevertheless, the trend data on skill utilization do suggest that these percentages may be on the decline.

Job mobility and security. The 1977 survey investigated job security in greater detail than did the earlier surveys. In 1977, job insecurity appeared among the less frequent and less serious problems. Nine percent of all workers reported their employment as irregular or unsteady; and among those, 27 percent described the problem as "sizable" or "great." Five percent had experienced a layoff in the preceding year, and among those, 31 percent characterized the problem as "sizable" or "great." Moreover, 15 percent reported that they were

likely to lose their present jobs during the next couple of years.

The 1977 survey included two measures of locking-in that appeared also in at least one of the earlier surveys. (Locking-in is the extent to which workers feel constrained in seeking alternative employment.) In all three surveys, wage and salary workers were asked: "About how easy would it be for you to find another job with another employer with approximately the same income and fringe benefits you now have?" In 1969, 40 percent thought it would be very easy to find a similar job. In 1973, the proportion dropped significantly to 27 percent, and by 1977, had dropped significantly again to 20 percent. In 1973 and 1977, workers were asked: "Is there a shortage of workers in this (geographical) area who have your experience, training, and skills?" Almost half (48 percent) perceived a shortage in 1973, but only 37 percent did so in 1977. Also, in 1977, of those not reporting a worker shortage, 54 percent reported a shortage of available jobs for people with their experience, training, and skills. These data demonstrate that between 1969 and 1977 workers became increasingly locked-in to their jobs, a change that undoubtedly reflects the economic climate and unemployment rates.

Attitudes toward labor unions

Trend data on union issues are not available because the questions asked in 1977 differed from those in the previous surveys. Workers in the 1977 sample expressed fairly positive attitudes toward labor unions. On the subject of union goals, workers were asked what things they thought unions in this country were trying to do. Among union members, 66 percent mentioned only positive things (such as improving wages or benefits, improving job security) and 15 percent mentioned only negative things (such as self-aggrandizement). Among the nonmembers, the corresponding proportions were 45 percent and 28 percent.

Union members gave their unions higher marks for handling traditional functions than for less traditional functions. A majority reported that their unions did a "somewhat" or "very" good job in securing better working conditions, such as better wages (76 percent for white-collar workers, 75 percent for blue-collar workers), better fringe benefits (69 percent and 71 percent), improved safety and health on the job (74 and 71 percent), and improved job security (76 and 74 percent). Members also rated their unions high on handling grievances and on other indicators of responsiveness. Members were less positive about their unions' handling of nontraditional issues such as helping to make jobs more interesting, getting workers a say in how their employers run the business or organizations, and getting workers a say in how they do their own jobs. However, members also expressed the view that their unions should put greater effort into the traditional than into the less traditional union functions. Overall, union members expressed satisfaction with their unions—77 percent of the white-collar workers and 71 percent of the blue-collar workers reported that they were "somewhat" or "very" satisfied.

Workers not belonging to a union nor covered by a union contract were asked how they would vote if there were an election for representation by a union or an employee association; 29 percent of the white-collar workers and 39 percent of the blue-collar workers reported that they would vote in favor of such representation.

Some interpretations of trends

The survey results show that American workers experienced declines between 1969 and 1977 in job satisfaction, intentions to stay on with their present jobs and employers, and overall life satisfaction. The changes were greater during the 1973–77 period than during the 1969–73 period.

There are three possible explanations for the declining job satisfaction: (1) perhaps the composition of the labor force is changing in ways that give added weight to those segments that are characteristically low in job satisfaction; (2) perhaps the objective qualities of jobs and conditions of employment are deteriorating; or (3) perhaps workers are raising their expectations regarding their jobs.

The segments of the labor force that are increasing include women with other wage earners in the household, workers with educational attainments beyond high school, workers who live in the South, workers who are not members of unions, workers under age 30, and workers in service occupations. If these also are demographic classes with characteristically low job satisfaction, the composition argument has some support, but that is not clearly the case. The first four groups characteristically have job satisfaction levels at or above the national means. The last two groups are characteristically below the national means in job satisfaction measures, but the period of their greatest increase in numbers in our surveys, 1969 to 1973, does not match the period of greatest decline in job satisfaction, 1973 to 1977. Further, table 5 shows that the decline in job satisfaction involved virtually all groups.

Given the limited available measures, the argument relating to objective deterioration of jobs and employment conditions gains little support from the data. Such changes in objective factors that did occur between 1969 and 1977 were not great, and in any case, indicate more gains than losses in the objective qualities of jobs and employment conditions: increased availability of fringe benefits; diminished severity of work-related illnesses and injuries; more control by the worker over overtime hours. Between 1973 and 1977, the slight decline in earnings may have contributed to the decrease in satisfaction with financial rewards over that period, but it does not address the decrement in satisfaction with other domains. Moreover, over the same period, the slight decline in family income was not matched by a corresponding decline in the adequacy of family income. The decrease in availability of alternative employment opportunities, or locking-in, could have accounted for some reduction in job satisfaction, but did not; locking-in increased considerably more between 1969 and 1973 than between 1973 and 1977.

There remains, by the process of elimination, the argument concerning rising expectations. Unfortunately, the survey interviews included few measures of workers' expectations, so this argument cannot be sufficiently tested. Nonetheless, data on three indicators of the discrepancy between workers' expectations and the realities of their work experiences (namely, level of educational attainment, degree to which worker is "overeducated" for present job, and underutilization of skills) give essentially negative results. Neither of the measures involving education exhibits the expected pattern of stability between 1969 and 1973, followed by an increase in unmet expectations between 1973 and 1977. The measure of underutilization does meet this first test, yet fails when used as a control variable: the decline in job satisfaction between 1973 and 1977 persists even within levels of underutilization. The rising expectations argument may gain greater empirical support in the future, when tested using more and better measures.

In any case, the search for single, simple, and universally relevant explanations for changes in job satisfaction, and other measures of worker well-being is likely to be fruitless. The explanatory factors may be complex, and may well be quite different for the various subpopulations that make up the American labor force.

FOOTNOTES

[1] Data from the 1969 and 1973 surveys appear in Neal Q. Herrick and Robert P. Quinn, "The working conditions survey as a source of social indicators," *Monthly Labor Review,* April 1971, pp. 15–24, and Robert P. Quinn, Thomas W. Mangione, Martha S. Baldi de Mandilovitch, "Evaluating working conditions in America," *Monthly Labor Review,* November 1973, pp. 32–40.

[2] The theoretical and empirical bases for development of the measures of job satisfaction, along with their statistical significance appear in Robert P. Quinn and Linda J. Shepard, *The 1972–73 Quality of Employment Survey* (Ann Arbor, Mich., Survey Research Center, 1974), pp. 50–69.

[3] *Job Satisfaction: Is There a Trend?* Manpower Research Monograph 30 (U.S. Department of Labor, 1974).

APPENDIX: Three surveys on work in America

In 1968–69, the U.S. Department of Labor and the Survey Research Center of the University of Michigan instituted a program to assess some of the conditions of employment experienced by American workers. It was hoped that data based on personal interviews with representative workers would aid policymakers in evaluating the needs and problems of workers.

The investigators defined "working conditions" broadly to include not only immediate job and work environment (for example, job content, hours of work), but also the surrounding conditions (for example, supervision, fringe benefits) and selected aspects of the off-job but work-related conditions (such as transportation to work and child care). "Workers" include all adults substantially engaged in remunerative employment.

The 1969 Survey of Working Conditions, with interviews during late 1969, used a national probability household sample of 1,533 employed persons 16 years or older who worked for pay 20 hours a week or more. Its goals were: (1) to assess the frequency and severity of work-related problems, with special emphasis on those that were or might become matters of public policy; (2) to indicate which major demographic or occupational groups were most affected by these problems; (3) to develop efficient measures of job satisfaction suitable for use with samples of workers in heterogeneous occupations under a variety of conditions of census and research; (4) to assess the associations between working conditions and various indicators of workers' well-being; (5) to establish base line statistics that might permit subsequent national surveys to reveal any trends in the content areas originally investigated; and (6) to establish normative statistics that might permit other investigators to compare their data from more limited subsamples of workers with national norms.

The second survey, the 1973 Quality of Employment Survey, was conducted in early 1973 using a national household sample of 1,455 employed persons. The 1973 survey retained the core content and purposes of the preceding one, but differed in three aspects: first,

certain methodological development was no longer needed and therefore, was omitted; second, issues relating to job stress, physical health, and mental health were expanded; third, the sampling procedure was modified to take account of population shifts revealed by the 1970 census, and only one worker was interviewed in households with more than one eligible respondent.

The third survey, the 1977 Quality of Employment Survey, was conducted in late 1977. Again, the core content material from the earlier surveys was retained, but new material was added. The principal added or expanded topics of coverage concerned labor unions, participation in workplace decisions, worker mobility, work hours, and certain off-job matters such as political participation, family accommodation to the worker's job, and leisure activities.

The 1969 survey included all eligible respondents in each of the sample households, and is therefore self-weighting. To make the three samples comparable, data for 1973 and 1977 were weighted to compensate for the underrepresentation of workers in multiple-worker families. The statistical tables relating to the 1977 survey, unless otherwise specified, show the weighted numbers of respondents, not the actual number. While all of the percentages and mean scores shown are based upon weighted data, all tests of significance are based on unweighted data.

Differences and changes described as significant in the text are significant at the 95 percent probability level or better, using conservative assumptions. Statistical information and methodological details appear in Robert P. Quinn and Graham L. Staines, *The 1977 Quality of Employment Survey: descriptive statistics, with comparison data from the 1969–70 Survey of Working Conditions and the 1972–73 Quality of Employment Survey,* available from Publications Sales, Institute for Social Research, Box 1248, Ann Arbor Mich. 48106. Persons interested in analyzing data from these surveys can obtain data tapes and documentation from the Inter-university Consortium for Political Social Research, Box 1248, Ann Arbor, Mich. 48106.

Worker participation

The idea of participation as a principle of organization is not a new one. It has its roots, after all, in the ageless democratic ideal. It is expressed in our cultural emphasis on the dignity of the individual and on the value of freely stated opinions before a decision is reached. In the management of our industrial enterprises, also, workers have long been and are now consulted intermittently on immediate production problems. But the rise and the strength of the American labor movement give testimony that the emphasis in industry has usually been the other way around; on the unquestioned authority and ability of management to make correct and acceptable decisions. As this philosophy was once stated, "All that a man wants, is to be told what to do and to be paid for doing it."

The idea of worker participation on production problems, of democracy in industry is, basically, then, an old one, yet one that challenges a traditional management philosophy. Thus, the *fundamental premise* of the participation idea, just the opposite of that quoted above, might be stated in this way: The average worker is *able* to make and, given the right kind of circumstances, *wants* to make important contributions to the solution of production problems. If you cannot accept this premise, you need consider this question no further.

—GEORGE P. SHULTZ
"Worker Participation on Productivity Problems," in
Frederick G. Lesieur, ed., *The Scanlon Plan: A Frontier in Labor-Management Cooperation*
(Cambridge, MIT Press, 1958), p. 51

Worker dissatisfaction: a look at the causes

GEORGE STRAUSS

ALL DURING the 1940's and 1950's, workers placed *steady work* as the most important thing they wanted from their jobs. By sharp contrast, a 1969 survey listed *interesting work* first, with job security coming seventh; six of the eight top-ranking work aspects related to job content.

These data may be but a statistical artifact, but if confirmed by other evidence they suggest a substantial shift in the value-ordering of American workers: with low level needs largely fulfilled, workers may be in a position to demand satisfaction for their egoistic and self-actualization needs. If so, such workers are less likely to settle for apathy or even for a job which offers high income and a rich social life but no intrinsic satisfaction. Possibly for such workers, money alone may no longer motivate—or as economists put it, it may have declining marginal utility. Possibly. But today's luxuries become tomorrow's necessities. Wants grow at least as fast as paychecks, and I doubt if economic motivation will atrophy as fast as some psychologists suggest. Regardless, most employees today claim that they are satisfied and apparently have reached some sort of adjustment to their environment (in the sense that what they expect and obtain from the job are in fair balance). Dissatisfaction may have increased recently, but probably not by much.

It seems reasonably clear that not everyone feels oppressed by his organization. Dissatisfaction with work seems to be a function of technology. The most dissatisfaction is reported on jobs with short job cycles or relatively little challenge—and also in industries in which such characteristics are common, such as the automotive industry.

There are a variety of forms of adjustment workers may make to "objectively" challengeless work (that is, work which most observers—and especially college professors—report as challengeless). Some workers are able to develop rich social lives on the job or are active in their union. Others obtain a large part of the challenges they seek off the job, through recreation or family activities (though the evidence suggests that for many this recreation may

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THE 43D AMERICAN ASSEMBLY, meeting at Arden House, Harriman, N.Y., examined "The Changing World of Work" at a 4-day conference last November. This and the excerpt on pp. 14-15, drawn from background papers prepared for the conference and copyrighted by The American Assembly, are published with permission. A final report on the conference is planned for publication later this year under the title *The Worker and the Job: Coping with Change,* and may be ordered from the publisher, Prentice-Hall, Inc., Englewood Cliffs, N.J. 07632.

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From the *Review* of February 1974

be rather passive in nature). A worker may "adjust" by dreaming of better work, whether for himself or his children. Alternatively, he may "enlarge" his job through sabotage or output restriction, or he may lower his aspirations and delude himself that he is truly happy—and thus become resigned and apathetic. Finally, he may become a chronic griper and even express his feelings by striking, being absent from work, or quitting his job.

But dissatisfaction can be caused as much by low incomes, job insecurity, inadequate fringe benefits, or tyrannical supervision. Indeed to me the evidence suggests that for workers at all levels—even managers and professionals—lack of challenge is much less oppressive than lack of income. People as a whole are willing to tolerate large doses of boredom if they are paid enough. In so doing they are perhaps selling their soul for a mess of pottage. By my elitist standards this may be a raw deal, especially since it may have an adverse impact on personality and mental health. But why should my standards govern? Life without adequate income can also be pretty grim.

I tend to agree with those union leaders who argue that economic conditions are a greater cause of dissatisfaction than any intrinsic sterility on the job. But this is no reason for ignoring intrinsic factors—any more than we should ignore arthritis just because cancer kills more people annually. The fact that over 10 percent of our work force (almost 10 million people) are dissatisfied is itself significant. And it is also clear that challengeless work has led to countless further millions leading narrower, less creative, and less happy lives.

Robert Owen's lesson

The need to give machines the care and conditions required for them to work best—to service, clean, and maintain them and keep them in the right temperatures and humidity—is seen as obvious; yet doing the same for human beings is often regarded as an extravagance. It is an old, old lesson of which Robert Owen provided initial proof at his New Lanark Mill in Scotland between the years 1800 and 1820. He built schools, developed adult education, restricted child labour, provided clean and safe working conditions. His workers were the so-called "unemployables" imported from the slums of Glasgow and others were crofters driven from their land by the big landlords: 500 of his 1700 workforce were pauper apprentices. They were a bitter, warring, improvident, and hard drinking community with no cause to trust their employer and little social homogeneity. Yet he built a society in New Lanark which, remarkably, made more profit than his competitors were able to achieve with their "buy them cheap and sell them dear policy."

We began to learn Owen's lesson and apply it when more than a century had passed since his work at New Lanark. Quality of work life is simply an extension of Owen's thesis. It rests on the assumption that workers, unions, and employers all have a shared interest in the continuation and profitability of the enterprise. But in order that workers should make their contribution, they need the right environment. Job structures will need to be changed, work reorganised, and arrangements made for people to participate in the decisions which affect them.

——PETER D. CARR, Labour Counsellor, British Embassy
From "The British Approach to Quality of Work Life,"
a paper presented at the Quality of Work Life Institute,
George Meany Center for Labor Studies, Silver Spring, Md.,
February 10, 1981

Worker dissatisfaction: a look at the economic effects

PETER HENLE

SOME EVIDENCE provides modest support to the proposition that there is increasing disenchantment with work, including, for example, the decline in labor force participation by middle-aged and older men, the increase in the rate of unscheduled absences over the past 5 years, and the increasing proportion of strikes over working conditions. The increase in petitions filed with the National Labor Relations Board by individuals in bargaining units asking that their union be decertified (its right of representation ended) may suggest that workers are increasingly dissatisfied with the collective bargaining system.

On the other hand, each of these points has to be qualified. The decline in labor force participation by middle-aged and older men is more than offset numerically by the sharp growth in the rate at which women have been entering the labor force and the absence of any decline among younger people. The significance of the increased rate of unscheduled absences is not clear; to some extent, it may simply reflect individuals taking advantage of newly won paid-leave privileges. The increasing proportion of strikes over working conditions covers such a wide variety of issues that its implications in terms of attitudes toward work are uncertain. Finally, the increase in decertification petitions must be put in proper perspective; the number of workers voting to oust their union representatives is but 5 to 10 percent of the total voting to install union representation.

In addition, other indicators give little or no support to any decline in the work ethic: the absence of any long-term trend in the quit rate, the rebound in the rate of productivity improvement, and the relative stability of labor relations activity, even in such an active collective bargaining year as 1973.

In summary, Americans may be more unhappy at work, but there is very little evidence that this has affected their economic performance. Furthermore, the absence of any clear-cut economic data pointing to disaffection with work raises the possibility that people may be more satisfied with their jobs than many writers have suggested.

The avalanche of news stories and surveys pointing up job dissatisfaction has tended to obscure a number of longer range developments operating to create a more favorable working environment. Consider, for example, the following:

1. Changes in the occupational structure have emphasized the rise of professional, technical, and other white-collar jobs at the expense of the blue-collar occupations. Many routine, low-paying jobs remain, especially in manufacturing and service industries, but the effect of technological change has been to eliminate many burdensome backbreaking laboring jobs.

2. There have been major improvements in the work environment. For one thing, most jobs are no

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From the *Review* of February 1974

longer jammed into the middle of the urban centers, as small manufacturing plants outside the metropolitan centers have tended to replace the older, ugly, sprawling plants in the cities. In addition, improved lighting, ventilation, temperature, noise control, sanitation, and other amenities have been built into the newer industrial facilities. Perhaps the ideal factory has not been achieved, but working conditions have certainly improved.

3. A longer preparatory period of education before commencing a working career, a revolution in paid leisure time during the work career, and a longer period of income-supported retirement afterwards have given a new look to the role of work in American life and opened up a wider range of opportunities away from work for creating a full and satisfying life.

4. Important changes have been taking place in the schedules for working hours. Most significant is the growth in part-time jobs—over 50 percent in the last 10 years—which have particular appeal to women and young people.

5. Finally, what about the increase in levels of pay? Working on a General Motors assembly line may provide little satisfaction for the inner man, but the pay of $4.60 an hour (plus health insurance, pensions, paid vacations, holidays, and other fringe benefits) with $9,000 annual earnings (plus overtime) may cover up most of the pain.

These points do not erase any cause for job dissatisfaction, but they may have the effect of making work more tolerable economically than it may have been in the past.

Up to now, there is only limited evidence that disaffection with work has interfered with the performance of the national economy. In the future this may change, as the bond that ties individuals to their work tends to loosen in a world of higher incomes, greater leisure, and more competitors for an individual's time. In such a world, if work is to retain its traditional attraction, management and labor may have to change some attitudes and techniques, perhaps even their basic approach to the work environment. However, the demonstrated adaptability of the Nation's labor relations institutions provides some confidence that any such changes can be adopted successfully.

Labor looks at quality-of-worklife programs

Quality-of-worklife programs, under whatever name, can be of tremendous help in facilitating the dealing with the larger issues of collective bargaining, including wages and working conditions, and, at the same time, can deal with the less visible but even more basic issues that affect the individual at the workplace.

Labor has no intention of allowing management to co-opt these basic issues. But dealing with QWL programs will present our unions with immense problems of education of members; training and retraining of shop stewards and business agents; of giving attention to the overall coordination of QWL programs plant by plant, employer by employer, and individual by individual; and of developing at national staff levels the technical expertise to assist in the negotiation of QWL programs and in their development and maintenance, and in the resolution of the problems of sharing the benefits—what necessary agreements and conditions before entering into the program, and so forth.

Every union needs to continue in every way possible to assert its rights and the rights of its members to acceptance as legitimate equals in a partnership with management, with collective bargaining as the essential foundation for labor-management cooperation.

—THOMAS R. DONAHUE, Secretary-Treasurer, AFL-CIO
From an address at the Labor Relations
Research Center of the University of Massachusetts,
Amherst, January 7, 1982

Work, stress, and individual well-being

ROBERT L. KAHN

Research and theory about organizational life have been dominated by the criterion of organizational effectiveness. Productivity and profit, absence and turnover, strikes and grievances, and other such measures are the outcomes that such research attempts to predict or explain. In combination they indicate the effectiveness or well-being of the organization as a living system.

But the individual is also a living system, with criteria of well-being quite separate from those of the organization. Agreement on those criteria is far from perfect, but there is some convergence around the ability to work, love, and play; to regard oneself and one's life with positive feelings; to perceive people and events without major distortion; and to be free from distressing physical symptoms. These and other measures of individual health, physical and mental, we regard as complex outcomes determined in part by properties of the organizations within which people work and the roles they perform in those organizations.

The enactment of an organizational role by an individual can thus be thought of as an intersection and partial overlap of two ongoing systems, the person and the organization. The overlap consists of certain cycles of behavior that are identical for both; these behaviors are part of the ongoing life of both the individual and the organization. We are accustomed to examining the extent to which these overlapping cycles contribute to efficiency, productivity, and other measures of organizational effectiveness. It is equally appropriate, however, to ask the complementary questions: Does the enactment of the organizational role enhance or reduce the well-being of the individual? Does it enlarge or diminish the person's valued skills and abilities? Does it increase or restrict the individual's opportunity and capacity to perform other valued social roles?[1]

Stress and health

Research on the full triad of work, stress, and health is still relatively uncommon. More research has been done on the latter elements, stress and health, or more specifically, on the physiological and behavioral effects of certain stressors (stimuli) on laboratory animals and on human beings. As a result, much has been learned about the psychobiology of stress, about the effects of stress on the central nervous system, on neuroregulators in the brain, and on the immune system. Something is known also about the relationship of stress to physical and psychiatric illness. Without pretending even to summarize these large bodies of work, I want to suggest in each of these areas the kinds of findings that are accumulating, especially those in which the experimental

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This excerpt is drawn from a paper presented at the Thirty-Third Annual Meeting of the Industrial Relations Research Association, September 1980, in Denver, Colo. Papers prepared for the meetings of the IRRA are excerpted by special permission and may not be reproduced without the express permission of the IRRA, which holds the copyright.

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stressor is strongly suggestive of conditions imposed by many jobs.

Psychobiology of stress. The earliest research on biological aspects of stress concentrated on the adrenocorticotropic hormone (ACTH) and the pituitary-adrenal system. In more recent years, other hormones have been identified as stress-responsive. Many stressors evoke these hormonal responses, but the common element appears to be emotional arousal to threatening and unpleasant aspects of life situations.

Moreover, some of these hormonal changes occur not only in response to classical aversive stimuli like pain or noise, but also in response to unfavorable changes in environmental contingencies and expectations. For example, when animals trained to work for food by pressing a lever were presented with a condition in which pressing the lever did not produce food, they showed elevations in plasma corticoids as high as those evoked by noxious stimuli. Other research also emphasizes the importance of predictability in facilitating coping and in minimizing hormonal stress responses. For example, animals subjected to unpredictable shocks showed greater somatic change (corticosterone elevation, stomach ulceration, and weight loss) than animals that received shocks of the same magnitude on a predictable basis. Experiments with escapable and inescapable shock show similar results. Animals exposed to inescapable shock showed more fear than those exposed to escapable shock. Moreover, animals so exposed learned the lesson of helplessness and showed a severely reduced ability to escape in subsequent situations in which escape was possible. One researcher summarizes these and other laboratory studies by stating that there are two basic stimulus patterns that elevate hormonal responses for significant lengths of time: instability, which creates an unpredictable and "ununderstandable" environment, and uncontrollability, which makes coping efforts futile.

Stress and immunity. A recent review of research on the immune system found that certain psychosocial processes affect the central nervous system, thereby bringing about changes in the immune function, which in turn alter the risk of onset and subsequent course of many diseases. Frightening and distressing stimuli, overcrowding, exposure to loud noise and bright light have all been found to have effects of this kind in animals. For example, the stress of avoidance learning (performance to avoid punishment) and confinement in mice produced adrenal hypertrophy and susceptibility to viral infection. Stress effects on the immune systems have also been noted in studies with human beings. For example, in 1977, one researcher reported decreased immune responses among bereaved spouses after a period of seven to 10 weeks. Studies of infectious diseases, both with animals and human beings, bear out the effects of psychosocial stress in reducing resistance, increasing susceptibility, and lengthening the process of recovery.

Stress and physical illness. A current review by one researcher summarized research on stress as a casual factor in a wide array of physical illness. Examples with apparent relevance to conditions encountered by men and women at work include gastric ulcer, cancer, and cardiovascular diseases. The treatment now considered most useful for peptic ulcer (cimetidine) acts by blocking the release of hydrochloric acid in response to emotional stimuli and other stressors. There is some evidence for the involvement of stress factors—including recent significant loss, job instability, and lack of plans for the future—in the precipitation of cancer. The effects of stress in illness have perhaps been demonstrated most clearly with respect to cardiovascular disease. Laboratory studies of stressful stimuli produce changes in stroke volume, heart rate, and blood pressure. Consistent with these is the clinical identification of emotional disturbance as a major cause of anginal pain, and as a cause of heart failure in persons with heart disease otherwise under control.

Stress and psychiatric illness. Recent research implicates stress as a factor in depression, anxiety states, alcoholism, drug abuse, and sleep disorders. For example, depressed men and women experienced many more stressful life events just prior to their depression than did comparable groups in the general population.

Anxiety as a temporary feeling associated with some actual or threatened event is an experience that everyone has had. It seems to arise when we feel that the demands made on us (or soon to be made) exceed our abilities or resources to meet them successfully. When such feelings of anxiety are chronic, disabling, or seemingly unrelated to external realities, they are classified as signs of psychiatric disorder. Since the work role is for the majority of adults one of the most important sources of recurring demands for performance within specified limits of time, quality, and resources, we can expect it also to be a common source of anxiety.

Alcoholism and drug abuse almost certainly have many causes that do not lie in the immediate environment of the person. Environmental stressors seem to be implicated in both disorders, nevertheless. For example, the use of alcohol was found to increase during the first year after the death of a spouse and the use of opiates and marijuana was higher among Americans in Vietnam than would have been predicted from comparison groups in the United States.

The intuitive opinion that acute life stresses cause sleep disturbances has been well documented. Furthermore, chronic insomniacs, as compared to controls, reported more stressful life events during the year in which their insomnia began. There is some evidence

that chronic lack of sleep is more than unpleasant. Even short periods of sleep during periods of prolonged physical stress reversed stress-related changes in growth hormone, prolactin, and testosterone. And in a long prospective study, a group of researchers found that otherwise healthy individuals who initially reported abnormal sleep patterns (substantially less or more than the average) were more likely than members of the control group to have died by the time of the 6-year follow-up.

Implications for jobs and organizations

Now let us bring work back into the discussion of stress and health, by proposing a few implications of stress research for the improvement of work life. With both the field and the laboratory findings in mind, let us go beyond research and propose a few decision rules for the design of less stressful jobs and organizations:

1. *Minimize unpredictability and ambiguity at work.* Make the work situation as predictable as possible, in terms of job stability and certainty about the future. (Change can be predictable, too.)
2. *Minimize uncontrollable events at the individual level.* That is, maximize the decisions that can be made autonomously by the individual, then the decisions that can be made directly by the primary group in which the individual works, and only then those decisions in which control must be by more distant representative arrangements. (Take into account differences in individual preference.)
3. *Eliminate avoidance learning,* that is, performance-or-punishment. Instead, recognize and reward successful performance, both at the group and the individual level.
4. *Minimize physical stressors*—excessive noise, extremes of temperature and light intensity, spatial and postural confinement, crowding and isolation.
5. *Avoid recurring (daily) stresses;* they are more damaging than the occasional peaks of demand.
6. *Watch for negative affect* (emotional response). Feelings of boredom and apathy, anger and hostility, and other kinds of emotional distress often precede more severe somatic and behavioral reactions to stress.

The reader is likely to say, "Well everybody knows that." Perhaps everybody knows it, but almost nobody does much about it. There is some innovation; some drift toward job enlargement and employee involvement in decisions, perhaps; some experimentation in related matters. But the spread is slow and the successful experiments are not copied, even in the companies where they were done. Compared with the adoption rate of flared trousers and color television, not to mention computers, stress-reducing improvements in the quality of work life are adopted slowly.

Why should this be so? Many reasons come to mind, and many have been offered. Let me conclude by proposing a reason that is not so often given for the slow spread of stress-reducing, work-enhancing organizational changes—their special demands on organizational leadership. Buying a new technology is a decision usually made by people at the top of an organization that creates change-demands on others. But redesigning an organization to increase autonomy and control of each person and group creates change-demands that begin with the leaders themselves, in labor unions and government as well as industry. This task, its admitted difficulty, and its apparent implications for the reduction of managerial power and privilege, account for the slow, resistant, over-skeptical response of management to the findings of stress research—a response that has been slower in the United States than in some other technically advanced countries.

The scientific understanding of stress has greatly enlarged and continues to grow. The use of that understanding to reduce stress has only begun.

FOOTNOTE

[1] The introductory paragraphs of this article are adapted from Chapter 17 of Daniel Katz and Robert L. Kahn, *The Social Psychology of Organizations* (New York, Wiley, 1978). The discussion of stress and health owes much to the work of the Committee on Stress Research, Institute of Medicine, National Academy of Sciences.

How American workers view labor unions

Although most workers surveyed are critical of union leaders, most also consider them effective in promoting member job interests, a third of nonmembers would vote to unionize, and, in general, union members are satisfied

THOMAS A. KOCHAN

The American trade union movement has been characterized by theorists, social critics, and union practitioners alike as following a "business unionism" philosophy. That is, American unions are seen as very pragmatic organizations that seek to improve the economic and social conditions of their members, focusing on improving the conditions of employment in the short run, primarily through collective bargaining.

However, until recently, surprisingly little work has probed systematically the views of American workers toward trade unions.[1] Even less empirical evidence was available for measuring union members' assessments of the performance of their own unions.

The 1977 Quality of Employment Survey, conducted for the U.S. Department of Labor by the Survey Research Center at the University of Michigan, provides a first step toward changing this state of affairs.[2] Attitudes and experiences of a representative sample of the labor force were surveyed on a variety of questions related to the respondents' working lives.[3] Three sets of questions pertaining to unions were included in the survey. First, all respondents were asked about their beliefs about trade unions in general. Second, the nonunion respondents were asked about their voting preference if a union representation election were held where they work. Third, the union members in the survey were asked to report their satisfaction with their unions, priorities for what their unions ought to be doing, and views of what their unions actually were doing and to indicate the extent of their participation in their unions.

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Results of the survey show that workers generally viewed unions as large, powerful bodies, which are highly effective. Of the nonunion workers, almost one-third said they would vote to unionize; and, although union members were mostly satisfied, they placed highest priorities on improving their unions' internal administration, while also emphasizing the importance of traditional collective bargaining issues, such as wages and fringe benefits.

Perceiving unions

In the questions on what workers believe trade unions are doing, respondents were asked to rate on a five-point scale the extent to which they agreed or disagreed with the statements listed in table 1.

"Big-labor" image. The first six questions in the table are clustered in something that might be labeled a "big-labor-image" dimension.[4] These questions measure the extent to which respondents agree or disagree with statements that the labor movement exerts a powerful influence over others in society. For example, those who generally agreed with these statements saw unions as exerting considerable influence over (1) who gets elected to public office, (2) what laws are passed, (3) how the country is run, (4) employers, and (5) union members. A final question in this cluster asked the extent to which the respondents saw union leaders as out to do what is best for themselves rather than what is best for their members. Between 70 and 80 percent of the respondents agreed with the statements that unions exert influence over who gets elected to public office, what laws are passed, how the country is

Table 1. American workers' beliefs about trade unions[1]

[In percent]

Beliefs	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Big-labor-image beliefs:					
Influence who gets elected to public office	37.5	46.0	1.8	12.7	1.1
Influence laws passed	24.0	56.6	3.8	14.4	1.2
Are more powerful than employers	24.8	41.6	6.2	25.4	2.0
Influence how the country is run	18.1	53.4	4.8	21.7	1.9
Require members to go along with decisions	18.5	56.0	3.9	20.1	1.6
Have leaders who do what's best for themselves	22.8	44.7	6.4	24.0	2.1
Instrumental beliefs:					
Protect workers against unfair practice	20.5	63.0	3.4	11.2	2.0
Improve job security	19.2	61.0	2.8	14.5	2.5
Improve wages	18.9	67.6	3.2	8.7	1.7
Give members their money (dues) worth	6.9	38.5	6.3	36.9	11.3

[1]In the survey, 1,515 workers were polled.

run, and union members. Approximately two-thirds of the respondents agreed that unions are more powerful than employers and that leaders are more interested in what benefits themselves than in what benefits union members. Thus, a strong majority of workers saw unions as big, powerful institutions in society.

These results are consistent with earlier opinion poll data summarized by Derek C. Bok and John T. Dunlop. A 1941 survey found 75 percent of the public believed union leaders had accumulated "too much power;" 62 percent agreed with this same question in 1950. Questions about union leaders asked in four polls between 1962 and 1965 consistently showed that the public held union leaders in very low esteem relative to business leaders, religious leaders, government officials, and college professors.[5] However, because the wording and specificity of the questions in the 1977 survey differ from these earlier polls, it is not possible to make exact comparisons.

A regression analysis in which the dependent variable was an index composed of the average responses to these big-labor-image questions showed that those who were most likely to agree with these statements were older and white-collar workers, while those most likely to disagree with these statements were union members, Southerners, women, nonwhites, and workers employed in public sector occupations. Overall, however, only a very small proportion of the variations in these responses ($R^2 = .07$) was explained by the regression equation, indicating that this big-labor image was generally shared by a majority of the workers in all the demographic, industrial, regional, and occupational categories examined.

High ratings for effectiveness. The remaining four questions are clustered in a separate factor in the bottom half of table 1. These questions appear to measure the extent to which respondents viewed unions as "instrumental" in improving the working lives of their members. Those who agreed with these questions saw unions as (1) protecting their members against unfair practices of employers, (2) improving members' job security, (3) improving the wages of their members, and (4) giving their members their money's (dues) worth. More than 80 percent of the respondents agreed that unions improve the wages and job security of their members and represent their members against unfair labor practices of employers. The respondents were almost equally divided over the question of whether the unions provide members their money's worth. Again these data are consistent with previous polls that show, despite the negative images of the political and economic power of unions, between 60 and 70 percent of Americans approve of unions in general and of the rights of workers to join unions. Bok and Dunlop interpreted these ratings (in conjunction with the negative public image of the power of unions) as support for the collective bargaining functions of unions.[6]

When a regression analysis was performed on the average responses to this "instrumental" dimension, it was found that those who were most likely to agree with these statements were members of trade unions, higher educated, and living in the South. White-collar workers, especially managerial employees, workers in the North-Central region of the country, and those in the manufacturing, transportation, and utility industries were less likely to agree with these statements. Although nonwhites and older workers also scored higher on this dimension than their white and younger counterparts, the relationships here were not statistically significant.

Those who scored high on the big-labor-image dimension were somewhat less likely to score high in the instrumental dimension (the correlation between the scores on these two dimensions is -.19). However, these are by no means mutually exclusive images. Instead, the majority of the workers surveyed apparently were somewhat skeptical of the political roles that unions play and of their power in society *and also* held positive views of union performance in collective bargaining.

Workers divided on union function. In addition to responding to multiple-choice questions, the respondents were asked in an open-ended question to describe what they believe labor unions in this country are trying to do. The responses to this

question then were coded into a set of positive or negative categories depending on the nature of the responses. Overall, 51 percent of those responding mentioned only positive things that unions are doing. Twenty-four percent described only negative functions. Fourteen percent mentioned both positive and negative things, and the remaining 11 percent of the responses were not amenable to classification. The most common positive function mentioned was improving the wages and benefits of union members. Twenty-nine percent of those giving a reason listed this as their primary view of what unions do. An additional 18 percent described unions as improving the working conditions of their members. Although the remaining responses on the positive side were scattered across a wide variety of categories, none of the reasons given were listed by more than 5 percent of the respondents.

Those describing unions as doing negative things had a more difficult time specifying exactly what they meant. Of the primary reasons given, the most frequent was the view that unions were out more for their own self-protection than for the good of society in general. Six percent of those responding gave this view of unions. The remaining negative views were, again, scattered across a wide array of categories. None of the reasons were given by more than 3 percent of the sample. Thus, the negative image workers have of unions appears to reflect a generalized stereotype, rather than a specific identifiable or easily expressed criticism.

Voting on unionization

One of the key questions asked of the nonunion respondents in the survey was whether they would vote for union representation if an election were held in their workplace. Of the 983 that responded, 295, or 30 percent, indicated they would vote for unionization. When managers and the self-employed were excluded from the sample, the rate of support for unionization rose to 33 percent. Further breakdowns show that 39 percent of the blue-collar workers would support unionization, compared to 28 percent of the white-collar workers, excluding the self-employed and managers. Perhaps the most striking finding was that 67 percent of all black and other minority workers would vote to unionize. Also, 40 percent of all women and 35 percent of workers in the South would support unionization.

Dissatisfaction a factor. The following statement by E. Wight Bakke is still perhaps one of the best propositions for guiding an analysis of how individual workers approach the decision to join or not join a union:

> The worker reacts favorably to union membership in proportion to the strength of his belief that this step will reduce his frustrations and anxieties and will further his opportunities relevant to the achievement of his standards of successful living. He reacts unfavorably in proportion to the strength of his belief that this step will increase his frustrations and anxieties and will reduce his opportunities relevant to the achievement of such standards:[7]

In short, if we are to distinguish between individuals who would support unionization in 1977 versus those who would not, we must first identify the current job-related concerns of workers, their evaluation of their current conditions, and their views of the instrumentality of unionization as a strategy for improving their well-being versus the perceived costs or negative consequences of unionization.[8]

The findings of several recent empirical studies suggest that dissatisfaction over the economic or traditional bread and butter issues of wages, fringe benefits, and working conditions is more strongly related to the desire to join a union than is dissatisfaction with other aspects of a job, such as relations with supervisors and the content of the job itself.[9] Thus, the initial proposition tested with these data was that those workers who are more dissatisfied with the economic or traditional bread and butter aspects of their job or those who report more problems with such aspects are more likely to be union supporters than those who are more satisfied or experience fewer problems with these aspects of their job.

The correlations and regression equations relating characteristics of the respondents, their jobs, and their attitudes toward their jobs to the propensity to join a union are presented in table 2. For the overall sample, bread and butter aspects of the respondents' jobs were consistently significantly related to willingness to join unions, both before and after controlling for all of the other variables. Likewise, those respondents who reported more problems with inadequate income, fringe benefits, and problems with health and safety hazards on the job were also more likely to support unionization on their jobs than were workers not experiencing these problems (or experiencing them in lesser magnitudes). Examination of the distribution of these responses between union and nonunion supporters further indicated that only when the problems became most severe or the highest level or dissatisfaction was reported did a majority of repondents indicate a willingness

Table 2. Regressions of workers' propensity to join unions, by occupational group

Independent variables	Overall sample[1]			Blue-collar workers[4]		White-collar workers[5]	
	Correlation coefficients	Standardized regression coefficients		Standardized regression coefficients		Standardized regression coefficients	
		Run 1[2]	Run 2[3]	Run 1[2]	Run 2[3]	Run 1[2]	Run 2[3]
Job satisfaction[6]							
Bread and butter	[7]-.297	[7]-.135		-.061	---	[8]-.127	---
Supervision	[7]-.206	-.033	---	[9]-.111	---	.004	---
Nature of work	[7]-.299	[8]-.112	---	-9095	---	[8]-.160	---
Desired on-the-job influence	[7].160	---	[7].104	---	.069	---	[7].150
Difficulty exerting influence	[7].150	---	[9].057	---	[8].112	---	.022
Job insecurity[10]	.056	---	.007	---	-.015	---	-.012
Severity of job dangers[10]	[7].164	---	[7].141	---	[7].156	---	[9].081
Travel to work difficulties[10]	.041	---	.020	---	.038	---	.019
Desirability of working conditions[10]	[9].103	---	.006	---	.012	---	.030
Inadequate income[10]	[7].209	---	[9].067	---	[7].150	---	.002
Inadequate fringes[10]	[7].211	---	[8].087	---	[9].092	---	[8].097
Pay equity perceptions[10]	[7]-.210	---	[7]-.126	---	-.047	---	[7]-.158
Age	[9]-.090	-.014	-.026	-.044	-.053	-.044	-.016
Education	-.029	-.018	-.001	-.008	.022	.026	.025
Sex: Female	[8].118	.004	.035	-.011	.001	.064	.094
Race: Nonwhite	[7].244	[7].143	[7].148	[7].176	[7].180	[8].117	[7].130
Big-labor-image beliefs	[7]-.167	[8]-.076	[7]-.091	[9]-.116	[9]-.120	[9]-.060	[9]-.079
Instrumentality beliefs	[7].329	[7].262	.273	[7].301	[7].301	[7].230	[7].261
Region:							
North Central	[9]-.077	[8]-.108	[8]-.103	[9]-.126	[9]-.126	[8]-.132	[8]-.116
South	.043	-.061	[8]-.073	-.043	-.058	[8]-.117	[9]-.105
West	-.020	-.038	-.047	-.040	-.038	-.046	-.057
Size of establishment:							
1 to 10 employees	[9]-.095	[9]-.090	-.112	[9].136	[8]-.215	-.091	-.968
11 to 499 employees	.057	-.004	-.121	-.002	.058	-.044	-.038
Over 2000 employees	-.021	-.016	-.011	-.065	-.059	.003	.016
Industry:							
Secondary	.048	.016	.021	.035	.017	.079	.082
Government	.015	-.031	-.035	.065	[8]-.105	.022	.031
Occupation: [11]							
Professional/technical	-.020	.018	---	---	---	---	---
Managerial/administrative	[8]-.116	-.023	---	---	---	---	---
Clerical	.031	-.002	---	---	---	---	---
Craftsman	[9]-.091	-.042	---	---	---	---	---
Service	[8].110	-.047	---	---	---	---	---
Measures of regression accuracy							
F	---	[7] 12.14	[7] 10.61	[8]7.35	[8]6.81	[8]8.05	[8]5.97
R^2	---	.271	.261	.300	.313	.262	.226
$\overline{R^2}$	---	.249	.237	.265	.267	.229	.188

[1]N = 804.
[2]These regressions include indexes of job satisfaction.
[3]These regressions include measures of workers' perceptions of problems with different aspects of their jobs.
[4]N = 335.
[5]N = 469.
[6]Not included in Run 2.
[7]Significant at .01.
[8]Significant at .05.
[9]Significant at .10.
[10]Not included in Run 1.
[11]Not included in blue-collar and white-collar regressions.

to support unionization. Thus, it would appear that, while dissatisfaction with wages, fringes, and working conditions provides the initial stimulus to unionization, concern for this must be quite severe before a majority will support unionization as an option for improving these conditions.[10]

For white-collar workers, dissatisfaction with the content of their jobs exerted a somewhat greater effect on propensity to unionize than did dissatisfaction with the bread and butter aspects of the job. Still, however, dissatisfaction with bread and butter aspects of the job was significant in the white-collar equation. This implies that the motivation to unionize for both white-collar and blue-collar workers is influenced by their economic conditions, but that white-collar workers are also more motivated to support unionization when dissatisfied with the content, scope, and organization of their jobs.

Dissatisfaction with wages and economic benefits can arise both because their absolute levels are perceived to be below some acceptable standard or because of inequities that are perceived in one's wages or in the way in which working conditions are administered. Workers normally have some comparison in mind when evaluating their own conditions. However, we can also directly assess the effects of perceptions of inequitable wages, as workers were asked the extent to which they perceived their wages to be equitable relative to others doing the same type of work. A significant negative correlation was found between perceptions of equity and propensity to unionize for the overall sample and for white-collar workers. Thus, it is not only the level of wages and other terms and conditions of employment that influence workers' willingness to unionize but also, in at least the case of white-collar workers, the extent to which workers' wages are perceived to be inequitable relative to others doing similar work.

Desire for influence. While dissatisfaction with job conditions may provide the initial stimulus for unionization, not all workers are likely to turn immediately to unions as a way of coping with these problems. Workers have alternatives for influencing unsatisfactory working conditions. Not all workers believe it is their right or desire to have greater participation on their jobs. Furthermore, among those who believe it is their right or are interested in having greater influence, only those who are unable to influence their work environment through other, more informal, individualistic, or employer-initiated participation programs are likely to turn to unions as an alternative.

The correlations between the variables measuring the desire for participation and the difficulty of introducing changes on the job provide support for these propositions, though the correlations between these characteristics and the propensity to unionize are somewhat lower than the correlation on job dissatisfaction. However, the correlations do indicate that workers interested in unionization see it as both a means of introducing greater participation on the job and for overcoming employer resistance to change or to dealing with

job-related problems. In fact, a majority of the respondents who both desired greater participation *and* reported experiencing difficulty in getting employers to make changes on their jobs supported unionization.[11]

Again, differences between white-collar and blue-collar workers were found with these two measures. For the white-collar workers, a belief about the rights of workers to participate exerted stronger effects on their propensity to unionize than did the difficulty they experienced in making changes on their jobs. For blue-collar workers, the opposite was true; difficulty of change outweighed beliefs about participation.

Benefits versus costs. Workers who are dissatisfied with their present conditions and seek greater participation and influence still must decide whether the benefits of unionization in their particular situation outweigh the costs associated with it. Here is where the general beliefs workers hold about unions enter into the process of deciding whether to vote for unionization. Workers who are more ideologically predisposed toward unions or have more favorable images of unions could be expected to support unionization in their particular situations. The recent empirical studies of representation elections cited earlier in this article have found very strong relationships between general images of unions and workers' voting behavior.

In this study, the coefficients on the instrumentality index tended to be approximately three times as large as those on the big-labor-image index, reinforcing the view that American workers approach the decision to unionize in very pragmatic terms. They are apparently less influenced by their general image of labor in society or by their general views of the labor movement than they are by their judgments about what unions actually do for their members.

Demographic determinants. A common theme running through much of the popular speculation about the future of the labor movement is that unions will have a difficult time organizing because of the changing demographic, industrial, occupational, and regional characteristics of the labor force. Consequently, the relationship between each of these characteristics and the propensity to join unions was examined again both before and after controlling the psychological or attitudinal characteristics summarized in the previous section.

In general, findings concerning the demographic characteristics suggest there are no specific subgroups in the population that are consistently unwilling to join a union if their job conditions warrant unionization. At the same time, there were no specific subgroups, with the exception of nonwhite workers, that appeared to be willing to join unions as a matter of course. That is, holding job conditions constant, younger workers were as willing (or unwilling) to join unions as older workers, women at least as willing as men, and

Most vote, few run for office

One set of questions in the survey dealt with the level of participation of members in their trade unions. The respondents were asked whether in the last 2 years they had (1) voted in a union election, (2) attended a union meeting, (3) run for a union office, and/or (4) filed a grievance. The responses indicated that (1) 68 percent had voted in a union election, (2) 67 percent had attended at least one union meeting, (3) 13 percent had run for office, and (4) 19 percent had filed a grievance.

From these data, an overall index of union participation was calculated (by weighting each form of participation equally) and regressed on the demographic characteristics discussed in earlier sections of this article. The objective was not to test a formal model of union participation but rather to identify whether union activists were underrepresented or overrepresented by any of the demographic, occupational, regional, or industry categories.

Results show that older members, members with more education, and members who scored higher on the desire for participation on the job were significantly more active in their unions than their counterparts. Members with college educations were significantly more likely to run for union office, with the highest propensity among those in or approaching their prime working years.

There were no significant differences between men and women in the propensity to vote or to run for office. However, blacks and other minorities were only half as likely to run for office (8 percent compared with 15 percent) and were significantly less likely to vote in union elections (53 percent versus 69 percent). Professional and managerial unionists were most likely to run for office (25 percent and 20 percent, respectively) while clerical union members were least likely (3 percent). Although the regional variations were not significant, there was a lower rate of voting and candidacy among union members in the Northeast relative to the rest of the country. Similarly, again, although the overall distribution was not significantly different, union members in the largest establishments (2,000 employees or more) were least likely (3.3 percent) to run for union office.

white-collar workers apparently as willing as blue-collar workers.

Pro-union white-collar workers were (1) more concerned with pay inequities and fringe benefits problems than with the absolute levels of their wages, (2) more interested in participation in decision making, (3) more likely to support unionization when dissatisfied with the content of their jobs, and (4) less likely to avoid unionization because they hold a negative image of the labor movement. Female white-collar workers were more likely to support unionization than were their male counterparts. Blue-collar workers, however, were most likely to turn to unions when dissatisfied with wages, benefits, and health and safety hazards on their jobs. Younger blue-collar workers were somewhat more willing to join unions than were older blue-collar workers.

Including regional variables in the analysis also provided somewhat surprising results. Although it has often been argued that Southern workers are less interested in joining unions than their Northern counterparts, the negative coefficient on the Southern variable was significant only for white-collar workers. Southern blue-collar workers were, therefore, just as willing to join unions when their job conditions warranted unionization as were workers in the Northeast.

However, there appeared to be a more negative nonunion effect found among both blue- and white-collar workers in the North Central region of the country. Workers in the West appeared insignificantly different from the workers in the Northeast in their willingness to join trade unions. The North Central effect remained significant, even when the sample was broken down into white-collar and blue-collar subgroups.

The last variable examined was the size of the establishment in which the worker was employed. Size was measured by a series of categorical variables, because initial examination of the distribution of responses showed that the workers in the smallest (fewer than 10 workers) and the largest (1,000 workers or more) establishments were least willing to join trade unions. Those in the intermediate categories were somewhat more prone to unionization. Relative to the smallest establishments, workers in the intermediate size organizations were most likely to be willing to support unionization. These results may reflect the close interpersonal relationship between workers and employers in the very small organizations and the effectiveness of the very large nonunion employers in reducing the incentives to join unions by paying higher wages and benefits and by using sophisticated personnel techniques and policies.[12]

Benefits the main factor. When nonunion respondents were asked why they would vote for or against unionization, the most frequently cited reason for supporting unionization was that unions would improve wages and fringe benefits. Twelve percent of the union supporters cited this as the major reason for preferring unionization. The second most important reason, cited by 6 percent of the union supporters, was that unions would represent the workers' interests in dealing with their employer. Other reasons cited include unions' ability to improve working conditions, provide job security, ensure fair treatment, improve working hours, improve safety and health, and handle workers' grievances. Clearly, these verbal responses reinforce the concerns workers have for the economic and other traditional aspects of their jobs.

The major reason workers gave for voting *against* unionization was that a union was not needed on their job—the job was satisfactory as it now was. Twenty percent of those opposed to unionization gave this response. The second most common reason cited for opposing unions was that the worker preferred to handle problems individually with the employer. Ten percent of the union opponents gave this response. The next most common response reflects a negative image of labor unions; the respondent didn't approve of unions (8 percent). Finally, only 1 percent of the workers indicated that the primary reason for opposing unionization was a fear of employer retaliation or closure of the plant resulting from unionization.

Evaluating union performance

What do American union members expect their trade unions to be doing? How well are unions fulfilling these expectations? These are perhaps two of the most critical questions for evaluating the responsiveness of trade unions to their members. Information on workers' views can be useful for tracing trends or changes in the responsiveness of the American trade union movement over time and for identifying the directions union members would like to see their organizations move in the future.

Greater expectations. Workers were asked two sets of questions concerning their expectations from their unions and their evaluations of union performance. The first set of questions asked members to rate on a four-point scale how much effort they felt unions should be putting into various areas. The second question asked how well their unions actually were doing in the same areas.

The list of issues included in these questions can be grouped into three categories: First, the traditional bread and butter issues of wages, fringe benefits, job security, and safety and health; second, the quality of work; third, the internal administration of the union.

The responses of the union members to these questions are presented in tables 3 and 4. The greatest concern of the union members was for increasing the responsiveness of the union's internal administration. The highest priority rating was given to the concern for improving the handling of member grievances. The second highest was given to increasing the amount of feedback the union provides its members. In addition, the need to increase the influence that members have in running the union was rated as the fourth most important priority. Thus, three of the top four concerns of the union members reflected their interest in improving the governance of their union. The second major area of concern was in the traditional issues—wages, fringe benefits, job security, and working conditions. The concern for fringe benefits, in fact, was the third most important issue, while wages, job security, and safety and health issues ranked fifth through seventh, respectively. Issues concerning the quality of work were given the three lowest priorities.

The data pose somewhat of a dilemma for unions, however, for between 60 and 75 percent of all respondents wanted their unions to exert some or a lot of effort in improving the quality of work aspects of their jobs. Thus, while workers expected their union to give the highest priority to the internal administration and traditional issues, a majority also wanted their unions to exert an effort to improve the quality of work. Consequently, while workers still viewed their unions as representatives of their economic interests, they also were looking for an expansion of the domain of union activity into these more uncharted areas.

The central determinant of workers' ratings of their unions' performance is their degree of job dissatisfaction with bread and butter issues or the existence of problems with these issues. Union performance was rated higher and members were more satisfied with union performance when these problems had been effectively addressed and when workers were satisfied with these aspects of their jobs. Older members and members in the South rated their unions significantly higher than did younger and non-Southern respondents.

Three major findings emerge from a comparison of the data on what union members expect their unions to do with the data on how well unions are actually doing. First, there is a strong positive ($r = .70$) rank order correlation between the ratings of union priorities and union performance.[13] This indicates that unions were perceived to be performing best on the issues of highest priority to their members. Second, the data further confirm the centrality of the traditional economic issues to union members. Third, the results indicate that members' expectations for their unions exceeded current union performance. On average, there was approximately a 0.5- to 0.7-point difference or gap (on a four-point scale) between the expectations members had for their unions and their perceptions of union performance.

When the gap between expectations and performance on each issue was examined (by subtracting from the percentage of the respondents who indicated they would like to see their unions exerting a lot of effort on a dimension the percentage of respondents who indicated their union was actually doing very well on that dimension), the importance of improving the internal administrative aspects of trade unions again was observed. These differences are shown in the following tabulation:

Issue	*Size of differences*
Handling members' grievances	43.8
Providing more say in union	42.3
Providing more feedback from union	40.1
Getting better fringe benefits	35.2
Improving job security	30.8
Improving safety and health	26.3
Make jobs more interesting	25.2
Getting better wages	24.0
More say in how to do their jobs	21.9
More say in how business is run	18.9

In general, however, regression analysis showed few significant differences in the priorities of the individual respondents or in the extent to which

Table 3. Union member priorities for union issues[1]

[In percent]

Issues	No effort	A little effort	Some effort	A lot of effort	Mean[2]
Wages	2.4	6.0	34.7	56.9	3.46
Fringes	1.1	4.2	30.9	63.8	3.57
Job security	3.4	7.8	34.4	54.4	3.39
Safety/health	4.3	13.1	34.9	47.6	2.87
Say on job	5.2	19.0	45.1	30.5	3.01
Interesting jobs	14.7	24.7	30.3	30.1	2.76
Say in union	3.2	4.9	31.8	60.0	3.49
Say in business	17.1	18.1	39.7	25.2	2.73
Feedback from union	2.0	5.9	22.1	69.7	3.60
Handling grievances	1.5	2.3	17.1	78.5	3.74

[1] Union members were asked how much effort they thought their unions should be putting into various issues.

[2] Degrees of effort were valued from 1 to 4 points, with "little effort" equaling 1 and "a lot of effort," 4. The mean is the average value of response.

Table 4. Evaluation of union performance[1]

[In percent]

Issues	Not good at all	Not too good	Somewhat good	Very good	Mean[2]
Wages	4.7	19.8	42.5	32.9	3.04
Fringes	7.7	21.8	41.9	28.6	2.91
Job security	7.6	18.0	50.8	23.6	2.90
Safety/health	6.5	21.5	50.7	21.3	2.87
Say on job	15.2	34.3	41.9	8.6	2.44
Interesting job	22.5	43.1	29.5	4.9	2.17
Say in union	16.2	27.9	37.3	18.7	2.58
Say in business	25.8	37.7	30.1	6.3	2.16
Feedback from union	10.5	23.3	36.5	29.6	2.85
Handling grievances	8.7	15.7	40.9	4.7	3.02

[1] Union members were asked how good a job their unions were doing in addressing various issues.

[2] Ratings were valued on a 4-point scale, with "Not good at all" worth 1 point and "Very good" worth 4. The mean is the average value of response.

they perceived their union as effectively responding to their needs. Consequently, while these data are useful for giving us an overall view of the priorities of union members in general and their views of the performance of their unions, they do not provide much insight into the conditions under which unions are responding more or less effectively to their members' interests.

General satisfaction prevails. The final question asked of the respondents was "How satisfied are you with your trade union?" The responses showed a trade union membership that was relatively well satisfied with its unions. Twenty-five percent of the respondents indicated that they were very satisfied with their union, 48 percent indicated they were satisfied, 17 percent indicated they were dissatisfied, and 10 percent indicated they were very dissatisfied. Thus, just under three-fourths of all of the union members surveyed indicated a general degree of satisfaction with their union. Subsequent regression analysis again confirmed that the only significant correlate of union satisfaction was satisfaction with the traditional economic or bread and butter aspects of workers' jobs. Beyond this, there were no consistent significant demographic, regions, or occupational groups that differed significantly on this satisfaction score.

Implications for organized labor

These data suggest both positive and negative predictions for the ability of unions to attract new members. On the positive side, extrapolating these sample results to the entire labor force indicates that if all workers who prefer to unionize (one-third of the unorganized work force[14]) were organized, the size of the labor movement would nearly double. The greatest source of potential growth appears to be among nonwhites; a two-thirds majority of nonwhite workers prefers to unionize. In addition, none of the growing segments of the labor force exhibits an inherently negative view of trade unions or to the prospects of joining a union. Younger workers, women, and higher educated workers are no less willing to join a union when their job conditions warrant it than their older, male, or less educated counterparts. Even the common stereotype of the anti-union Southern worker does not show up in these data. Therefore, the changing regional and demographic composition of the labor force should pose no new barriers to organizing.

On the negative side, the majority of workers apparently only turn to a union when (1) greatly dissatisfied with their job and economic conditions, (2) they desire more influence over their job conditions, and (3) other forms of influence do not work. Unions are seen by a large number of workers as a strategy of last resort rather than as a natural or preferred means of improving job conditions. White-collar workers are especially concerned with the threats unionization might pose to their individual autonomy and independence. This suggests that potential members will have to be convinced that a union can respond to their specific sources of dissatisfaction and provide channels for effective participation and organizational change.

Although the survey data do not provide specific detailed suggestions for what unions need to do to improve their administration, they clearly show that this concern outweighs even members' concerns for substantive improvements in their conditions of employment. The data document that union members expect their unions to maintain their historical focus on seeking better wages, fringe benefits, jobs security, and working conditions. It is clear, therefore, that no shift in the focus of union priorities would be tolerated by the majority of union members. Any efforts made to improve the quality of work must be a supplement to, not a replacement for, efforts in the traditional areas of union concern.

The next step

A more intensive analysis of the priorities of union members is needed (the analysis would be equally relevant for those interested in the nonunion sample). The research presented in this article deals only with the general measures of what the overall sample of union members expected their unions to be doing. More extensive information is also provided in the survey on the tradeoffs workers would make across a broad array of wage, benefit, and working conditions options. Analysis of these data by sex, race, occupation, and age groups could provide a better picture of the relative priorities of workers.

Perhaps, the most important next step in this research is to replicate the survey periodically in future years. Longitudinal data collected from the same panel of respondents would enable cause-and-effect relations to be identified more readily. The data summarized in this article provide an initial baseline for measuring trends in workers' perceptions of trade unions in society and union members' perceptions of the responsiveness of their own unions. The availability of these data on a continuous basis should make a major contribution to stimulating needed research on the role of trade unions in American society.

FOOTNOTES

[1] For a discussion of opinion polls covering selected views of trade unions between 1940 and 1966, see Derek C. Bok and John T. Dunlop, *Labor and the American Community* (New York, Simon and Schuster, 1970), pp. 11–19.

[2] This article is condensed from a report submitted to the Assistant Secretary of Labor for Policy, Evaluation, and Research under contract No. B–9–e–8–2899. For a general discussion of the survey results, see Graham L. Staines and Robert P. Quinn, "American workers evaluate the quality of their jobs," *Monthly Labor Review,* January 1979, pp. 3–12.

[3] Information on the sample drawn for this survey is contained in Robert P. Quinn and Graham L. Staines, *The 1977 Quality of Employment Survey* (University of Michigan, Survey Research Center, 1978), Section Two.

[4] The clusters reported here and in table 3 were derived from factor analyses that are available from the author upon request.

[5] Bok and Dunlop, *Labor,* pp. 13–18.

[6] Bok and Dunlop, *Labor,* p. 13.

[7] E. Wight Bakke, "Why Workers Join Unions," *Personnel,* July 1945, p. 2.

[8] Note that the question being asked of the workers in this sample is whether they would vote for union representation, not whether they would join a union. Thus, the argument that union benefits are public goods that can be obtained without actually becoming a member and paying union dues need not be addressed here. For a discussion of this problem, see Mancur Olsen, *The Logic of Collective Action* (Cambridge, Mass., Harvard University Press, 1971).

[9] See for example Julius Getman, Stephen Goldberg, and Jeanne Herman, *Union Representation Elections: Law and Reality* (New York, Russel Sage, 1977); Chester A. Schreisheim, "Job Satisfaction, Attitude Toward Unions, and Voting in a Union Representation Election," *Journal of Applied Psychology —1978.*

[10] A satisfaction squared term was entered into the regression equation to test whether it outperformed or added to the explanatory power of the additive specification of this variable. The results did not significantly differ when the squared term was used as a substitute for the additive term. Including both terms in the equation did not significantly increase the explanatory power of the model.

[11] An interaction term measuring the combined effects of a high desire for participation and a high perceived difficulty of achieving changes on the job was tested in several regression runs. The explanatory power of this interaction term was approximately equal to the combined effects of desire for influence and difficulty of change when entered in their additive form. The interaction term did not add significant explanatory power when included with the additive form of these two variables.

[12] A discriminant analysis also was performed on these data as a supplement to, and a check on, the regression results. The same profile of coefficients was obtained in both procedures. The discriminant model was able to accurately classify 73 percent of the "no" voters and 72 percent of the "yes" voters.

[13] This correlation is almost identical to the one reported in a similar study of the relationship between the importance of alternative dimensions of union activists jobs and the effectiveness of collective bargaining on these job dimensions. In the earlier study, the rank order correlation was .71. Thomas A. Kochan, David B. Lipsky, and Lee Dyer, "Collective Bargaining and the Quality of Work: The Views of Local Union Activists," *Proceedings of the 27th Annual Meeting of the Industrial Relations Research Association* (Madison, Wis., IRRA, 1975), p. 159.

[14] Approximately 79 million employees are in the nonagricultural labor force, of which approximately 22 million are already members of labor organizations. Thirty-three percent of the remaining 57 million unorganized workers provide an estimated 19 million potential union members.

Assistance to labor management committees

SEC. 6. (a) This section may be cited as the "Labor Management Cooperation Act of 1978."

(b) It is the purpose of this section—

(1) to improve communication between representatives of labor and management;

(2) to provide workers and employers with opportunities to study and explore new and innovative joint approaches to achieving organizational effectiveness;

(3) to assist workers and employers in solving problems of mutual concern not susceptible to resolution within the collective bargaining process;

(4) to study and explore ways of eliminating potential problems which reduce the competitiveness and inhibit the economic development of the plant, area, or industry;

(5) to enhance the involvement of workers in making decisions that affect their working lives;

(6) to expand and improve working relationships between workers and managers; and

(7) to encourage free collective bargaining by establishing continuing mechanisms for communication between employers and their employees through Federal assistance to the formation and operation of labor management committees.

* * *

(2) Title II of the Labor-Management Relations Act, 1947, is amended by adding after section 205 the following new section:

"SEC. 205A. (a)(1) The [Federal Mediation and Conciliation] Service is authorized and directed to provide assistance in the establishment and operation of plant, area, and industrywide labor management committees which—

"(A) have been organized jointly by employers and labor organizations representing employees in that plant, area, or industry; and

"(B) are established for the purpose of improving labor management relationships, job security, organizational effectiveness, enhancing economic development or involving workers in decisions affecting their jobs including improving communication with respect to subjects of mutual interest and concern.

"(2) The Service is authorized and directed to enter into contracts and to make grants, where necessary or appropriate, to fulfill its responsibilities under this section.

——Excerpts from Comprehensive Employment and Training Act of 1978

Part II. Recent Developments in Labor-Management Cooperation

This section includes articles primarily concerned with joint programs to deal with workplace matters usually considered outside the scope of the collective bargaining process. Experiments in the private and public sectors are covered.

Edgar Weinberg reviews past experiences with labor-management committees and describes recent initiatives at three different levels—plant, community, and industry. The process of helping labor and management perceive and solve joint problems is examined by three mediators, John R. Stepp, Robert P. Baker, and Jerome T. Barrett. Three possible remedies for troubled labor-management relationships are described: Relationships by Objectives programs; labor-management committees; and joint training programs.

The benefits and problems of the pioneering quality-of-worklife projects at the General Motors Corp. are presented in two articles: one by a GM vice president, Stephen H. Fuller; the other by a United Auto Workers vice president, Irving Bluestone. The objectives and results of another UAW cooperative project, the quality-of-worklife program at Harman International Industries, Inc., in Bolivar, Tennessee, are assessed by Barry A. Macy. Another case study, by Ted Mills, deals with a union-management experiment with autonomous work groups at a small Pennsylvania coal mine. Three cooperative programs, including a joint committee in the retail food industry, a labor-management committee at a small industrial plant, and a quality-of-worklife project at a hospital, are evaluated by James W. Driscoll.

Two articles draw conclusions about the process of establishing work restructuring programs from the experience of a number of union-management projects. Edward E. Lawler III and John A. Drexler examine forces supporting and opposing change at 10 joint projects. Leonard A. Schlesinger and Richard E. Walton analyze the reactions of union and management participants at eight firms.

The increasingly popular flexitime systems which allow employees to adjust their work schedules to fit personal needs and preferences are discussed in two articles. One, by Janice Neipert Hedges, analyzes problems and issues of flexible schedules; the other, by Robert T. Golembiewski and Richard J. Hilles, reports favorably on initial experiences at a major pharmaceutical company.

Robert Zager reports on formal and informal arrangements developed by unions and management at a General Electric plant to deal with workforce adjustments among technical employees resulting from the introduction of computerized drafting techniques.

Three articles deal with cooperative programs in the public sector. James E. Martin describes the operation of joint union-management committees in six Federal agencies in a large Midwestern city. The role of researchers in the work of the New York State Continuity of Employment Committee, a joint arrangement set up in 1976 to handle worker displacement problems, is discussed by Todd Jick. Anna C. Goldoff reports on the views of union and management representatives involved in the economy program of the Joint Labor-Management Productivity Committee of the New York City civil service.

The last article in part II, by Michael Conte and Arnold S. Tannenbaum, analyzes several aspects of performance of employee-owned companies, including profitability, productivity, and job attitudes, and finds tentatively some evidence of positive effects.

Labor-management cooperation: a report on recent initiatives

Labor and management in several enterprises have suspended traditional fears to deal jointly with productivity and related problems, areas not generally covered by collective bargaining contracts

EDGAR WEINBERG

In recent years, there has been increased interest in cooperative approaches, involving both labor and management, to productivity improvement. One of the most important factors has been mutual concern about job security and survival in older plants and industries facing inflationary cost pressures and international competition. Moreover, many observers believe that with a highly educated work force, it would be beneficial to give employees a chance for more participation and greater insight into decision-making, which in the long run could enhance employee motivation for productivity improvement. In addition, some favor joint labor-management approaches as the means to introduce changes in the quality of working life.

Joint committees—a direct outgrowth of these perceived needs—are formal advisory bodies through which proposals for improving production processes or working conditions which affect productivity can be discussed. Created through collective bargaining, they do not deal with negotiable issues of wages and fringe benefits, working conditions, or grievances, but are limited to issues of mutual interest not usually covered by written agreements.

Labor-management cooperation through joint committees to work out methods of improving the quantity and quality of production has been discussed since the 1920's, but until recently there have been relatively few cases in peacetime where this type of relationship has been adopted. The sparsity of cases is related to deep-seated beliefs in the United States about the roles of unions, employees, and managers. Sumner Slichter, Robert Livernash, and James Healy cited three reasons why management does not favor cooperative activities: managers underestimate workers' potential contribution; they fear loss of prestige and authority; and they are concerned that giving workers a voice would strengthen the union's position.[1] Unions and employees, on their part, often equate productivity with loss of jobs or greater worker effort, or fear that cooperation might weaken their ability to bargain for their primary objectives.

Nonetheless, such committees have been set up in several enterprises. This article describes recent initiatives in labor-management cooperation at three different levels—plant, community, and industry—and discusses factors affecting its wider adoption. A common thread of recent joint efforts is the traditional concern with issues of job preservation or improvement and company or industry survival. In contrast to European developments, the labor-management committees discussed in this article have been established voluntarily in efforts to solve specific problems, rather than as responses to well-articulated demands for "industrial democracy," co-determination, or other forms of power sharing.

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From the *Review* of April 1976

Early approval

Fifty years ago it was hoped that cooperation would become the norm in the "mature" stage of collective bargaining when unions no longer would have to fight for the right to exist. William Green, the president of the American Federation of Labor, saw advantages for both unions and management in cooperative relationships which utilized the ideas and judgment of those "who handle tools and materials." [2] Later, Philip Murray, president of the Congress of Industrial Organizations, believed that once employers fully and sincerely accepted unions, organized labor had some responsibility in achieving efficient plant operations.

The general idea that unions were willing to cooperate with management on productivity was put forth to counter employers' anti-union charges during the 1920's that trade unions reduced efficiency, raised costs, and opposed technological progress. This was a time when the movement to eliminate waste through scientific management was attracting wide support.

B & O Plan. One of the best known cases of union-management cooperation was the Baltimore and Ohio (B & O) Railroad Plan. Introduced in 1923, a few years after railway unions had proposed the Plumb Plan for nationalization of the failing railroad system, it was cited as proof that union-management cooperation was workable and mutually beneficial. It established an important model that has, in many respects, been followed in other industries.

Otto Beyer, a B & O management engineer, and W. H. Johnston, president of the Machinists Union, conceived the idea of forming committees of union and management representatives to consider matters outside the scope of usual collective bargaining over wages and hours and grievances. Johnston, a Socialist, believed that union-management cooperation was a prime necessity for their mutual survival and prosperity.[3]

Joint committees in the B & O repair shops met regularly to deal with worker suggestions for eliminating waste, increasing efficiency, improving working conditions, stabilizing employment, maintaining the volume of work, and acquiring new business. Almost 31,000 suggestions were made in the first 15 years of the B & O Plan, and they made an important contribution to productivity. The employees benefited in better working conditions, somewhat higher wages, fewer grievances, improved apprentice training and, prior to the depression, stable employment.[4]

The depression of the 1930's dried up workers' interest in cost-saving suggestions, and the Plan disintegrated. As unemployment mounted, unions gave little attention to plans for improving productivity.

World War II experience. The most extensive experiment with labor-management production committees took place in World War II, when industry was trying to increase military output in the face of shortages of labor, materials, and energy. Early in 1942, the War Production Board, with the backing of the AFL, CIO, National Association of Manufacturers, and the Chamber of Commerce, appealed to employers and unions to organize joint labor-management productivity committees on a voluntary basis. A small unit was created in the Board to provide guidelines and monitor progress, but the development of activities was left to the parties themselves.

Between 1942 and 1945, there were about 5,000 committees functioning, most of them conducting bond drives, blood banks, carpools, and similar activities to boost morale. Most of the committees were in unionized plants, with heavy concentrations in steel, ordnance, and shipbuilding. About 1,000 dealt with improving productive efficiency, focusing on activities to reduce waste of energy and materials, improve quality, cut machine downtime, and improve tool and product design and equipment maintenance.

In a definitive assessment of the World War II experience, one observer concluded that in the opinion of many employers and union officials, these committees had helped to increase productivity and had enhanced mutual understanding of each other's problem.[5] No precise productivity measurement, however, is available.

When the war emergency ended, most of the committees closed down, and the War Production Board unit ceased to function. In Canada, the government decided to continue its support of joint labor-management committees and established a unit in the Labor Department for the purpose of continuing assistance to committees. There are about 2,700 committees currently in operation there.[6]

Postwar committees. Since the end of World War II, there has been a continuing but limited interest in formal labor-management cooperation for productivity. Unions have concentrated on trying to obtain, through collective bargaining, their share of rising productivity in the form of higher wages and fringe benefits and greater job security, leaving to management the responsibility of improving efficiency. By pressing for "more and more," unions believe they stimulate productivity-enhancing innovation and pro-

vide the basis of the mass consumption needed for mass production. Joint committees for increasing productivity, therefore, have been formed only in exceptional situations.

One of these—the Union-Management Cooperative Committee system of the Tennessee Valley Authority—has operated since the 1940's with strong support from both sides. Joint committees covering construction, plant, and office workers consider suggestions for improvement and solicit solutions to specific problems. No cash awards are made for ideas accepted, yet participation has been relatively high. There has been general agreement that the TVA program has contributed to efficiency and has helped to sustain high employee morale, but few other government agencies have adopted such plans.[7]

Another significant postwar development in union-management cooperation was the Scanlon Plan, named after the Steelworker Union official, Joe Scanlon, who conceived it. Scanlon's aim in helping establish the plan was to assist firms in danger of going out of business. One of the most important elements of the plan is a system of joint production committees to encourage and evaluate suggestions for work improvement. Other unique features are a plant-wide incentive scheme based on measuring plant-wide productivity change and a formula for distributing productivity savings in the form of monthly bonuses. Although proponents of the Scanlon Plan believe that it is applicable to firms of all sizes, relatively few companies—300-500 according to some estimates—are using the plan.[8]

Recent efforts at cooperation

Since 1971, there have been several significant developments in labor-management cooperation and joint consultation. Some have been organized at the plant level, some at the industry level, and some at the community level, each addressed to an appropriate set of problems. The joint production committees at the plant level, as in the steel and automobile industry, directly involve management and employees in problem-solving to improve the organization's performance. Joint committees at the community level, as in Jamestown, N.Y., set up at the initiative of community leaders, involve labor and business leaders in efforts to improve the industrial labor climate, with the ultimate goal of retaining jobs in existing plants through modernization, increased productivity, and competitiveness. Cooperation is also taking place at the industry level, as in the retail food and railroad industries. In such joint committees, labor and management leaders discuss broad issues affecting their mutual interests and try to develop general guidelines that local unions and employers might adapt to their specific situation.

Basic steel. The most extensive on-going program of labor-management cooperation was begun in 1971, when the United Steelworkers and the 10 basic steel companies agreed to establish joint committees on productivity at each plant. Concern over the steel industry's lagging productivity in the 1960's and the potential loss of jobs because of foreign imports provided the immediate impetus behind organizing a formal system of labor-management cooperation in this industry. Both parties agreed that

The statistical record: BLS studies of joint committees

Aside from the examples cited here, only a few collective bargaining contracts have included provisions for labor-management productivity committees. A survey by the Bureau of Labor Statistics of 1,773 major agreements in effect in 1963–64 found 44 agreements with provisions for joint committees dealing with production problems. In 1973, 64 out of 1,311 major agreements contained such provisions; in 1974, the number increased to 97 out of 1,550, with most of the committees in the steel industry. These figures exclude joint production committees set up under the Scanlon Plan. In addition, there are labor-management committees that deal with safety, training, and industrial relations issues.

A special BLS study for the National Commission on Productivity found joint committees fragile institutions, but viable under certain circumstances. Of the 44 contracts with committees in the above survey, half had dropped such provisions in a 1972 resurvey. The BLS investigation of six cases found that where a measure of success was found, the committee was a means of discussing matters not covered by the contract that were bothering employees, and a means of getting quick decisions from management, bypassing lower echelons. In some cases, the industrial relations benefits probably exceeded productivity gains.

The BLS study highlighted some conditions of success: the crucial role of key managers and union officials in sustaining interest; the usefulness of good communications with rank-and-file workers to allay fears of displacement; and the usefulness of good labor-management relations at the start so a committee may survive the early period of adjustment. All but one of the committees studied by the BLS functioned in areas not subject to collective bargaining.

The findings are contained in Harry Douty, *Labor-Management Productivity Committees in American Industry* (Washington, National Commission on Productivity and Work Quality, May 1975), and *Characteristics of Major Collective Bargaining Agreements,* Bureau of Labor Statistics Bulletin 1888, July 1, 1974.

there were critical issues of mutual survival warranting cooperative efforts.

Considered from a longer perspective, the 1971 agreement can be seen as the outcome of an evolutionary process of accommodation. The Steelworkers and the steel companies had been engaged, over many years, in joint activities which had built up a sense of mutual trust between the parties.[9] Among their joint accomplishments was a complex job classification system for the industry; a highly developed arbitration system for grievance settlement; and pension and health benefits. The Joint Basic Education Program, with Federal financial assistance, provided opportunities for steelworkers to improve their basic educational skills. Worker acceptance of productivity improvements in basic steel is encouraged by collective bargaining contracts which provide for supplementary unemployment benefits, early retirement, a 13-week vacation for seniority, and other measures to cushion the impact of change.

The primary purpose of the program begun in 1971 was to organize joint committees with union representatives to advise plant management on ways of improving productivity and promoting the use of domestic steel. An agreement made in 1974 renewed the provisions for joint committees, and changed the name to "Employment Security and Plant Productivity Committees."

The 1971 and 1974 agreements provided Joint Advisory Committees at each plant, with an industry-wide committee to coordinate activities and advise plant committees. It limited the scope of the committee's operation so that it would not affect "the existing rights of either party under any other provision of the collective bargaining agreement." Subjects that plant committees have considered include the following: avoidance of quality defects, improved identification of warehoused steel, more efficient handling of scrap, energy conservation, more efficient phasing out of old equipment and better care of new equipment.[10]

Although about 230 individual joint plant productivity committees were in operation by the end of 1975, there is little detailed information about their experience so far. Unlike the Human Relations Committees of the 1960's, the Employment Security and Plant Productivity Committees involve union officers and members at steel plants rather than being limited to union and management technicians.

In the first year, unemployment among steelworkers reportedly delayed the organization of committees; dissension arose when some union leaders charged that some supervisors attempted to reduce manning in a manner contrary to the agreement, and management accused some unions of trying to use the committees to take up grievances that could not be processed through normal procedures.[11]

The guidelines for joint committees provided the procedure for resolving such differences about the local committee's authority. When either party questions whether an item falls within a joint committee's purview, it is referred to the industry committee for resolution. Following an initial period of uncertainty, the parties have generally come to an understanding about limitations on the scope of committee deliberations.

One management official of a steel company, in an account of his experience with introducing the committee system, stressed the importance of a preparatory period and of establishing a network of subcommittees in all departments within a plant. In the beginning, separate classes for management officials and foremen and union officers and shop stewards were held to explain the principles of the agreement. "From the classroom sessions, it became evident that there were local areas in which people would like to participate with management in correcting problems they thought existed. This resulted in the development of what we call circle team efforts, made up of both supervisors and hourly personnel in specific areas. It made an attempt to work out bottlenecks they thought existed within a department. Some were very successful; others were not." [12]

Leaders of the Steelworkers Union have said that the value of Employment Security and Plant Productivity Committees, to a great extent, lies in its contribution to the general acceptance of the Experimental Negotiating Agreement, signed on March 29, 1973.[13] This procedure for voluntary arbitration of any unresolved bargaining issues has largely eliminated the uncertainty at each negotiating period that encouraged inventory buildups and increased steel imports, followed by higher unemployment and low productivity after contract settlements. The ENA was used to the satisfaction of both parties in the 1974 negotiations and then was accepted as a procedure for bargaining until 1980. (It should be noted, however, that there have been no steel strikes since 1959.)

Automobile industry. Productivity improvement has long been recognized by management and labor leaders in the automobile industry as a "sound and mutually beneficial objective." The provision for the annual improvement factor, first introduced in the 1948 agreement between the United Auto Workers and major automobile companies, and continued in subsequent agreements, states that this wage gain "depends upon technological progress,

better tools, methods, processes and equipment, and a cooperative attitude on the part of all parties in such progress." The acceptance of the annual improvement factor, however, has not diminished problems in the setting of work standards on the job. Such issues affecting job conditions of assembly line workers have long been a source of dispute and negotiation at the plant level.

In the past few years, there has also been increasing concern about absenteeism and turnover which adversely affect productivity and work quality, especially on production lines involving sequential operations. Some automobile companies started experiments in the early 1970's to deal with problems affecting working conditions without the participation of the UAW. In 1973, after union protest, a joint national committee was established in each automobile company to work on a year-round basis on efforts to improve the quality of working life. The 1973 memorandum of agreement between the union and General Motors notes "the desirability of mutual effort to improve the quality of work life for the employees." It states that projects have been undertaken by management with the union's participation involving organizational development in order "to improve the quality of work life." The agreement notes that such efforts would benefit the worker "by making work a more satisfying experience . . ., the Corporation by leading to a reduction in employee absenteeism and turnover . . ., and the consumer through improvement in the quality of the products manufactured." [14]

The National GM–UAW Committee to Improve the Quality of Work Life was established in 1973 to review and evaluate corporate programs to improve the work environment of employees represented by the union, to develop experiments and projects in that area, to maintain records of its meetings, deliberations, and all experiments and evaluations it conducts, to report to the company and the union on the results of its activities, and to arrange for any outside counsel which it feels is necessary or desirable, the expenses of which to be shared equally by both parties. Under the committee's sponsorship, a number of joint quality of work projects are underway. At the plant level, a key feature of these projects is a joint labor-management committee which is empowered to plan and supervise the progress of experiments, including the hiring of consultants. While productivity improvement is not an explicit goal, quality-of-work projects often address work problems that affect the plant's production performance.

One example of quality-of-work projects with UAW participation is the joint experiment with the Rockwell Standard Division of Rockwell International. An agreement was signed in August 1974 to conduct a joint project at a new plant to be opened in Battle Creek, Mich., with 400 expected to be employed by 1977. The company and the union agree in advance to use several innovative concepts, including training of employees for widened responsibilities to maximize job interchangeability and manpower mobility, establishment of "work team" concepts within departments, or specified work areas, or both, employee participation in establishing production standards with due regard to competitive factors and job security for employees involved, employee participation in the determination of policies covering overtime, work-break periods, layoffs, and leaves of absence which would take individual needs into consideration, and emphasis on foreman-employee relationships designed to resolve work problems at the lowest possible level.[15] While the recession has delayed full application, the agreement is still in force.

Another joint experiment is the Bolivar, Tennessee, Work Improvement Program established in 1973 between the UAW and the Harmon International Company, a producer of automobile mirrors with a work force of 8,700. With foundation grants and Federal financial support, and at a later stage, company funds, a social scientist, selected with union approval, has assisted the union and management in designing experiments to eliminate sources of discontent. Following an employee attitude survey to identify major problems, a labor-management committee was formed to review the results and organize work improvement experiments. Small groups of workers and supervisors jointly decide on ways of changing work methods with the objective of improving both productivity and job satisfaction. One of the projects involved a new reward system giving workers exceeding production standards in less than 8 hours the option of earning more money or taking off time. The result was an increase in productivity and a request for in-plant training classes.[16]

The railroad industry. Following almost a decade of dispute over manning, the Railroad Labor-Management Committee, composed of the presidents of 11 railroads, the industry association, and 6 union organizations, was set up in January 1968, to study jointly matters of mutual interest, such as safety, research, education, and legislation, in a setting removed from the pressures of the bargaining table. It stemmed from a growing awareness that solutions to many of the industry's underlying financial and

economic difficulties are matters of concern to both parties.

The committee's progress has been slow. Study projects on specific problem areas have been undertaken, with funding by the industry, labor, and in some cases, the Federal Railroad Administration. A 14-man Task Force on Terminals made up of 6 union, 6 railroad, and 2 government officials, was established in 1973 to develop and test innovative experiments in terminal operations. The objective was to increase the reliability, speed, and efficiency of car movements through terminals, which have been a bottleneck in the industry.

A case study of a specific terminal—the St. Louis terminal of the Missouri Pacific Railroad—was decided. A joint labor-management team was assigned to "identify barriers to efficiency, propose changes in management and labor practices and government policies and regulations, and conduct on-line experiments designed to test the effectiveness of the proposed solutions."

The Task Force, in its 1974 progress report, described 18 specific experiments in terminal operations designed to meet five objectives: improved service reliability, reduced car detention time, creation of new business, better management techniques for planning and evaluation, and greater job security and safety.[17]

Labor's representative, as associate director of the project, helped to plan the experiments, many of which showed possibilities of significant cost savings from reduced congestion, faster and more car movements, and other operational changes. The Task Force recommended that changes proven effective by the experiment be put into regular practice at the St. Louis terminal.

In May 1975, the Labor-Management Committee broadened the scope of the Task Force on Terminals, designating it The Task Force on Railroad Transportation, with the understanding that it would continue its activities on other functions in cooperation with the Federal Railroad Administration.

The retail food industry. Organized at the end of the wage and price controls program in March 1974, the Joint Labor-Management Committee of the Retail Food Industry provides a forum for the joint communication and cooperation on long-term industry problems, such as management and union work practices, technological change and productivity, and the structure of bargaining, and possible solutions.[18] The Committee is composed of officers of the three major unions—the Teamsters, the Retail Clerks, and the Amalgamated Meat Cutters and Butchers—and officials of eight leading food chains. A leading arbitrator serves as the neutral chairman, working with a small staff funded by the industry members and the unions. The Committee's activities are closely coordinated with the Federal Mediation and Conciliation Service.

Although collective bargaining is conducted on a local basis in this highly fragmented industry, union and industry leaders agreed that consideration at a national forum of issues in which both sides had a mutual interest could help to improve local negotiations, reduce the incidence of work stoppages, and promote long-range stability.

In its first 18 months, the joint committee, meeting monthly in different cities, dealt with a variety of industry issues, of mutual interest. In October 1974, it formulated a set of voluntary guidelines for collective bargaining based on procedures characteristic of successful negotiations.[19] Among the 10 procedures were such practices as exchange of proposals well in advance of contract expiration, use of the Federal Mediation and Conciliation Service, and other steps to achieve peaceful settlements.

When consumer and union groups in early 1975 threatened to obstruct the introduction of automation through legislation, an eight-man joint subcommittee was established to collect "accurate and reliable" information about the impact of the electronic checkout and the elimination of price marking.

The subcommittee agreed on a set of principles for collective bargainers which recognizes that management's interest in using the new technology to improve productivity must be balanced with labor's "concern about the impact on the size of the work force and the nature of the changed job assignments." Collective bargainers are asked to consider measures to minimize any adverse impact, keeping in mind the uncertainty about pace of change, costs, savings, and manpower impact that surrounds employers' decisions on electronic scanning. The subcommittee agreed to focus on provisions for advance notice of changes affecting employees, methods for sharing information and consultation before changes are introduced, and collective bargaining solutions for problems that may arise.[20] The recommendations were expressed in general terms, recognizing that they must be refined for each particular situation.

The joint committee has also commissioned Harvard University's School of Public Health to study the health aspects of the use of polyvinyl chloride film in retail meat markets. This study is intended to provide a factual basis for establishing safe work practices.

Other recent cooperative efforts

FMCS program. The Federal Mediation and Conciliation Service (FMCS) has long encouraged and assisted the establishment of labor-management committees in various plants and localities in order to lessen the impact of industrial disputes. By fostering industrial peace, these committees are also expected to contribute to productivity improvement.

This preventive mediation approach was made an integral part of the FMCS' statutory responsibilities (sec. 203 of the Labor-Management Relations Act of 1947), and has been endorsed by several labor relations study groups. The National Labor-Management Panel in 1964, and the National Commission on Industrial Peace in 1974, recommended expansion of labor-management committee activities.[21]

FMCS mediators, acting as neutral chairmen, at the request of the parties, help lead joint committee meetings to identify problems of mutual interest, concentrating on workplace issues that are not usually matters of negotiation or grievance.

A new FMCS mediation procedure, Relations by Objective, is being introduced to improve communications between bargaining periods and enhance mutual trust by the application of behaviorial science problem-solving techniques. The essence of this system is the step-by-step establishment of mutual objectives, starting with each side determining what the other side should do to improve labor-management relations, and then what each side could do itself. The lists of objectives become the agenda for separate discussions and, finally, the joint committee discussions on specific action steps. Mediators trained in these procedures helped to organize joint committees at a pulp and paper mill in Maine, after a 3-week strike, and succeeded in reducing grievances and markedly improving relations between management and five unions. A FMCS-assisted labor-management committee at a particleboard plant in Wisconsin reported a sharp reduction in grievances and waste.[22]

While these committees are not directly concerned with production, mediators report that they frequently contribute to better morale and improved plant performance. For example, a committee may take up a problem of discipline which had roots in lack of proper supervision, resulting in poor employee productivity. The Federal Mediation and Conciliation Service takes the approach that, in the long run, better communication and mutual respect help lessen grievances and strikes and can create a climate receptive to productivity improvements.

Community effort: Jamestown, N.Y. A highly interesting example of community self-renewal through labor-management cooperation is the joint activities taking place in Jamestown, N.Y., a factory town of 40,000 people in the western part of the state. Faced with loss of plants and jobs because of a "bad labor relations climate," the mayor, on the advice of the Federal Mediation and Conciliation Service, called together the town's leading manufacturers and union leaders in 1972, to discuss ways of halting the community's decline. Industrial development efforts had failed to attract new business.

After several meetings, the group decided to establish the Jamestown Area Labor-Management Committee. The 30 business members include international corporations as well as local firms. Unions involved include the Machinists, Auto Workers, Steelworkers, and Furniture Workers.

Following an intensive investigation of areas of common interest, the committee established four goals: productivity gains in existing industries, improvement of labor relations, manpower development, and assistance to industrial development programs. Productivity was singled out as the most important objective of the committee at the earliest discussions.

In its 1975 report, *Three Productive Years,* the committee states that such a goal could only be enunciated once labor leaders were assured that no jobs would be eliminated in any plant as a result of achieving productivity gains because "unions had come to regard the word productivity as equated with 'speed-up' time-and-motion approaches which were so distasteful to their members." The report describes this process:

> Upon analysis, the labor leaders came to a difficult conclusion that in the long term, productivity must be a primary goal. The only way to improve the business conditions for existing companies was to make them more competitive. Continual complaints from manufacturers about high New York State taxes and other costs of doing business in this area had to be offset by higher levels of productivity. Furthermore, the best way to attract new industry and to deal with the new thrust of increasing foreign competition was to prove that Jamestown was a productive place to do business because of a good labor relations atmosphere.[23]

With Federal funds from the Economic Development Administration of the Department of Commerce and the National Commission on Productivity, and technical advice from Cornell University labor experts, the committee hired a full-time coordinator and a noted consultant to carry out a program of demonstration projects and educational activities.

Establishing plant labor-management committees was a key feature of the program. The objective was to create a channel of communication for the expression of employee opinion rather than imposing a predesigned plan. About 10 plants have initiated joint productivity improvement projects, including experiments in redesign of work at a glass processing plant, a program for training key skilled workers for woodworking plants, and a gain-sharing program to increase material utilization at a glass-tempering plant. In addition, training programs in management skills and labor relations have been developed with the assistance of the local community college.

As the plant committees take over the function of initiating projects, the community-wide labor-management committee has become a clearinghouse, serving as a facilitator and sponsor of joint conferences and other educational activities. The objective is to foster an atmosphere receptive to new concepts about productivity, the quality of work, and labor relations, both at the plant and community level.

One of the key factors in the continued existence of labor-management plant committees has been maintenance of close communications among all the participants. The committee's report stresses that poor communication as to the real objective and impact of such committees has sometimes threatened the break-up of a particular committee. According to the report, "The understanding of the rank and file as to the need for collaboration is the heart of the process. To the extent that any labor leader who is involved in such a committee has difficulty with rank-and-file resistance, the entire program is jeopardized."

In the 3 years ot the committee's existence, despite nationwide recession in 1974–75, there has been a remarkable turnaround in the community's economic prospects. Strikes and grievances have been reduced. Several plants were saved from liquidation, in some cases with the cooperation of the employees and their unions. Employment has increased significantly. Many workers have received training to upgrade their skills. Largely because of the favorable labor-management climate, a major engine company, with potential employment of 1,500, has decided to locate a plant in Jamestown. The project has inspired a countywide effort, involving smaller industrial communities. In nearby Buffalo, a city of 1.5 million and declining employment, union and business leaders have formed a joint committee patterned after Jamestown's.

Outlook

One of the most striking features of these examples is that cooperation is taking place in several major industries—steel, automobiles, railroads, and retail food—facing serious competitive pressures or industrial relations problems. Union and management in these situations have voluntarily put aside, to a degree, traditional mistrust to deal through joint committees with problems affecting productivity, directly or indirectly. While the impact on productivity in most cases may be impossible to measure, there is general agreement that these initiatives could help to create an industrial relations climate favorable to productivity improvement.

Labor-management committees at the plant or industry level appear to be fragile organizations, having their own problems of leadership, commitment communication, and participation. Debates over management rights and job security may be stilled but not wholly eliminated. To be effective, mutual trust is critical. At the start, joint plant committees may need a period of preparation and orientation and, in some cases, outside, neutral, technical assistance. It is essential that employees be kept informed of committee activities, and that fears of displacement or reduced status be allayed. Without some mechanism for sharing productivity gains other than collective bargaining, the committee approach may not arouse interest among rank-and-file members.

Although introduction of joint productivity committees on a wide scale may be doubtful, given deep-seated mistrust between labor and management and the persistence of high unemployment, the prospect for greater experimentation seems more favorable than it has been since World War II. One reason is that there exists among management and labor policymakers some agreement about the nature and importance of productivity improvement. A 1974 survey of union and management officials found that most believe that increasing productivity is an important goal, although union officials as a group espouse this view less strongly than do managers.[24] There is also a strong consensus about the possibility for unions and management to cooperate on productivity programs. However, there is also evidence of fairly widespread mutual mistrust between the two groups, with management believing unions are obstacles to change and unions believing management is not concerned about workers. The survey concludes that such mistrust would need to be suspended before cooperative programs could be undertaken, but the agreement on the importance of efforts to increase productivity and quality of work life points to a "potential springboard for joint action."

Considerable potential for cooperation is likely to be found in communities with old plants, a tradition

of unionism, and competition from modern nonunion firms, domestic or foreign. In such places, community pressure for industrial peace and a cooperative labor-management reputation can result in persuading corporate planners that modernization of their local plants would be more profitable than relocation. Thus, the Jamestown, N.Y., experience is proving to be an attractive model for similar industrial communities with high unemployment, such as Cumberland, Md., Muskegon, Mich., Evansville, Ind., and Lockhaven, Pa., which have recently organized joint committees. In October 1975, the New York Governor's Labor-Management Conference on Jobs recommended that joint committees modeled after Jamestown's be organized in other cities in the State.

Interest in union-management cooperation may also be heightened by recognition of the role of productivity improvement in offsetting inflationary cost pressures. In addition, with the high cost of capital, some businesses may find labor-management cooperation an attractive alternative to investment in automation. In the construction industry, the competition of nonunion contractors is encouraging cooperation between unions and management to improve productivity.

There is likely to be pressure for labor-management cooperation in the public sector, where limited revenues, union wage pressures, and public demands for services have combined to make improved productivity a vital necessity. A 1970 BLS survey of municipal agreements found that about 1 out of 5 provided for joint committees to discuss problems of common interest. About half of Federal agreements in 1971 had such provision. Although not always specifically mentioned, productivity issues could be taken up by such committees.[25]

A third and final factor in the future spread of labor-management committees is the encouragement being given by Federal and State Governments and specialized nonprofit institutions. The National Center for Productivity and the Quality of Working Life, an independent agency of the Federal Government, with a board of directors composed of labor, business, government, and public leaders, has as one of its functions the fostering of joint cooperation. Productivity commissions or centers are being considered by State governments in Maryland, Michigan, Washington, Pennsylvania, and Wisconsin.

Important sources of information, technical assistance, and demonstration are being organized on a continuing basis by nonprofit institutions with labor and business leaders represented on boards of directors.[26] The diffusion of knowledge about specific benefits and problems of labor-management cooperation for productivity and quality of working life could help both parties adapt the idea to their individual circumstances.

——FOOTNOTES——

[1] Sumner Slichter, E. R. Livernash, J. J. Healy, *The Impact of Collective Bargaining on Management* (Washington, Brookings Institution, 1960), p. 842. Differences between conventional bargaining and union-management cooperation are discussed by N. W. Chamberlain and J. W. Kuhn, *Collective Bargaining* (New York, McGraw-Hill Book Co., 1965), pp. 424–35. See also R. E. Walton and R. B. McKersie, *A Behaviorial Theory of Labor Negotiations* (New York, McGraw-Hill Book Co., 1965).

[2] Harry A. Millis and Royal Montgomery, *Organized Labor* (New York, McGraw-Hill Book Co., 1945), pp. 465–66.

[3] Philip Taft, *Organized Labor in American History* (New York, Harper and Row, 1964), p. 381.

[4] Harry Douty, *Labor-Management Productivity Committees in American Industry* (Washington, National Commission on Productivity and Work Quality, May 1975), p. 8.

[5] Dorothea de Schweinitz, *Labor and Management in a Common Enterprise* (Cambridge, Mass., Harvard University Press, 1949), p. 155.

[6] Information from the Union Management Services Branch, Ottawa, Canada.

[7] Harry Douty, *Labor-Management Committees,* pp. 15–17. See also Arnold Tannenbaum, "Systems of Formal Participation," *Organizational Behavior: Research and Issues* (Madison, Wis., Industrial Relations Research Association, 1974) p. 96.

[8] Brian E. Moore and Paul S. Goodman, *A Plant-Wide Productivity Plan in Action: Three Years of Experience with the Scanlon Plan* (Washington, National Commission on Productivity and Work Quality, 1975).

[9] A lawyer who participated on the union side in many negotiations pointed out in 1968 that despite bitter disputes in the 1950's, culminating in the 1959 strike, "There was a continuing, mature and sophisticated relationship based on mutual acceptance by each party of the other party's status and need and a relatively objective search for solutions to joint problems." David E. Feller, "The Steel Experience: Myth and Reality," *Proceedings of the Twenty-First Annual Winter Meeting, December 1968* (Madison, Wis., Industrial Relations Research Association, 1969) p. 153.

[10] *Recent Initiatives in Labor-Management Cooperation* (Washington, National Center for Productivity and Quality of Working Life, 1976), p. 13.

[11] *Industry Week,* Dec. 6, 1971.

[12] *Recent Initiatives,* p. 15.

[13] I. W. Abel, *Employment Security and Plant Productivity Committees: Ten Coordinating Steel Companies* (Washington, National Commission on Productivity and Work Quality, 1974), pp. 7–8. See also Bruce Thrasher, "Joint

Labor-Management Approach to Productivity—The Steel Industry," *Proceedings of the Conference on Productivity: Its Impact on Collective Bargaining and Employee Relations* (Nashville, University of Tennessee, Institute for Public Service, 1973), pp. 9–20.

[14] Testimony of Donald F. Ephlin, Administrative Assistant to the President, International Union, United Auto Workers, before U.S. Senate Committee on Government Operations, Mar. 20, 1975, on S.765, National Center for Productivity and Quality of Work Life Act. Letter from George B. Morris, Jr., vice president, General Motors Corp., to Irving Bluestone, vice president, International Union, United Auto Workers, Oct. 17, 1973.

[15] "Try Novel Plan at Rockwell," *Solidarity,* September 1974.

[16] "How Workers Can Get Eight-Hour Pay for Five," *Business Week,* May 19, 1975, p. 52. See also *The New York Times,* Apr. 9, 1975, p. 24, and *The Quality of Work: The First Eighteen Months* (Washington, National Quality of Work Center and Institute of Social Research, 1975), pp. 43–47.

[17] *A Program of Experiments Involving Changes in Terminal Operations: 1974 Progress Report* (Washington, Task Force on Terminals of the Labor-Management Committee, 1975).

[18] "Retail Food Industry Labor-Management Committee," Cost of Living Council News Release, Apr. 12, 1974.

[19] *Collective Bargaining Procedures for the Retail Food Industry,* Washington, Joint Labor Management Committee of the Retail Food Industry, Mar. 6, 1975.

[20] *Statement of Principles on Uniform Product Code and Related-Technology,* Washington, Joint Labor Management Committee of the Retail Food Industry, May 23, 1975.

[21] Charles L. Bowen, "Preventive Mediation," *Proceedings of the Twenty-First Annual Winter Meeting* (Madison, Wis., Industrial Relations Research Association, 1969), p. 160. Also, *Report and Recommendations,* The National Commission for Industrial Peace (Washington, Executive Office of the President, 1974), pp. 6–7.

[22] *Recent Initiatives,* pp. 25–30.

[23] *Three Productive Years* (Jamestown, N.Y., Labor Management Committee of the Jamestown Area, 1975), p. 4.

[24] Raymond A. Katzell and Daniel Yankelovich, and others, *Work Productivity and Job Satisfaction: An Evaluation of Policy Related Research,* Part 2, *Research Findings,* Report for the National Science Foundation (New York, New York University, 1975), pp. 99–102.

[25] *Collective Bargaining Agreements in Large Cities,* Bulletin 1759 (Bureau of Labor Statistics, 1972). *Collective Bargaining Agreements in the Federal Service, Late 1971,* Bulletin 1789 (Bureau of Labor Statistics, 1973). The experiences of 8 committees are described by Sam Zagoria and others in *Labor Management Committees in the Public Sector* (Washington, National Commission on Productivity and Work Quality, 1975).

[26] Some are affiliated with State university schools or institutes, such as the Center for the Quality of Working Life of the University of California at Los Angeles and the National Quality of Work Center of the University of Michigan. Others include the Work in America Institute and the Massachusetts Quality of Work Life Center.

The crying need

In effect, I am recommending that we really take a look at this adversarial relationship. It must be dramatically changed toward a cooperative, collaborative relationship. We do not get needed support in our schools. Our schools do not teach labor-management cooperation; they teach management-labor conflict—how to resolve conflict, how to mediate, how to arbitrate, how to negotiate, how to fight. They do not teach labor and management how to work together toward mutually satisfying goals. That is a crying need in our country today.

——STAN LUNDINE, Member of Congress
Hearings, "The Human Factor in Innovation and Productivity,"
Science, Research, and Technology Subcommittee
of the House Committee on Science and Technology,
September 15, 1981, p. 370

Helping labor and management see and solve problems

A mediator can help improve an unhealthy labor-management relationship by recognizing the symptoms, making an accurate diagnosis, and carefully prescribing appropriate remedies

JOHN R. STEPP, ROBERT P. BAKER, AND JEROME T. BARRETT

The Federal Mediation and Conciliation Service has recognized that the effective promotion of labor-management peace requires more than just an "eleventh-hour" appearance at the bargaining table by its mediators. Like most other professional organizations that respond to human emergencies, the service has learned that by blending prevention with treatment its resources are used more efficiently.

The preventive mediation function requires the mediator to be alert to symptoms of untoward labor-management relationships, to diagnose the problems accurately, and to prescribe effective remedies.[1] The nature and severity of the symptoms must be recognized and traced to their source; the remedy must be suited to the location of the symptoms in the labor or management hierarchy, or both; and the parties must be persuaded that the cure is preferable to the disease and is clearly in their own self-interests.

This article extracts from accumulated experience those principles on which a prescriptive model for improving labor-management relationships can be built.[2] This empirical model is erected on the perceptions and experiences of the authors, all of whom are or have been Federal mediators.[3]

Recognizing the symptoms

Mediators are uniquely positioned to detect the danger signals emanating from a poor labor-mangement relationship. When involved at the collective bargaining table in dispute mediation, the mediator can make a reasoned judgment as to the nature of the relationship behind the conflict. This is done by examining the issues, assessing each side's internal relationships, and testing and verifying these impressions through indepth private discussions with both parties.

Numerous issues, especially noneconomic or language items, are often symptomatic of underlying problems which are being addressed in a circuitous manner. When this is the case, a contractual agreement may be no more than a bandage on a festering wound. The underlying problems have neither been identified nor addressed and certainly have not been resolved.

Every mediator, at one time or another, has entered a negotiation shortly before a strike deadline, only to be confronted with many unresolved issues. In private discussions with the moving party, usually the union committee, the mediator learns that these issues are an attempt to send the other party "a message." The mes-

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sage is that there is enormous dissatisfaction with "business as usual" on the shop floor and that problems are not getting resolved. Resentment is bubbling over onto the bargaining table in the form of contract issues. The bargaining table is an ill-equipped forum for the effective resolution of these underlying problems. During crisis negotiations it is very difficult to negotiate an improvement in attitudes or a better labor-management relationship.

Faced with a rapidly approaching deadline, the best the mediator can hope for is that some issues can be resolved through catharsis and others quietly dropped because they are not strike-related. If a tentative agreement is reached, the mediator's relief may be brief because the membership's frustrations may surface again in their refusing to ratify the agreement. Even with ratification, there remains a strong suspicion that all is not well and that the administration of this contract and the negotiation of the next are likely to be fraught with difficulty. This perception is often shared by negotiators, too.

The mediator may also become aware of a deteriorating labor-management relationship through ways other than his or her personal involvement in contract negotiations. Through such professional and community organizations as the Industrial Relations Research Association, the mediator can learn of problems. Also, in monitoring dispute cases, he or she has daily contact with representatives of labor and management; through casual conversation, there is much opportunity to learn of labor relations problems in a particular plant or location.

Similarly, relationships plagued by frequent, long, or bitter strikes; wildcat strikes; high grievance levels; numerous arbitrations; or other obvious signs such as job losses in a declining business enterprise, are symptoms which will catch the mediator's attention. Once alerted, he or she can seek confirmation from the labor and management representatives at the site.

Another means of mediator awareness is through communiqués from the affected parties. Because the Federal Mediation and Conciliation Service is annually involved in more than 1,000 technical assistance endeavors, the awareness of the availability of this service among labor-management practitioners assures numerous requests. When contacted, the mediator will begin exploratory meetings with the parties to determine the nature, location in the organization, and extent of the problems.

Diagnosing the problem

Having detected danger signals, the mediator must guide both parties through a joint analysis of the problems in order to determine their seriousness and exact location. Until this diagnosis is completed, no remedy can be prescribed. The character of a labor-management relationship may be viewed along a simple continuum consisting of three benchmarks: *conflict*, *detente*, and *accommodation*.[4]

An employer at the *conflict* end of the continuum never really accepts the union: " . . . he does not yield to the union even a narrow, restricted scope until he literally has to; and he looks for the first opportunity to get rid of the intruder. His acceptance of joint dealings is an 'imposed acceptance,' imposed by law and by union power."[5]

Under *detente*, the midpoint of the continuum, each side accepts the other's institutional legitimacy but exercises its relative strength to obtain the best deal. Each adopts a "win some, lose some" approach. They fight, but the conflict is held within accepted limits; there is a conscious effort to avoid pain and serious injury to one another. Parties at the *accommodation* end of this scale strive to reduce the level of contention. When differences do occur, they are processed with minimum emotion through agreed-upon procedures with equity being a realistic and desired goal for both. "They have proved themselves willing to compromise whenever possible, to conciliate whenever necessary, and to tolerate at all times."[6]

The three benchmarks can be used by the mediator to determine the severity and types of problems the parties have. Relationships characterized by *conflict* will have the most serious problems, reflecting distrust, hostility, and suspicion; those characterized by *accommodation* will have the least severe problems, arising from human failures in communications, consistency, and concern for the points of view of others.

The next segment of the model directs the mediator's diagnosis to a determination of the location of the problem within the respective organization. One inhibitor to accurate diagnosis is the diffusion of authority in complex, multilayered, and interdependent labor-management organizational structures. A systematic examination of the various intraorganizational dimensions and their interrelationships is needed to locate and address the source of the problem. Because the structures of most labor organizations are reactive to and thus closely parallel the management structure to which they relate, more attention will be given to the structure of management in labor relations matters.

Management can generally be regarded as conducting labor relations on three levels. (On occasion these levels may be extended or compressed.) The top level is one of decisionmaking, usually personified by either a vice president of labor relations or a labor relations director. This level formulates, delivers, and implements corporate policy on its own initiative or as an operating arm of higher-level management policymakers. The union counterpart of this level is usually an international representative.

The mid-level can be characterized as one of imple-

mentation for labor relations decisions and policies. Within management, this level would generally be staffed by either a plant manager or a department head who formulates very little policy but has, instead, the important responsibility of supervising and coordinating the implementation of policies established at the top level. Business agent or local president are usually the titles of union officials at this level.

The lowest management level is populated by first-line supervisors. They face the difficult task of confronting the real world armed only with the policies supplied and precedents established. Here are discovered both the flaws and strengths of overall policy. The union counterpart at this level is the steward.

A thorough examination of the parties' relationship requires a look at the relationships between levels within each structure, as well as across the table, which symbolizes the classic area of contention. Given three existing levels of labor-management interaction within a bargaining unit, each level having 1 of 3 possible characters, a diagnosis may theoretically yield 27 possibilities.[7]

In this article, we will not attempt to deal with 27 different variations, several of which have only a theoretical existence and are not plausible outcomes. For example, this would be true when accommodation existed at the supervisor/steward level, but at all higher levels the parties were locked in conflict. Accommodation could not realistically exist between foreman and steward, except momentarily, if conflict were the prevalent mode between plant manager and business agent. Two corporals in opposing armies cannot wage peace while their generals are waging war, lest they risk dismissal for treasonous behavior.[8] More importantly, to examine all 27 possibilities would emphasize detail over the more generic and fundamental concepts.

Prescribing a remedy

Having diagnosed the relationship and the possible location of the problem, the model's remaining segment concerns the prescribing of remedies. Labor-management relations improvement remedies are few—there are presently three primary items: Relationships by Objectives programs, labor-management committees, and joint training programs. Variations exist of each, especially the latter two.

Relationship by objectives. In the Relationships by Objectives program, mediators provide the expertise for guiding labor and management toward basic changes in their relationship.[9] Both are brought together by mediators to analyze their problems, to decide what their common objectives should be, and to reach agreement on goal implementation. Since the program was introduced by the Federal Mediation and Conciliation Service (FMCS) in 1975, 100 Relationships by Objectives projects have been completed in some of the most difficult labor relations situations in American industry.

Currently, the program is being used almost exclusively in situations following protracted strikes or where there are volatile labor-management histories. The criteria established by the FMCS as a prerequisite for conducting such programs are that both parties must be sufficiently concerned about their divisive relationship and committed at all levels to do something about it. In return, the FMCS commits itself to assist the parties in rebuilding their relationship and thus to reduce the prospects of strikes in subsequent negotiations. (A Relationships by Objectives program may result in the parties identifying a need for a labor-management committee or for training.)

Labor-management committees. In recent years, more than 300 labor-management committees have been formed annually by employers and unions with the assistance of FMCS mediators. The structure and goals of labor-management committees vary greatly, but most share the essential need for representatives of labor and management to join together and talk about mutual problems. These committees complement the traditional collective bargaining relationship. They are an implicit recognition that the parties have much in common and that their relationship need not be totally adversarial. Through effective committees, joint problem-solving can take place which strengthens mutual credibility and tends to improve relationships.

Joint training programs. Successful labor-management relations are less a function of the quality of negotiations than of the day-to-day implementation and administration of the labor agreement. The majority of this work is done by the first-line supervisor and the union steward. If their performance is below standard, relations suffer. Consequently, most of FMCS' preventive activities have been directed toward this group.

Supervisor-steward training does have considerable value in the development of a work atmosphere which is conducive to labor peace and the quick and effective resolution of labor-related problems. Training sessions, which use a variety of instructional techniques and focus on subjects such as communications, leadership, and grievance handling, are a vehicle whereby adversaries can set aside their stereotyped images and view one another in a nonthreatening light, thus seeing, perhaps for the first time, their commonalities. The FMCS conducts 400 to 500 such joint training programs annually.

These training programs are tailored to the perceived needs of the supervisor-steward audience, and are structured to encourage class participation. Using a combination of lecture, audio-visual materials, and workbooks for the participants, the mediator leads discussions into such areas as:

- understanding the supervisor-steward relationship;
- making the supervisor-steward relationship work;
- providing effective leadership; and
- handling problem situations.

These programs are not intended to provide instant solutions to complex problems. They are designed to enable the participant, working with others in the group and under the guidance of a mediator, to come up with his/her own insights which, it is hoped, will be wisely applied over time to improve their relations.

Setting priorities

In selecting a remedy, order is important. One must focus first at the highest level in need of attention. Higher-order problems must be resolved or neutralized before those of a lower level are addressed.

If the labor-management problems are severe, and are located in the top or middle levels of the respective organizations, then the Relationships by Objective program should be considered as a possible remedy. Through the program, the parties have an opportunity to recast their relationship or to start anew, provided there is mutual acknowledgment of serious problems impairing the relationship, and genuine commitment to change.

Once the program has been successfully applied, *detente,* and rarely, *accommodation,* would be expected in lieu of *conflict.* Assuming the most likely, *detente,* the parties are now in a position to build together a better relationship. To assure further positive momentum and continued improvement, a labor-management committee is usually needed.

If nurtured and sustained, labor-management committees have demonstrated their capability for improving labor relations. The most visible level of improvement is likely to be between the top plant management and the business agent or local union president. If the committee is really working, it will also affect the plant floor. Consequently, through effective applications of such committees, all mid-level outcomes have the potential of being elevated to the *accommodation* mode.

In many cases involving labor-management committees, a problem that is often identified as an impediment to a good relationship is the inability of stewards or supervisors, or both, to dispose of grievances successfully. This can generally be attributed to some combination of three factors: (1) an unwillingness to reach an agreement—a preference for sustaining the conflict, (2) the absence of perceived authority to settle the problem, or (3) the lack of knowledge or technical ability to handle grievances. Each of these causes can be successfully tackled by the labor-management committee. The first two can be addressed through separate consultations within each party, so that agents at the lower level realize their superiors are expecting most problems to be resolved at that level.

If the remaining problem is simply a technical inability to meet labor relations responsibilities, the most effective antidote is training. Through joint training of supervisors and stewards, the groundwork may be laid for a better relationship. Effective joint training usually emphasizes the building of problem-solving and interpersonal skills, and better understanding of respective roles and the benefits of working together.

Equipped with an improved understanding of their roles and the prerequisite skills for doing their jobs, and encouraged by support from the top and middle levels, discord and discontentment at the lower level can be converted to *accommodation.*

Third party audits

The model that we have evolved consists of: three organizational levels within labor and management; three characterizations of the relationship which determine the type and severity of the problem; and three remedial approaches. However, it has not been suggested in any detail how to analyze a labor-management problem when applying the model; rather we have spoken of the mediator recognizing danger signals and observing issues and relationships, all of which implies an intuitive, ill-defined, and artistic process. This method usually provides a sufficiently accurate diagnosis in cases in which the mediator knows the parties well, or the problems are relatively obvious, or both; but in other situations a more rigorous approach is needed to apply the model. For this purpose, we will describe a diagnostic process used in organizational development and human resources development (training needs assessment).[10] Discussion will center on joint training at the supervisor/steward level, but with minor modifications, the process could be used at other levels or when other remedies are proposed.

The diagnostic procedure, developed by Geary Rummler, focuses on a "human performance" audit.[11] For him, human performance is composed of: (1) the job situation or occasion to perform; (2) the performer; (3) the behavior (action or decisions) that is to occur; and (4) the consequences of that behavior to the performer.[12] The advantage of using a performance audit is that it forces the specific source of the undesirable behavior to be identified.

A second feature of Rummler's audit is the determination of the economic consequence of poor performance. In other words, having determined by the audit model that undesirable performance is a result of a lack of feedback to a supervisor about his or her work, for example, the question is asked: does it *really* make any difference or enough difference to require change? The result of this questioning will be to consider first those performance problems which are most economically important to the organization.

A very sophisticated or extremely simple audit can be

used, depending upon the amount of time available, the complexity of the organization, and the functions being audited. This audit of performance can be used on all three levels of labor relations concurrently, but we will apply it only to the lower level.

The basic components of the Rummler approach can be retained in a streamlined audit by using this series of questions to identify sources of the problems and to analyze them:

I. General lead-in questions
   1. How do you know you have a problem?
   2. How will you know when the problem is solved?
   3. How long has this been a problem?
   4. How general is the problem?

II. Questions on the job
   1. What is the desired performance?
   2. What are the job standards?
   3. Who says that these are the standards?
   4. Does everybody agree on these standards?

III. Questions on the performer
   1. What are the specific differences between actual and expected performance?
   2. Has anyone ever performed as expected?
   3. Who?
   4. When?
   5. How many individuals are now performing below standard?

IV. Questions on behavior
   1. Did the steward or first-line supervisor ever perform properly?
   2. Could they perform properly if their lives depended upon it?
   3. If they could perform properly, would they?

V. Questions on the consequences of performance
   1. Does the steward or first-line supervisor whose performance is below standard know:
      a. What is expected of him or her?
      b. What he or she is not performing correctly and exactly how far he or she is from expected performance?
      c. How to perform correctly?
      d. When to perform?

VI. Questions on feedback
   1. What positive or negative consequences, or both, of performing correctly or incorrectly can the first-line supervisor or steward expect from:
      a. Higher ranking officials within the company or organization?
      b. Subordinates?
      c. Associates at the same level?

VII. Questions on economic costs and priorities
   1. What does it cost the employer or union not to remedy the performance problem?
   2. What is the priority on remedying any performance problem?

A few examples will illustrate how these questions produce relevant information on performance and economic priorities:

- Under II, questions 1, 2, and 3 could lead one to discover that the union policy is unclear on whether a steward is expected to anticipate and solve problems before they become formal grievances.
- Under III, question 5 could disclose that first-line supervisors in only 2 departments in 20 have performance problems.
- Under IV, questions 2 and 3 could reveal that motivation and interest are the source of the performance problem, not knowledge or skill.
- Under V, question 1 could divulge that the first-line supervisor is aware of only one-third of the tasks expected of him or her.
- Under VI, question 1 might reveal that the steward gets no positive feedback on his or her performance.
- Under VII, question 1 might show that the failure to properly investigate a grievance, prior to committing it to writing, doubled the length of time required to process it through the first two steps of the grievance procedure.

When the audit is completed, the mediator will have a complete list of the performance problems in the area under study, which will include an identification of the sources of the problems, and economic priorities based on the cost of the problem to the organization.

Following an analysis of this list, the mediator could act as an adviser to labor and management in determining the appropriate remedy. Some problems are more susceptible to a training solution, others to a labor-management committee or a Relationships by Objectives program, and some will require structural and policy changes. In each instance, the mediator will work with the parties to resolve the performance problem and improve their relationship.

Conclusions

Before any labor-management relationship can be improved, the parties to that relationship must both be dissatisfied with the status quo and have before them some blueprint which, if followed, has a reasonable chance of succeeding.[13] [14] In many cases, labor-management relationships are operating at a suboptimal level. This can happen for many reasons; for example, one or both sides prefer it that way, they are not prepared to incur the political or economic costs they attach to improvement, they do not know how to gain the necessary credibility to move jointly forward, or they simply do not know what to do.

Often a trusted third party can diplomatically allow the parties to focus on shortcomings in a relationship, by minimizing political and economic costs of change, promoting trust and cooperation, and assisting both sides in developing a roadmap which, if followed, should lead to a positive, constructive relationship.

[1] Section 203 (A) of the Taft-Hartley Act states: "It shall be the duty of the Service, in order to prevent or minimize interruptions, of the free flow of commerce growing out of labor disputes, to assist parties to labor disputes in industries affecting commerce to settle such disputes through conciliation and mediation."

During the discussion on the floor of the Senate of Bill S.1126 (subsequently compromised to become the Taft-Hartley Law), Senator Irving Ives of New York made the statement: "A great lack at the present moment in the field of mediation is measures by which we may prevent industrial strife as well as cure it after it has begun. That, of course, is contemplated under the new title." (*Congressional Report*, p. 4,590, 5–6–47.)

[2] It is interesting to note that the Federal Mediation and Conciliation Service Preventive Mediation function started during the same period (late 1940's) as the early applications of contemporary behavioral science to organization and management. But there is little evidence that the service benefited in any systematic way from developments within behavioral science until the 1970's. The introduction of the Relationships by Objectives program in 1975 (see discussion on p. 17 of this article) was influenced by the work of Blake and Mouton, particularly Robert R. Blake, Herbert A. Shepard, and Jane S. Mouton, *Managing Intergroup Conflict in Industry* (Houston, Gulf Publishing Co., 1964), p. 210; and Robert R. Blake, Jane S. Mouton, and Richard L. Sloma, "The Union-Management Intergroup Laboratory: Strategy for Resolving Intergroup Conflict," in Warner Burk and Harvey A. Hornatein, eds., *The Social Technology of Organization Development* (Fairfax, Va., NTL Learning Resources Corporation, 1972), pp. 101–26.

This lack of behavioral science influence on preventive mediation during these 30 years is understandable because Federal Mediation and Conciliation Service mediators are pragmatic individuals caught up in practicing their art; they are not inclined to seek help or guidance from theorists and academics. Moreover, even the behavioral scientist makes limited claims for the application of his work to the practitioner. See George Strauss and others, eds., *Organizational Behavior: Research and Issues* (Madison, Wis., Industrial Relations Research Association Series, 1974), p. 2, which quotes with approval Harold L. Wilensky, writing on the same subject in 1957: "Not everything done by the social scientist can or should help the practitioner . . . . the social scientist's job is basically different from the executive's job . . . . much of what he comes up with is of limited use to the practitioner."

Writing 5 years later on the question, "Can Social Psychology Contribute to Industrial Relations?" Strauss said, "From 1960 on, psychological contributions to industrial relations were almost nonexistent . . . " See Geoffrey M. Stephenson and Christopher J. Brotherton, eds., *Industrial Relations: A Social Psychological Approach* (Chicheston, England, John Wiley & Sons, 1979), p. 371.

[3] The views expressed do not necessarily reflect those of the Federal Mediation and Conciliaton Service.

[4] A similar continuum of labor-management relations consisting of armed truce, working harmony, and union-management cooperation was proposed in Frederick H. Harbison and John R. Coleman, *Goals and Strategy in Collective Bargaining* (New York, Harper & Brothers, Publishers, 1951), p. 19.

Another more complex model for analyzing labor-management relations is described in Leon Meggison and C. Ray Gullett, "A Predictive Model of Union-Management Conflict," *Personnel Journal*, June 1970, pp. 495–503.

[5] See Benjamin M. Selekman, Sylvia K. Selekman, and Stephen H. Fuller, *Problems in Labor Relations* (New York, McGraw-Hill Book Co., 1950), p. 7.

[6] "Problems," p. 8.

[7] $D = L^G$ where D is the number of diagnostic outcomes, L is the number of levels in the organization (3), and G is the number of possible characterizations of the relationship between the parties (3). Hence, $D = 3^3$ or 27.

[8] However, it should be noted that a very bad relationship (conflict) may exist at a lower level even though there is a very good one at the next higher level (accommodation). Two generals can be pursuing peace while the battle rages.

[9] For more background on Relationships by Objectives program, see John J. Popular, "Labor-Management Relations: U.S. Mediators Try to Build Common Objectives," *World of Work Report I*, September 1976, pp. 1–3; Thomas A. Kochan, *Collective Bargaining and Industrial Relations* (Homewood, Ill., Richard D. Irwin, Inc., 1980); and Anthony V. Sinicropi, David A. Gray, and Paula Ann Hughes, *Evaluation of the Federal Mediation and Conciliation Service's Technical Assistance Program in Labor-Management Relationships by Objectives (RBO)*, unpublished, Federal Mediation and Conciliation Service, 1978.

[10] In the field or in organizational developments there are a number of diagnostic processes for searching out and assessing organizational problems. See for example: Robert R. Blake and Jane S. Mouton, *Corporate Excellence Diagnosis: The Phase 6 Instrument* (Austin, Tex., Scientific Methods, 1968); J. Richard Hackman and Greg R. Oldhan, "Development of the Job Diagnosis Survey," *Journal of Applied Psychology*, 1975, vol. 60, pp. 159–70; Ralph H. Kilmann and Kenneth W. Thomas, "Four Perspectives on Conflict Management: An Attributional Framework for Organizing Descriptive and Normative Theory," *Academy of Management Review*, 1978; vol. 3, pp. 59–68; John P. Kotter, *Organization Dynamics: Diagnosis and Intervention* (Reading, Mass., Addison-Wesley, 1978); Paul R. Lawrence and Jay W. Lorsch, *Developing Organizations: Diagnosis and Action* (Reading, Mass., Addison-Wesley, 1969); Harry Levinson, *Organizational Diagnosis* (Cambridge, Mass., Harvard University Press, 1972); and Rensis Likert, *The Human Organization: Its Management and Value* (New York, McGraw-Hill Book Co., 1967).

[11] Geary A. Rummler, "The Performance Audit," in Robert L. Craig, ed., *Training and Development Handbook* (New York, McGraw-Hill Book Co., 1976, 2d ed.).

[12] Rummler, "The Performance Audit."

[13] Dissatisfaction with the status quo is found in organizational development efforts: "The fundamental reason some crisis or pressure seems to be so important in setting the stage for change is that it creates a state of readiness and motivation to change. Kurt Lewin called this the 'unfreezing stage' at which old beliefs, values, and behaviors lose strength in the face of data that disconfirm the manager's (unionist's) view of his (their) organization's effectiveness." Michael Beer, *Organization Change and Development: A Systems View* (Santa Monica, Calif., Goodyear Publishing Co., 1980), p. 48.

[14] The need for a plan in order to facilitate change is also found in the Organizational Development literature: "Successful change efforts require new models for looking at organizational problems and/or new ideas for structuring or managing the organization. New models may come in the form of a new organizational design, accounting system, planning systems, or personnel policy." (See Beer, "Organizational Change," p. 50.)

How quality-of-worklife projects work for General Motors

STEPHEN H. FULLER

Quality of worklife is not a happiness program, although happy employees may certainly be a byproduct. It is not a personnel department program, although quality of worklife has important implications for personnel management. It is not a subtle employee incentive program, although employees motivated to achieving the goals of the organization certainly ought to be one of the outcomes. And, it is not another productivity program, although better productivity is certainly one of the important results.

Quality of worklife *is* all of these things and more:

- A continuing process, not something that can be turned on today and turned off tomorrow.
- Using all resources, especially human resources, better today than yesterday . . . and even better tomorrow.
- Developing among all members of an organization an awareness and understanding of the concerns and needs of others, and a willingness to be more responsive to those concerns and needs.
- Improving the way things get done to assure the long-term effectiveness and success of organizations.

General Motors is making a concerted effort to improve the quality of worklife for its employees. Projects are underway in most North American operations and in many overseas operations as well. The approach was not developed overnight. It evolved from a philosophy of management, shaped by events and experiences occurring over a considerable period of time.

A key component of our quality-of-worklife process is union participation. Quality of worklife became a joint effort of General Motors and the United Auto Workers in 1973, when a National Committee to Improve the Quality of Work Life was established. Representing the UAW on the committee are two officials of the international union. The corporation is represented by two personnel officers. The committee meets periodically to discuss activities underway in the corporation. One of its chief functions is to educate executives of the union and the corporation in order to encourage cooperative quality-of-worklife ventures at the local level.

The committee adopted minimum standards to assure that every GM plant has the basics of a quality-of-worklife effort. Each operation is expected to have:

- A group to oversee the quality of worklife process.
- A statement of long-term objectives incorporating quality of worklife along with other desirable business targets.
- Regular measurement of quality of worklife.
- Seminars and other activities to make the organization more knowledgeable about quality-of-worklife concepts and techniques.
- Adequate internal resources and skills to assure the developmental process is moving ahead and accomplishing its objectives.

Approaches vary

A quality-of-worklife improvement program is mandatory at GM; however, specific approaches are optional. Following are some examples of approaches being applied at existing and new plants.

A decade ago, one of our assembly plants could have been characterized as a problem plant. There was an air of hostility between management and the union. Costs

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were high. Performance was poor. Something had to be done. Fortunately, the local management and union were willing to undertake some initiatives. As both sides explored and discussed their mutual problems and concerns, an atmosphere of understanding and mutual respect began to emerge. In 1972, the plant faced a major rearrangement which provided an opportunity for management to involve employees in planning the change, something that had not been done before. The rearrangement went well, due, in part, to the employees' suggestions.

Then, following the lead set by the GM-UAW National Quality of Work Life Committee, plant management and the union established their own committee. In 1977, management and the union initiated a 3-day training program providing employees at the plant training in team problem-solving. Although the program was voluntary, nearly all of the 3,600 employees participated. Today, employee morale at that plant is high, grievances are only a fraction of what they were a decade ago, and the plant has become one of the best-performing assembly plants at General Motors.

Another GM plant abandoned the traditional organizational structure a few years ago. Today, the plant is organized into six business teams, each consisting of the necessary production activities and support elements: engineering, scheduling, material handling, quality control, maintenance, and accounting. The system has made support employees an integral part of the plant's business operations. The quality-control circle concept, which has flourished in Japan and is being introduced by a growing number of firms in this country, has been incorporated into the business-team structure. The circle concept gives employees the opportunity to meet regularly to discuss problems affecting their work environment and the plant's performance.

These are only two of many approaches underway in established GM plants. New plants provide a unique opportunity to design an organization from a blank sheet of paper. Free from the constraints of past practice and stereotyped roles, each plant is an opportunity to introduce new approaches.

There are three important considerations underlying quality-of-worklife initiatives in new plants: (1) there is no best system or organizational design, (2) there is an ongoing interaction among the parts of the system—a change in one part of the system can have a significant impact on the entire system, and (3) each part of the system must reinforce consistency of operations and facilitate employee involvement.

To achieve an organizational system in which each part is congruent with the rest, careful consideration is given to the basic values, principles, and objectives held by local management. The development of a philosophy and goals is viewed as a necessary first step in the planning process. (The philosophy and goals are statements reflecting the local management's beliefs about people and work and the relationship between those beliefs and the plant's objectives.)

A team concept is a major feature of many new GM plants. Job rotation within the team is encouraged. Employees thus acquire broader skills which, in turn, allows for greater flexibility in performing all of the tasks within the team. This concept tends to promote employee involvement and satisfaction, and to minimize the disruptive effects of occasional absenteeism and turnover. Employees are encouraged to move from one team to another once they have learned all of the jobs in the team. This further adds to the fulfillment of employee interests and to the expansion of experiences and achievements.

The team concept encourages employee responsibility and involvement. For example, employees may have responsibility for training team members; assessing individual team members' progress in satisfactorily performing job assignments; forecasting efficiency, scrap, and manpower requirements in their operating areas; recommending corrective action for improper conduct of team members; contributing to the selection of new employees; selecting team leaders; and maintaining operation of tools and equipment within process standards.

Employee-management communications essential. In our plants, emphasis is placed on effective communication, particularly face-to-face communication. It begins with the orientation, which includes, in addition to traditional topics, a thorough review of the plant's philosophy and goals. Periodic plant meetings and team meetings are used to discuss aspects of the business—for example, quality, schedules, scrap and rework, housekeeping, safety, employee facilities, production facilities, and customer orders. There also is ample opportunity for employees to discuss their concerns with management.

The role of the personnel department at General Motors is to facilitate the development of the quality-of-worklife process by consulting with management, with employees, and with their elected representatives. Well-conceived and effectively administered personnel programs are absolutely essential for a strong quality-of-worklife effort.

One such program is a system of redress for those employees not represented by a union. A formal "open door policy" is one approach, but it must have the support of all levels of management. An effective appraisal system for all employees, including managers and executives, also is essential. The appraisal also should evaluate managers' support and implementation of quality-of-worklife principles.

Training for all employees is an absolute necessity. If employees are to be involved in the decisionmaking process, if they are to grow and develop, they must have

the opportunity to acquire the necessary knowledge and skills.

Finally, it is necessary to have a statement of philosophy that spells out the general role workers have in the organization and how they are to be treated. A statement of philosophy that represents the consensus of senior management provides a basis for encouraging managerial behavior consistent across plants and functions. The philosophy also lets employees know how they can expect to be treated.

All efforts at General Motors require a firm commitment at the top levels of the corporation. Such support, combined with a variety of successful projects has led to the creation of a quality-of-worklife program in nearly all plants. This does not mean that GM has all the answers or that quality of worklife is fully developed in General Motors. There is much to be done, but the corporation is on the right track and making progress.

Future of the projects

An important shift in union-management relations began in the decade of the 1970's. Unions and management showed a willingness to explore new alternatives and, in some instances, levels of cooperation once thought impossible produced dramatic results. What about the decade of the 1980's? What is the future of quality of worklife in America?

Two critical forces will have a significant impact on the future of quality-of-worklife projects. One is the changing values of workers. Increased sense of entitlement, disregard for authority, and a general low esteem of our institutions have been major factors in the developmental years of quality of worklife. Today's workers place less emphasis on material achievement and more on personal fulfillment. The value shift of Americans will significantly impact the future of quality of worklife.

The second force is economic. While business is being challenged to respond to dramatically changing values, our country is facing economic problems. The fact is, the United States is locked in a fiercely competitive economic struggle which could have either a positive or negative impact on quality of worklife—positive if it leads to innovative solutions and negative if it results in simply greater emphasis on traditional approaches.

Our Nation's poor productivity improvement rate is a major factor contributing to our economic ills. The problem has not come about overnight. Between 1947 and 1967, output per hour of work in the United States nearly doubled. Since 1967, output per hour worked has risen only about one-fifth. And in 1978, the U.S. productivity growth rate was an alarming one-half of 1 percent, a dismal performance compared to the rate of growth of other major industrial nations, particularly Japan.

In the past, America has been able to compete with cheap overseas labor because of our capital investment. In 1978, however, capital investment per worker in this country amounted to less than $3,700, compared with nearly $5,000 per Japanese worker. There are many factors in addition to capital investment which contribute to Japan's envious productivity growth rate. Among them are government policies and programs that actively support economic expansion, technological innovation, harmonious union-management relations, and a totally dedicated work force. Group goals are far more important than individual successes in the Japanese structure.

I do not think we can ignore the traits present in the Japanese system. In this country, we have been overly loyal to organizational tradition. But, today, we cannot afford not to take new risks. The joint efforts of business, government, and labor are essential if we are to respond to the needs of a changing workforce and resolve our economic problems.

Stumbling blocks. As we push forward the frontiers of quality of worklife there are some formidable obstacles to overcome. One is the issue of control. Should control be viewed as external to the individual, as provided for through a supervisor and shop rules? Or should it lie within the individual's self-regulating ability and value system and based upon mutual influence and interest that leads to "win-win" rather than "win-lose" relationships? Moving from external to self-regulating sources of control would seem to be consistent with the quality-of-worklife viewpoint. How much training and how much information is management willing to provide if employees are to be self-regulating? Many organizations in the past have been cautious about sharing information, particularly financial information, for fear employees will use this knowledge to make "unfair" claims on the enterprise.

How quality-of-worklife projects work for the United Auto Workers

IRVING BLUESTONE

In 1973, in bargaining with General Motors Corp. for a new national agreement, the United Auto Workers (UAW) proposed the establishment of a National Joint Committee to Improve the Quality of Worklife. The parties agreed to a document which set forth their general understanding on the subject and pledged to urge their respective local managements and local unions to cooperate "in (quality-of-worklife) experiments and projects."

How, where, and when to go about the task were left open for the parties to consider. Over time, certain generalized concepts have become accepted. However, the approach varies in each situation because the program is not imposed from the top down, but must be cooperatively and voluntarily developed and implemented from the bottom up—at the local union-management level.

Today, there are approximately 50 quality-of-worklife programs in UAW-GM bargaining units. Most are still in the early stages—an indication that such programs are not "instant utopias" but rather follow a slow, cautious, deliberate pace.

How did the UAW and GM go about setting up a quality-of-worklife program? What were the "nuts and bolts" steps taken and how were they implemented? While no two projects are identical, the following describes in concrete terms what happened.

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The fact that the National Joint Committee to Improve the Quality of Worklife exists and urges the local parties to consider undertaking a project supplies the initiative to create interest in the subject. A local management may contact the local union shop committee (or vice versa) suggesting the local parties discuss the possibility of initiating a quality-of-worklife project. The local union as a rule will contact the international union and ask for a thorough explanation of the concept, how it works, what it entails, and its advantages and disadvantages.

An international union representative will meet with the local union official and describe in detail the meaning and purpose of the concept and what has been done elsewhere and why. The representative will set forth certain guiding principles which are usually agreed upon as a basis for proceeding:

- There must be no increase in production standards as a result of the quality-of-worklife program—an assurance against speed-up. (Naturally, increased production due to technological change is another matter.)
- There must be no loss of jobs as a result of the program—an assurance of job security. (Obviously, layoffs due to business cycles are another matter.)
- The provisions of the national agreement and of the local agreements and practices remain inviolable.
- The program will be voluntary. No worker will be compelled to participate.
- The union representatives will be involved in all aspects of the program—sharing with management equal-

ly in the development and implementation of the program.

- Either party may cancel the program at any time—an assurance against either being tied to a project in which it has lost faith.

The local, after full discussion, will decide whether to proceed. It is advised to "go slow," to experiment with a pilot project at first and approach the program on a "cut and try" basis. The local understands that normal collective bargaining continues, that a quality-of-worklife program will not solve all the plant problems.

In the UAW-GM approach, no separate quality-of-worklife committee is formed. The local union shop committee—the elected representatives of the workers for purposes of handling grievances and bargaining—is the union counterpart in the program. This avoids any conflict in determining which subjects fall within the purview of adversarial collective bargaining and which are subject to the cooperative effort of quality of worklife.

A quality-of-worklife program cannot succeed unless the local parties develop a collective bargaining climate of mutual respect, a climate in which solving problems supersedes beating the other party down. Therefore, the first phase, before the parties can move significantly toward worker participation programs, entails fostering a mutually respectful relationship as the groundwork for a program which will involve the workers directly.

This is no overnight task. It may take months of getting together and talking things through. Essentially the problem is attitudinal, and breaking down distrust and cynicism on both sides is a slow but extremely rewarding process.

Once phase one is well underway, the road is paved for the local parties to embark on pilot projects in which workers on a volunteer basis become involved in problem solving and participate in making decisions regarding the workplace which, heretofore, have been denied them. By now, the parties have learned to work together more cooperatively. Without pervasive rancor and suspicion beclouding their efforts, they can join mutually in analyzing the problems which trouble the workers and create the opportunity for workers to help resolve them.

The overriding consideration is that all decisions are by mutual desire and consent at the local level. Neither the corporation nor the international union instructs the local parties; each is merely a catalyst (to advise and consult) when called upon.

There is ample evidence that the introduction of a quality-of-worklife program has a salubrious effect upon the adversarial collective bargaining system. For example, simultaneously with national negotiations between the UAW and GM, the local parties negotiate on local issues, including seniority, transfer, shift preference, equalization of overtime agreements, and other proposals to improve working conditions and health and safety, grievances, and other issues. Of the first 90 local settlements in 1979, all of which were accomplished without a strike threat, 44 were engaged in some stage of a quality-of-worklife program. Considering there are about 50 programs at GM, this represents a noteworthy achievement.

Studies at locations where a quality-of-worklife program has existed long enough to be meaningful indicate a more constructive collective bargaining relationship; a more satisfied workforce; improved product quality; a reduction in grievance handling, absenteeism, labor turnover, and disciplinary layoffs and discharges.

These are all mutually desirable objectives; they represent benefits for the workers and advantages for both the union and the management. But above all, from the workers' point of view, they add up to one of the most fundamental objectives of unionism: the enhancement of human dignity and self-fulfillment at work.

For decades, we have heard corporation executives exclaim: "Our workers are our most valuable resource." Quality-of-worklife programs are designed to make that slogan a reality. How? By altering the autocratic climate of the workplace and providing workers, through their union, with the opportunity to participate meaningfully in the decisionmaking process at the workplace; by focusing management's orientation toward concern for the needs and aspiration of the workers; and by creating an atmosphere of cooperative effort between union and management to achieve the above noted objective.

The quality-of-worklife project at Bolivar: an assessment

BARRY A. MACY

The quality-of-worklife project[1] at Harman International Industries, Inc., in Bolivar, Tennessee, is a cooperative change effort between the company and the United Automobile Workers of America (UAW). The project is structured so that both parties can jointly determine and implement organizational change according to mutually agreed-upon principles. The objectives of the project are to improve employees, quality of worklife and enhance organizational effectiveness.

The explicit internal goals were identified as job security, job equity, worker humanization, and worker democracy. These were ambitious undertakings in 1973—ahead of their times in many respects—particularly because they were shared and agreed to by both labor and management. However, some of the objectives of the project have been reached and surpassed, while others have yet to be reached. Other outcomes and critical process events are discussed in an assessment study by Macy and others.[2]

According to the five intervention phases of the Bolivar experiment, each composed of 11 months beginning with the baseline phase through plant-wide experimentation to coincide with the change program, the following changes were measured:

Job security. More jobs were created, as the hourly employment level rose 55 percent to 839. Once the program was underway, the cooperative union-management climate stimulated an effort to develop a joint bid on a particular product, and the company and the UAW established joint efficiency rates with the goals of increasing employees' quality of worklife and improving job security. Ultimately, this venture saved 70 jobs. Voluntary turnover rates declined by 72 percent, while involuntary turnover (discharges, retirements, and so forth) rates decreased by 95 percent.

Health and working conditions. Accident rates, as defined by the Occupational Safety and Health Administration, declined 60 percent, while minor accidents decreased 20 percent even with the presence of many new and inexperienced employees. Rates of short-term absences due to sickness declined 16 percent. However, not all of the changes were favorable, as the rate of minor illnesses rose 71 percent and the rate of medical leaves increased 19 percent. (Perceptions of Bolivar employees' health appear later in this report.)

Financial security. The average hourly rate remained constant and the wage rates relative to area standards did not change (during this time, the wage rates for the whole country did not increase relative to real wages). The fringe benefit package increased by a small amount. Proposals for the introduction of a gain-sharing compensation plan (a negotiable issue) were discussed but none was adopted.

Job security based on organizational performance. Daily output per hourly-paid employee, adjusted for inflation,

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rose 23 percent. Two other measures of productivity—efficiency and standard performance—verify this positive change in plant performance. On the product side of the financial ledger, net product reject cost rates declined 39 percent, while the rate of customer returns decreased by 47 percent. Once again, not all was positive as the rate of manufacturing supplies used rose 22 percent and the rate of machine downtime increased slightly. What is so striking about productivity and product quality at the Harman International plant is the fact that both of these performance measures increased. Moreover, these measures have held positive and significant trends for approximately 3 years. Some of the gains are attributable to technological and capital inputs; however, many can be attributed to the cooperative labor-management change.

Cost-benefit. The cost-benefit calculations for the project reflect the program costs and benefits per hourly-paid employee per phase, summed over 55 months. The results show a net discounted benefit per hourly-paid employee to the company of more than $3,000. There are multiple reasons for this net savings, but nevertheless, the plant improved its performance through a combination of forces, including the cooperative quality-of-worklife program.

In summary, the evidence shows that because of the quality-of-worklife program, jobs objectively became more secure; productivity and product quality rose; accidents decreased at a faster rate than their industry average; minor accidents declined while minor illnesses rose; short-term absences due to sickness declined; manufacturing supplies and machine downtime increased; and employee earnings held steady. Also, grievances decreased 51 percent and absences due to lack of work decreased 94 percent.

These positive behavioral and organizational performance gains seem to have had some practical implications for both the company and the union in their contractual process. The company's 1976 contract with the UAW was signed earlier than ever before and benefited both the company and the union membership by reducing the need for higher product inventories while maintaining the same employment level. These bargaining sessions, as contrasted to previous ones, were accomplished and concluded in a mutual atmosphere of cordiality, creativity, and trust. Absent was the win-lose philosophy and counterthreats that often accompany traditional labor-management bargaining. This is not to indicate that the adversary relationship between the UAW and Harman International Industries has vanished. It has not! The union still grieves contract issues; however, the spirit or climate in which grievances are handled has improved.

Generally, the behavioral and performance findings were positive, while the attitudinal indicators showed mixed results. Thirteen indicators of the quality of worklife and 24 measures of job and work environment characteristics known to be associated with higher quality of worklife are assessed in table 1. (The data refer only to UAW members; however, these indicators represent fairly well the different types of employees surveyed at the Bolivar plant.) Some of the gains have been offset by losses or no change. It must be remembered, however, that over the extended period studied, there were some unmeasured changes in the employees' level of aspirations and expectations. These changes in expectations and aspirations were enhanced by the quality-of-worklife program and the later conditions were probably judged more critically than the earlier conditions. When asked a series of questions pertaining to the goals and outcomes of the quality-of-worklife program, the employees responded generally with positive opinions about the impact, the desirability of the program, the effectiveness of the union-management relationships, and the ability of the UAW to represent membership concerns. For example, 60 percent found the program to be desirable; a majority found the joint

Table 1. Assessment of quality-of-worklife indicators and work environment characteristics

Gains	No change	Losses
	QUALITY OF WORKLIFE	
Less alienation	Job satisfaction	More reports of physical stress symptoms
Treated in a more personal way	Job offers opportunity for personal growth	More reports of psychological stress symptoms
Job involved more use of, or higher level, skills	Working conditions	Less satisfaction with pay level
	Work equity	
Job is more secure	Fringe benefits	Less satisfaction with pay equity
	WORK ENVIRONMENT	
Supervisors more participative	Role conflict	Supervisors are less work-facilitating, supportive, and respectful
	Job variety	
More work-group participation	Supervisory closeness, favoritism, and feedback	
More employee influence over task-related decisions	Work-group feedback	Less satisfaction with work group
More adequate work resources	Employee influence over work-schedule decisions	Less association between work performance and reward received (3 indicators)
More work improvement ideas provided by employees	Association between job security and intrinsic motivation with work performance	Less job feedback
	General organizational climate	
	Work improvement suggestions	

NOTE: Assessment based on 85 matched UAW members.

union-management committee responsible for designing and implementing the program to be effective without domination from either party; and 67 percent indicated that the program strengthened the local union. In addition, 90 percent of the UAW membership were satisfied with the local union in 1976, compared with 78 percent in 1973. This is substantially higher than the satisfaction level of a national sample of blue-collar union members with their union during this period.[3] Moreover, union membership at the Bolivar plant has increased from 65 percent to more than 90 percent, and 100 percent of the union membership responded affirmatively when asked: "If there were an election today on whether or not the union should be kept at Harman International Industries, how would you vote?"

These results and other outcomes not reported here[4] seem to indicate that the union members perfer to use joint union-management programs to deal with quality of worklife and other important domains of their life at work. Recently, many other reports and studies[5] have indicated similar trends and like results with other union members. One trend seems very clear. The time is ripe for the U.S. industrial relations system to seriously consider cooperative union-management programs along with their traditional contractual and collective bargaining structures and processes.

FOOTNOTES

[1] The project was independently assessed during 1972–79. The behavioral and performance outcomes were evaluated for 55 consecutive months during 1972–76. Support for this article was provided by the Ford Foundation and the Economic Development Administration, U.S. Department of Commerce.

[2] B. A. Macy, G. E. Ledford, Jr., and E. E. Lawler III, *An Assessment of the Bolivar Quality of Work Life Experiment: 1972–1979* (New York, Wiley-Interscience, forthcoming).

[3] R. P. Quinn and G. L. Staines, *The 1977 Quality of Employment Survey* (Ann Arbor, University of Michigan, Survey Research Center, 1978). A general discussion of the survey results is described in an article by G. L. Staines and R. P. Quinn, "American workers evaluate the quality of their jobs," *Monthly Labor Review,* January 1979, pp. 3–12. For a more in-depth discussion of union attitudes, see T. A. Kochan, "How American workers view labor unions," *Monthly Labor Review,* April 1979, pp. 23–31.

[4] See Macy et al, *An Assessment.*

[5] For example, see T. A. Kochan, D. Lipsky, and L. Dyer, "Collective Bargaining and the Quality of Work—the Views of Local Union Activists," *Proceedings of the Twenty-Seventh Annual Meeting* (Madison, Wis., Industrial Relations Research Association, 1975), pp. 150–62; A. Ponak and C. Fraser, "Union Activists' Support for Joint Programs," *Industrial Relations,* Spring 1979, pp. 197–209; B. A. Macy, "A Progress Report on the Bolivar Quality of Work Life Project," *Personnel,* August 1979, pp. 527–30 and 557–59; P. S. Goodman and E. E. Lawler III, *New Forms of Work Organization in the United States* (Geneva, Switzerland, International Labor Organization, 1977); J. Drexler and E. E. Lawler III, "A Union-Management Cooperative Project to Improve the Quality of Work Life," *The Journal of Applied Behavioral Science* (July-August-September, 1977), pp. 351–86; I. Bluestone, "The Quality of Work Life Project Between UAW and Harman International Industries," paper presented at the Thirty-Seventh Annual Meeting, The Academy of Management, Aug. 14–18, 1977; E. E. Lawler III and L. Ozley, "Winning Union-Management Cooperation," *Management Review* (March 1979), pp. 19–24; E. E. Lawler III, and J. Drexler, "The dynamics of establishing cooperative quality-of-worklife projects," *Monthly Labor Review,* March 1978, pp. 23–28; D. Nadler, "Hospitals, Organized Labor and Quality of Work: An Intervention Case Study," *The Journal of Applied Behavioral Science* (September 1978), pp. 366–81; J. Perry and others, *The Impact of Labor-Management Relations on Productivity and Efficiency in Urban Mass Transit* (Institute of Transportation Studies and Graduate School of Administration, University of California at Irvine, 1979); B. A. Macy and M. Peterson, "Evaluating Attitudinal Change in a Longitudinal Quality of Work Life Intervention," in S. Seashore, E. Lawler III, and others, eds., *Observing and Measuring Organizational Change: A Guide to Field Practice* (New York, Wiley-Interscience, forthcoming); P. S. Goodman, *Assessing Organizational Change: The Rushton Quality of Work Experiment* (New York, Wiley-Interscience, 1979); B. A. Macy and A. Nurick, *Assessing Organizational Change and Participation: The TVA Quality of Work Experiment* (New York, Wiley-Interscience, forthcoming); and M. Duckles, R. Duckles, and M. Maccoby "The Process of Change at Bolivar," *The Journal of Applied Behavioral Science* (July-August-September, 1977), pp. 387–99.

Altering the social structure in coal mining: a case study

An underground experiment using autonomous work groups showed increased production, motivation, and safety, but created discontent among other workers at the mine

TED MILLS

In the past 5 years, all over the Western world, there has been a substantial growth of interest—reflected in increased experimentation and activity—in the human contribution to work performance. With major organizations such as the United Automobile Workers and General Motors in the vanguard, American labor and management in both the public and private sectors are beginning to pay significantly more attention to the growing body of expertise in a field increasingly called "the quality of working life," which focuses on the overall development of the human resource in enterprise.

Coal mining productivity

In order to develop and explore the quality of working life concept, the National Quality of Work Center has conducted a number of diverse experiments in various industries. None of these industries is more fascinating for such exploration than underground coal mining, the subject of this case study. For one thing, coal mining is hard, hazardous, health-jeopardizing work, as everyone—particularly miners and their union—is aware. More significantly, available data, though very crude, indicate that the industry's productivity has declined precipitously during the past decade. Unofficial productivity figures for the entire industry, including the highly productive strip mining operations, are bad enough; the figures for underground mining alone are far worse. For example, Consolidation Coal's big underground Ireland mine in the Ohio River area showed a decrease in daily production per miner from 25 tons in 1966 to 10.6 in 1974, with the rate continuing to fall in 1975 despite investments of millions of dollars in ultramodern technology to try to stem the decline.

Whenever productivity declines, of course, the overriding question for management and unions alike is, why?

In the coal mining case, some managers suggest that when stringent new State mining safety laws and the Federal Coal Mine Health and Safety Act of 1969 took effect, with inspectors crawling around the mines to enforce them, productivity plummeted. But, curiously, the productivity decrease after the new laws were passed was not significantly greater than in the years before the Federal act took effect; productivity just continued its downward march.

Another possible explanation for the productivity decrease is that miners, like other Americans, had become increasingly better educated, with higher

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expectations from their work, with consequently increasing resistance to the dismal conditions and work organization of most underground mines.

For these reasons, underground coal mining seemed, in 1973, an intriguing place to implement some of the emerging quality of working life notions. These notions postulate, among other things, that joint union and management efforts to involve employees in the decisions that affect their lives on the job can and will have measurable impacts on their attitudes toward work, employer, union, and even themselves as human beings. According to the quality of working life approach, when you change the quality of the individual's experience at work, you will find employees in turn changing both the quantity and quality of the work they are asked to do. When the quality of working life is high, in other words, improved productivity may be one of the important consequences. This notion is sometimes stated as "change the work, change the worker."

Most mining managements have traditionally assumed that there are essentially only two ways to remedy falling productivity underground: Sweetening the paycheck, or increasing capital investment in mining machinery. Until the experiment launched by the National Quality of Work Center, few mine managers or union leaders had considered that restructuring work systems underground, providing miners with new insights about their (and their machines') performance of work, might have a measurable positive impact on productivity in mining.

The agreement

In 1973, I was able to persuade the National Commission of Productivity to support a quality-of-working-life experiment in a coal mine (the experiment later shifted, along with the rest of our Quality of Work Program, to the National Quality of Work Center when that organization was founded in 1974). We found a mine president (Warren Hinks of the Rushton Mining Co.) who was intrigued by the notion of working with his people as well as his machines. And we found that the newly elected president of the United Mine Workers of America (Arnold R. Miller, himself a victim of black-lung disease) was intrigued by the potential of the quality-of-working-life effort to improve the health and safety of underground mineworkers. We found that Professor Eric Trist, a social scientist from the Wharton School of the University of Pennsylvania who had done classic work on socio-technical work restructure in British mines more than two decades before, would be available and interested in participating in the project. Dr. Gerald Sussman, a research psychologist from the Pennsylvania State University, and Grant Brown, a Penn State mining engineer, formed the rest of the Trist team.

In mid-1973, the mine president, the United Mine Workers president, and the consultant team met for the first time, in the UMW building in Washington. Hinks and Miller signed an experiment-launching agreement which stipulated, among other things, that either party could end the experiment by just a phone call, that no miner would lose a job because of the experiment, and, most important of all, that the experiment would be "jointly owned" by the management and the union during its 18-month lifetime.

In all of the National Quality of Work Center's many, diverse projects across the country, all of them in unionized workplaces, this "joint ownership" is of major significance to the potential success of each project. To the participants it means that neither management nor union is running the project, but rather both at once, cooperatively. To the consultants, it means their "client" is both the management and the union members who make up the labor-management committees formed in every project.

In all Center projects, there are two or more such labor-management committees, situated at various levels from the top of the organization to the bottom. The top tier committee usually comprises two or three senior executive officers of the entire organization (often including the chief executive officer) and two or three senior officers of the international union (often including the president). The focus of this committee is organizationwide; the joint objective at this level is eventually to spread the first experimental efforts (if they prove beneficial) throughout the organization.

This top committee—which may be called a "core committee" or a "steering committee" or whatever—identifies a divisional, second-tier area of the organization where the union and management feel the first active shopfloor experiment should be inaugurated. In large operations (two Center projects involve organizations with more than 50,000 employees and unions of more than 500,000 members), such second-tier areas are usually operating divisions or regions. The Center encourages these divisions or regions to form second-tier divisional or regional labor-management committees of 6 to 10 management and union officers from that level. They in turn identify one or more plants or work organizations for experimental activity, where plant-level committees (usually with 12 to 14 members, evenly divided between managers

and union members) are established.

As this case history shows, there are good reasons for urging such a multi-tier approach to quality-of-working-life projects in organizations of any size. One reason is *sanction:* participants at the plant level where the first experimental efforts occur are reassured that both their union and their management, all the way up to the top, jointly approve of, and are even part of, the experiment. (More than once, Rushton coalminers were heard to justify their commitment to the experiment by saying, "Arnold Miller's for it.") Another reason is *visibility:* what happens in a plant far from organizational or divisional headquarters is known, monitored, and evaluated at each level; the danger of "encapsulation"—achieving something impressive that no one beyond the local workplace knows or cares about—is significantly lessened. But perhaps the most important reason for the multi-tier structure is the built-in impetus and potential it provides for eventually spreading or *diffusing* a successful experiment from the first workplace to others, first within the division by the division-level committee and then from one division to another by the top-level committee. Sanction from the top adds prestige, encouragement, and a sense of importance to work-change activities at the workplace level; organizationwide visibility creates higher level awareness of what is achieved; the potential for diffusion makes experimental efforts far more significant, justifiable, and cost-effective, for if they provide the hoped-for benefits to the management and union sponsors, the built-in structure can spread those benefits throughout the organization.

Implementation

The Rushton mine was a small, independently owned 235-worker mine in central Pennsylvania, not part of a larger organization as are most other Center projects. (It subsequently became an owned subsidiary of Pittsburgh Power and Light Co.) Nevertheless, it had two tiers of committees. The 12-member top-tier steering committee, which included the mine president and superintendent and the president of the UMW local, would eventually authorize the formation, in each affected underground section of the mine, of section committees, comprising one supervisor and one union member in each of the section's three shifts, for a total of six members per section.

It took the mine's steering committee a while to realize that its joint diagnosis of mine work structures and work performance was quite different from the traditional adversary and money matters usually discussed in labor-management meetings. But slowly, under the guidance of the Trist team, committee members began to learn how to examine all work-related aspects of underground mining, one by one, and to devise notions for improving them.

After 4 months of weekly steering committee meetings, a carefully prepared 15-page report which they called "the document" was finally drawn and jointly approved. It covered many points and recommended many major changes, most of them organizational. But, unfortunately, it concerned itself almost exclusively with the establishment of a new experimental underground section operating under brand new principles (for the United States) of human organization in mining. The major points of the "document" were:

1. An experimental section would be established in the mine, comprising 27 volunteers, 9 to a shift.
2. Every worker in the experimental section would be on top pay. This meant the experimental section would cost at most $324 more each week than other sections, not a prohibitive cost factor to the mine's management.
3. All members of each crew would be, or would be trained by the company to be, capable of performing any job in the section, from continuous miner operation to roof bolting. The entire crew would also be given special training in State and Federal mine safety laws, so each miner would know what constitutes a violation. Each crew of the experimental section, therefore, would be an autonomous work team.
4. Each of the three crew foremen in the section would henceforth have responsibility and authority primarily for the safety of the crew. The responsibility to management for the day-to-day production of coal by the crew was transferred to the entire work team of nine men now without a boss.
5. Grievances by any member of the section would be dealt with primarily by the crew involved, in what is sometimes called "peer discipline." If the crew couldn't cope with a grievance itself, it would then be processed through the local union's formal grievance machinery.

A meeting of the full membership of the union was called to approve the "document." The vote of those attending was strongly in favor. By that membership approval, production at the mine had legally become—although experimentally only—a joint worker–management responsibility.

An important factor in the deliberations of the steering committee, in the final membership vote ratifying the document experimentally, and in the entire mine's initial acceptance of the experiment

was an explicit search for ways to improve the safety of the miners. This emphasis on safety underlay Miller's initial interest and official UMW endorsement of the project. It underlay the decision to entrust foremen with primary concern for crew safety, instead of production. Safety improvement, in many ways, was the motivation for the entire initial effort.

Once the document was ratified, the next step was to call for volunteers for the new experimental section, called "2 South." The list was quickly subscribed. Then came training for the three crews of the all-volunteer section. The miners worked at the jobs they had originally bid for, but they were encouraged to begin learning every job in the crew and to familiarize themselves with State and Federal safety laws. On February 24, 1974, each of the three new crews of 2 South elected one miner to be a member of the section committee, management appointed five members, and the "official" implementation of the experiment underground was underway.

The first year's results

Some 10 months later, in January 1975, at a labor-management conference in Buffalo sponsored by the National Commission on Productivity and Work Quality, miners, foremen, and managers from Rushton told of their experiences to date. From what they said to the large audience, it was obvious that they felt that the new social system of the experimental section and the new role of foremen in that section were working. The change was evident, they said, not only in what they did but also in how they felt.

A 25-year-old miner, since promoted to foreman, put his feelings this way:

> Suddenly, we felt we mattered to somebody. Somebody trusted us. . . . The funny thing is, in the new system, the crew, we don't really get tired any more. We probably work twice as hard as we did before, but we don't get tired. . . . It's like you feel you're somebody, like you feel you're a professional, like you got a profession you're proud of . . . all 27 guys in all three shifts.

A section foreman, also since promoted and now assistant director of training, spoke candidly about the radically changed foreman function. He told the audience that it took a lot of personal adjustment not to be (or act like) a "boss" any more, but that once he learned the new system, he found that he had more time to study safety problems coming up, time that the old system had never allowed him. His relations with his crew were first-rate, he said, but he pointed out that now they respected him because of what he knows, and not just because he was boss. He liked that.

Warren Hinks, the mine president, spoke last. He said that the impact of the experiment underground was reaching upward into his management and the management style of the mine as a whole; it was changing much of his own and his subordinates' notions about mine management, aboveground as well as under.

In February 1975, a few weeks after the conference, the three full crews of the 2 South experimental section gathered, as scheduled, for one of the all-day critique and training sessions that occurred about every 6 weeks. But this session turned out to be special. For the first time since they had joined together, the 27 miner members and 3 foremen of 2 South were shown actual management figures for their performance. The figures were for only 1 month, January 1975, but it was the first feedback to the crews of their effectiveness as a section compared with the nonexperimental sections of the mine.

The miners were astonished. As a section, they had mined 25 percent more coal than the poorest section of the mine. This achievement was even more impressive because a roof cave-in had rendered their mine inoperative for 5 of the 21 working days that month, or almost 25 percent of the working days. And their section's operating cost (covering materials, timbers, bolts, maintenance, and so forth) was almost 40 percent under that of the poorest section. As a result, the cost of clean coal produced by the experimental section in January 1975 was $1.16 a ton, $0.71 under the mine average of $1.87 and $1.58 under the poorest section, whose clean coal that month cost $2.74 a ton.

To members of the local and international unions, however, the experimental section's safety record for the first year of operation was even more impressive. In 1974, one of the mine's nonexperimental sections had amassed 37 Federal safety violations, and the other had 17; the experimental section had incurred only 7. The other two sections reported 25 accidents in 1974, 5 of them involving lost time. The experimental 2 South section reported only seven, and just one lost-time accident (which the crews insisted was an unavoidable fluke).

The 2 South section that racked up these impressive performance and safety records for about its first year of operation differed from the other two sections only in its social or organizational structure. The technology used by all three sections was the same most of the time. Mine services were the same. What was different was 2 South's autonomy

as a work unit. (The performance data cited are management's figures for 1 month only, however, and during that particular month, conditions in 2 South's section of the mine were generally better than those encountered by the poorest section, though that advantage may have been roughly canceled out by 2 South's 5 down days from the roof cave-in.)

Both the miners in the experimental section and management were delighted by these figures. It seemed clear that in every way—in the changed self-estimate of the crews, in their productivity, and in their safety record—the experimental section was working more impressively than anyone had hoped. On that snowy day in 1975, with the experiment a year old, it would have been understandable to describe the new system as enormously successful, with major ramifications for improved safety and productivity in the mining industry. But any euphoria that may have been experienced that day was soon to be dispelled.

The rising storm

In late 1974, with the new push on for coal as an energy source, the management unilaterally decided to start a fourth section in the mine. A decision was made—unfortunately without consulting the union—that the fourth section (to be called 5 Butt) would operate under the new system, which everyone, miners and management and consultants, now referred to as "autonomous." The joint steering committee was presented this decision as a fait accompli, which rankled many union members, particularly the representative of the UMW international.

This new section was also to be composed only of volunteers. But this time, the volunteers for 5 Butt were mostly "yellow hats," or apprentice new miners. Older miners, most of whom seemed to prefer to stay with the crews they'd worked with for years, did not rush to this section as the committee had anticipated. So an appreciable number of the members of the new 27-man section were greenhorns, brand new to mining, who were to earn top mine pay from the start, a factor that helped set off the coming storm.

Another factor was ignorance, or inadequate communications throughout the mine, or both. Beginning in late 1974 and mounting in the spring, the rumor-mill began to operate full blast among the mine's rank and file. One highly persistent—and untrue—rumor was that the "autonomous" sections, and they alone, had made a deal with management by which any productivity increases would be shared; the other sections, the rumor went, were to have no such sharing. Additionally, dissident union members not in the two experimental sections, and particularly those in aboveground work, began to say that they too wanted top mine pay. Why should "yellow hats" get it when workers with years and decades of seniority did not?

At a local union meeting in March 1975, one of the dissident miners proposed that the top-pay provisions of the experimental sections be extended to the entire union membership, or the union would exercise its right to terminate the project. The proposal was accepted by the members present.

Now faced with a legal union mandate to devise a formula for diffusing the experiment to the full mine population if it was to be continued at all, the embattled steering committee sought to find some formula which would be acceptable to the mine's management, to the local union leadership, to the rank and file, and to the United Mine Workers International. Moreover, the formula would have to be acceptable to all concerned as a permanent solution which could continue beyond the soon-to-expire 18-month experimental period. For the union, the formula had to apply equitably throughout the entire mine operation and not violate national agreements between the UMW and the Bituminous Coal Operators of America (BCOA). And for management, it had to be a formula that would not price the mine's labor force out of competitive range.

Nevertheless, by June 1975, a formula ("document no. 2") had been devised which was acceptable to the steering committee, the United Mine Workers contract officials in Washington, the mine management, and all officers of the local. Throughout July, members of the research team and the steering committee endeavored to explain the details of the complex new "document" to the entire work force, meeting in groups of 8 to 10 miners at a time. In essence, the new document offered each underground miner in all sections of the mine the option of accepting or refusing the "experimental" autonomous principles of job-rotation at top pay. It offered every worker 90 workdays at top pay while training for the new type of work system. At the end of 90 days, workers would take a proficiency test. If they passed, they would be permanently assigned to an autonomous section at the new rate of pay.

It didn't work. Perhaps the formula was just too complex. Perhaps its provisions were wrongly conceived or inadequately explained. Perhaps the miners in the more productive experimental sections had developed—as some others charged—a holier-than-thou smugness about their way of life that an-

gered their peers. Perhaps it was political factionalism within the local. Perhaps too many of the older miners were too tradition-bound or too close to retirement to welcome major changes in their ways of working. Perhaps the persistent false rumor of a local-union sellout to management had sunk in.

Whatever the reasons, the local union rejected the new document in mid-August 1975, by a razor-thin margin of 79 against, 75 for, with 16 absent.

The vote rocked the consultants, the local union leadership, and the mine management, who had jointly devised the formula and had been convinced it would easily pass. It rocked the United Mine Worker officials in Washington and in the UMW's regional district, who had given it their endorsement.

Legally, the vote was merely a rejection of the new formula. But the stunned local union leadership interpreted it as more—as rank-and-file rejection of the whole experiment, ending the cooperative joint union-management decisionmaking phase. The union leaders, aware that almost half the membership of the local (and perhaps more than half, had the absent members been present) wanted to continue and expand the experimental conditions, asked management to continue the new work systems in the autonomous sections, so cherished by the miners in them, exactly as they were, but as a unilateral management decision. Also at the union's request, the name of the steering committee was changed to the training and development committee (under a clause in the national BCOA-UMW contract permitting union-management cooperation in those areas). But unlike the steering committee. the new training and development committee was no longer—officially—a decisionmaking body. It was to recommend to management, which would make all decisions unilaterally.

In the fall of 1975, several things happened. Almost immediately after the vote against the new formula, there was a perceptible fall-off in productivity and an accompanying rise in safety violations throughout the mine, particularly in the formerly "yellow-hat" second autonomous "5 Butt" section. The former steering committee continued to meet regularly under its new name, with exactly the same faces around the table as for the previous 2 years, with continuing counsel from the research team. In October, it began deliberating a new formula. Warren Hinks, the mine president, noted with a smile that by the time that formula was set into place in the mine in October 1975, the newly named training and development committee had reassumed all of the steering committee's old labor-management decisionmaking functions, as if the August vote had never happened.

The mine still contained a large percentage of workers unconvinced that the autonomous mode of the experimental volunteer sections was a good way to mine coal. The committee's new formula gave such miners an option. Management announced that for a period of 1 year, all workers except new "yellow-hat" entrants in the entire mine—aboveground and below—would be paid the top rate for their area of the mine, and all would be given training in all the jobs performed in their areas. Those who showed no interest or willingness to learn jobs other than their own would revert to the contract rate for their job, which usually would be less pay. Because this was a management decision recommended by the committee, there was no formal debate among the miners.

In August 1976, the Rushton project entered its fourth year. The initial experimental phase was dead; the research team felt it expired long before the August 1975 brouhaha, when the focus at the mine began—through peer pressures, primarily—to turn its focus from two sections underground to the new focus on the entire mine. Even the terms used around the mine have changed: "autonomous" has largely dropped out of currency; no one now refers to "the program" or "the experiment" as they used to. According to President Hinks, today miners and managers, in referring to the new participative social system, simply talk about "our way of working."

Since October 1975, the focus of "our way of working" has been increasingly on managers and foremen, on the sound assumption that mine personnel at those levels often require more understanding and reassurance about participative management than do the underground miners on whom the initial phase focused exclusively. In July 1976, a leadership effectiveness course for managers was inaugurated. The old section conferences of the experimental period are still full-day meetings to examine social and interpersonal work problems, but they now occur half as often as in the old days of 1974. Miner training has been shifted underground, where workers train with the mine's machines, and a new machine-maintenance consultant has been retained.

In late 1975, the third of the mine's four sections—1 East—voluntarily adopted "our way of working" as an autonomous unbossed work team, with no formal fanfare and no new "document" to set it up. Its safety record has changed dramatically since then, from five lost-time accidents with one fatality under the traditional system in 1974 to one lost-time accident in 1975 under the new system, and one thus far through 1976. (The first experimental section, 2 South, improved its splendid one

lost-time 1974 record to none in 1975 and none thus far in 1976.) Nor is it coincidence, perhaps, that of five promotions in the mine since mid–1975, all have come from the 2 South section: four miners promoted to foreman and managerial positions, and one foreman promoted to assistant training director. Further, perceiving the value of the extra training the experimental crews had received, the mine management brought in a new training consultant to expand such training throughout the mine. And the renamed steering committee, now operating as before but under its new alias, has been wrestling with a soon-to-be-proposed gain-sharing plan (requested in the original "document no. 1"), reportedly to resemble a modified "Scanlon plan" for profit sharing. Clearly, there were spinoffs from the original experiment, not specifically bottom–line productivity improvements, which had significantly increased the effectiveness of the entire mine and the utilization of its human resources.

"Our way of working" is still very much in place at Rushton, operating under different names, and with its new, mine-wide focus. Yet it has not entirely won. Pockets of hard-nose resistance in management and among the workers remain unbudged, although Hinks says many of those are slowly and suspiciously "coming around." The fourth section, 2 North, will as yet have none of "our way of working" (and has had four lost-time accidents thus far in 1976). There have been several wildcat strikes, at Eastertime a big one (about bidding for a single temporary job). Problems, lots of them, remain.

Lessons and questions

When questioned in August 1976 about his prognosis for the future of "the way we work" at Rushton, the mine president—still as committed to its principles as in 1973—identified his feelings as "positive." He paused, then added, "but not euphoric." He said, looking backward, that a lot of good things have happened, and, although there's no way to know for sure, a lot of bad things have probably been avoided. Generally, most officers of the local union share Hinks' cautious optimism for the future; they agree that labor-management dialogue and joint consultation are probably permanently imbedded in the organization. An unpublished 1976 report by UMW officials, however, is critical of what Rushton has actually achieved in terms of major safety advances. The report does not treat the 3-year lost-time and accident performance of 2 South, and more recently 1 East, as significiant.

With the benefit of hindsight, however, almost all who have been involved with the project concur that what is most significant about the still unfinished Rushton story is not whether the new participative social system works in underground face mining in the United States. Its feasibility as a more human, more effective, measurably safer way of mining coal has been proved beyond a reasonable doubt, as every Rushton miner who has worked in it will vouchsafe. What remains to be seen, however, with implications for every underground mine operation in the United States, is if the new work-restructuring approaches can be successfully applied to a *total mining organization,* at every level of that organization, aboveground as well as underground, and particularly with mine managements.

The dissidence, suspicion, and hard-core resistance that developed at Rushton and culminated in the negative vote of August 1975 suggest an important lesson: although initiating socio-technical change activities through a single "shopfloor" workplace unit may be a useful or even mandatory "entry" device into an organization and the best or only way to get an organizational change program going, it must quickly be expanded throughout the workplace, or peer-pressure troubles are certain to arise. A study of the negative August 1975 vote reveals that all those who had personally experienced the new social system in action voted for continuance and expansion; almost uniformly, those who voted against had not been touched by the experimental activity. And because those untouched miners had no personal, experiential understanding of the new social system in action, they perceived, quite understandably, the key issues involved to be traditional issues such as equity in pay, which they did understand.

Another hindsight judgment worth noting is that once 5 Butt, the second experimental section, got underway, the steering committee, perhaps considering its experimental task accomplished, ceased to meet regularly. Many involved suggest that had it continued to meet regularly, it might have been able to both perceive and take remedial action against the rising suspicions, dissidence, and mine-wide thrust. The permanent function of labor-management bodies at every level may be as much to observe, diagnose, and take regularly scheduled soundings as it is to make implementive decisions.

Perhaps the most useful lesson to be learned by the Rushton story to date is a lesson in scale. At the inception of the effort, it was a small, one-section "shopfloor" experiment in the effectiveness of autonomous work teams in mining coal underground. That was the totality of the original "experiment" inaugurated by Miller and Hinks, a small, joint search for innovative mining techniques which might bring greater safety and perhaps productivity to coal production. But it could not stay

small. By early 1975, it was evident (looking backward) that peer pressures were already transforming that first experiment into a totally different effort: the mandatory diffusion of the same participative notions to the entire organization. The latter had, and still has, a scale of hugely different proportion and complexity. For what might be called the second, evolutionary stage focusing on the whole mine, involved not just one kind of work, workers, and technology (digging coal underground) but many. It involved electricians, maintenance workers, bulldozer operators, clerks, supervisors, managers, and trainers. It involved an entire organization to be introduced slowly and effectively to "our way or work."

The basic lesson is that tactical "entry at the bottom," however initially effective, always has in it the larvae of the obligatory second stage which, if not accommodated by carefully preplanned strategies for growth, will grow hungrily and finally burst out of their chrysalis.

The Trist research team had conceived the total organization as the experimental locus from the outset. The two experimental sections—2 South and 5 Butt—had been conceived and structured as but initial efforts within a broader, mine-wide plan of project growth. But the tactics of entry had obscured from the mine population this larger multi–tier vision: the visible focus to the participants remained too long underground and too long on just two sections. Had management, local and international union, miners, and the consultant team worked from the outset to eventually bring work restructure and new participative systems to all, the Rushton story might have been quite a different story, avoiding the traumas of 1975 and 1976. True, full sanction from top to bottom was present from the start. To most of the mine organization, however, strong, organizationwide visibility and preconceived commitment to diffusion were missing.

Many still-unanswered questions remain for time, the mine's union and management, and present and future consultants to answer. The key question, of course, is whether, in the ad hoc, ex-post-facto manner in which the mine-wide focus arrived, 2 years after the experiment began, "our way of working" can and will spread effectively to the rest of the mine, as President Hinks hopes. Another significant question is whether the crews working under the new system will sustain their performance permanently, both in safety and productivity, or whether in a delayed "Hawthorne effect," it will subside down to status quo ante or worse. Still another question is the impact that the labor-management cooperation and joint decisionmaking will have on collective bargaining, both locally at Rushton and perhaps nationally on BCOA-UMW national agreements.

What could happen at Rushton if Arnold Miller is replaced as UMW president and a new Mine Workers regime appears, or if Warren Hinks retires as mine president? Is enough built into the system to survive such change? What will happen as one by one the original leaders of the experimental effort are replaced by younger, newer figures? How deeply fixed, in other words, are the notions of cooperation and autonomy? How much are they merely the temporary objectives of a currently convinced group that will disappear in time?

Underlying these questions are deeper ones. Assuming that the new system will effectively spread mine-wide, what will be the long-run effect on productivity in mining? On mine safety? On new technology? On the union and the management? Some union pessimists still claim that in the long run, success of the new system will undermine the union's strength and weaken the union irreparably through gradual disappearance of the adversary attitudes. Some managers still claim, in almost equal pessimism, that success of the new system will permanently undermine "management's right to manage" and hand the power of mine management over to the approval of the men and their union.

Each of these questions reaches beyond events in a small coal mine in central Pennsylvania. Each opens up other long-range questions about mine safety and human productivity in American underground mining in the energy-hungry future. A year from now, in mid–1977, a Ford Foundation-funded study of Rushton from 1973 to 1976, prepared by Dr. Paul Goodman for the Institute of Social Research at the University of Michigan, will reveal not-yet-available documented details and data of the impact of the initial experiment and its mine-wide evolution on miner attitudes, mine effectiveness in dollar terms, union relations, and the like. But like this article, that report will not have an end. The end will be written, as a continuing learning process, by a handful of coal miners and their bosses struggling to learn whether they can work better together, and how to do it.

Labor-management panels: three case studies

JAMES W. DRISCOLL

Cooperative departures from traditional collective bargaining behavior have begun to interest scholars and practitioners.[1] Former Secretary of Labor John Dunlop has chaired the meetings of an informal Labor-Management Group at the national level to make recommendations on macroeconomic policy. Numerous local communities now support area-wide labor-management committees. And numerous cooperative programs have appeared in local plants, including quality-of-worklife programs at General Motors and in-plant committees in the steel industry, under the auspices of the Federal Mediation and Conciliation Service, and in the Scanlon Plan.

Despite the recent chill in U.S. union-management relations, cooperative programs have arisen because the two adversaries increasingly face common problems.[2] Challenges to both parties are presented by demographic and attitudinal shifts in the work force, new governmental regulation, technological change, and foreign competition.

All new programs in collective bargaining aiming to answer these challenges share a common behavioral denominator: they encourage joint problem-solving rather than traditional bargaining. Richard Walton and Robert B. McKersie popularized the distinction between these two techniques of conflict resolution.[3] Bargaining conceals information in order to extract concessions from an opponent; problem-solving relies on sharing information in open discussions. Rather than the exchange of proposals, problem-solving includes careful identification of joint concerns, generation of a range of possible alternatives, and the selection of an alternative to maximize joint benefits.

Research on these recent problem-solving efforts has largely consisted of broad overviews and testimonials by their proponents. Our own recent study takes a look at three cooperative innovations, running the gamut from success to failure. Our purpose was to learn whether cooperative problem-solving between adversaries in collective bargaining works, and what factors facilitate its success.

Study of cooperative efforts

Case I describes an attempt to improve the negotiation of contracts through an industry committee. Case II focuses on efforts to improve the administration of the grievance procedure in one plant of a large company. Case III deals with issues outside the scope of traditional collective bargaining in a quality-of-worklife project at a hospital.

In each case, we primarily gathered data by interviewing as many of the regular participants, past and present, as possible. We interviewed 83 participants (about half of those involved), including some third-party participants and about equal numbers of union and management representatives.[4] Joint meetings were also observed in our study.

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The retail food committee

Collective bargaining in the retail food industry is extremely decentralized, with contracts signed in individual cities. Unions have been able to play one local employer against another in highly unionized areas of this competitive product market. Along with a skilled work force, this has led to higher wage levels than those of workers in other retail trades.

The industry also has a high profile. Labor and management felt that unless they agreed to address common problems in collective bargaining, the industry would be subject to continued wage-price controls (in early 1974). To reduce this possibility, the three major unions in the industry—the Retail Clerks, the Meatcutters, and the Teamsters—met with the major supermarket chains and employer association representatives in April 1974 to form the Joint Labor-Management Committee of the Retail Food Industry.

Wayne Horvitz, former chairman of the industry's Tripartite Wage Stabilization Committee during the period of controls, was chosen as permanent chairman of the Joint Committee.

Committee members included the presidents of the international unions and the chief executives of the major supermarket chains. A steering committee was also established, consisting of the labor-relations vice presidents of the companies and staff officials from the unions. The steering committee met monthly, while the original top-level executives convened quarterly to set policy.

An early start tackling issues. The committee examined collective bargaining and general industry problems. It published some general principles to guide contract negotiations in the industry.

However, the national recommendations have not become standard practice in local negotiations, although the committee has targeted key negotiations for national attention. It has convened local conferences to help identify problems before contract negotiations begin, thereby reducing the possibility of work stoppages.

In addition to institutionalizing pre-negotiation conferences, the (neutral) chairman and other committee members worked closely with the Federal Mediation and Conciliation Service in mediating a number of deadlocked negotiations, avoiding several unnecessary work stoppages and shortening others.

The steering committee has also initiated action on other problems. In 1976 it undertook a union-management study of personal protective equipment for meatcutters, because both parties were dissatisfied with a regulation proposed by the Occupational Safety and Health Administration (OSHA). As a result, the committee came up with a more workable clarification of the standard providing greater protection to workers and acceptable to OSHA.

More recently, the committee has sponsored studies of potential industry health hazards growing out of concerns about "meatcutters asthma" and the use of polyvinyl chloride wrapping paper, and of the cost of health benefits under collectively bargained benefit plans. The health proposals could help reduce benefit costs, while maintaining or increasing benefit levels for workers.

The committee's specific accomplishments stem in large part from the effort of its permanent third parties and especially the original chairman. He held it together in its early days and mediated some key contract disputes. Later, when the steering committee became bogged down (in part from antagonisms generated during contract negotiations) the chairman reactivated the executive committee to provide policy direction from a group that was not engaged in continuous negotiations.

Mixed reviews. In summary, the steering committee has taken action on a number of fundamental industry problems. For this reason, most of the labor members praised the committee. Company representatives were dissatisfied, however, because they wanted the committee to help reduce the upward pressure on wages from collective bargaining. However, the companies also applauded the committee's work, when specific accomplishments were considered.

The disappointment of company members does highlight a major shortcoming. Although it is involved in settling local disputes, the committee has not enabled the parties to achieve a structural breakthrough in market-area bargaining. Negotiating contracts for larger geographical areas facing similar market conditions might allow greater stability and lower pressure on wages than current fragmented bargaining patterns. As a consequence, the frequency of local disputes might decline. Despite progress in some local areas and the merger of two participating unions—the Clerks and the Meatcutters, the structural problems of collective bargaining in the industry remain.

A small plant's alternative

Pressure from external events forced union and management representatives in a local plant of a large multinational manufacturer to consider an alternative to traditional collective bargaining. Shortly after the founding of this small plant in 1969, demand for its product slackened. As a local policy, workers were not laid off, but were used as janitors. Union-management antagonisms developed, which finally led the corporate industrial relations staff to recommend that no new work be assigned to the plant.

By 1972, the plant's employment had dropped to 35 in the bargaining unit. A consultant from the corporate organizational development staff, which is separate from the industrial relations staff, began to work with the plant management to improve its effectiveness. The con-

sultant quickly became aware of the labor-management hostility and offered his help, which was accepted by the plant manager.

From early-1973 to mid-1974, the consultant initiated, designed, and implemented a series of multiple-day meetings at which union and management representatives discussed their differences in a carefully orchestrated format. All local union officers and members of the bargaining committee met first with the plant manager and his staff and later with the production supervisors in the plant.

In the initial meetings, each group openly vented its dissatisfaction with the other side. Most members participated in the discussion, and both sides acknowledged some of their own problems. They subsequently agreed on areas where joint action was needed by top leadership.

Relations improve. These meetings dramatically improved the collective bargaining climate, as both sides unanimously reported. Relations among the participants of the meetings improved immediately, and most said that they could now trust opposing members to tell the truth more often.

More importantly, the plant personnel manager and the local union president agreed on two supplements to the contract: one to revise the assignment of overtime, the other to specify job ladders within the plant. Both issues had previously caused many grievance problems; now grievances decreased immediately.

The two men also began to meet regularly for open-ended discussions of plant problems. Indeed, when a department that housed new products developed serious labor problems, the two held a 3-day meeting with department representatives.

Finally, the monthly union-management meeting was expanded from a management briefing to include both safety issues and specific concerns raised by the union. In this improved atmosphere, the plant manager was able to support the introduction of new products.

It is always difficult to untangle the effects of such development programs from simultaneous external influences. In this case, new products were brought on line after the first meeting, so employment had returned to 200 following the last meeting. A new personnel manager also came to the plant just before the first meeting; he was the first to hold that position on a full-time basis. Finally, a new union president was elected after the second meeting. He had participated in and had been impressed by the meetings and continued to work closely with management, dominating the local union for several years. Each of these factors undoubtedly helped resolve some of the problems.

Health care union approached

The quality-of-worklife project at the hospital did not arise from external pressures, as in the cases previously discussed. Rather, in 1975, a small independent agency that had been founded to stimulate joint quality-of-worklife projects approached a major union in the health care field. The union suggested the 1,200-bed private, teaching hospital in a major northeastern city as a site for the project. Relevant parties involved with the hospital agreed to support a proposal by the quality-of-worklife agency for Federal funding. The purpose of the externally funded project was to improve patient care and the quality of worklife in the hospital.

During the initial discussion of the project, the union was represented by a vice president; the residents' committee (which then had a collective bargaining agreement with the hospital) sent its leader for the metropolitan area; and the State nurses association was represented by its statewide director of collective bargaining. The hospital was represented by its director, the director of nursing, and the vice president for labor relations. It was the first and only time that top leaders from the various parties met during the project.

A steering committee consisting of representatives of these top leaders was formed to identify a demonstration unit within the hospital, and to establish a control group so the effect of the project could be determined. The steering committee then hired a consulting team, as called for by the proposal, to initiate the project.

Change in consulting team. Following a slow start, the first consulting team was dismissed and a second team was hired, 16 months after the first, top leadership meeting. The latter consultants initially worked with rank-and-file workers on the target ward to identify problem areas for improvement. Later, the consultants extended their efforts to include higher-level supervisors and a major department that provides diagnostic services for the entire hospital.

At the time of the interviews for this report (Fall 1977), the consultant had been working in the hospital for 15 months and had undertaken a number of programs. Workers on the target ward, aided by the consultants, prepared an orientation program for new residents to ensure continuity in day-to-day work practices, a major problem in teaching hospitals. The consultants conducted training sessions on interpersonal skills for workers on the ward, and they began a survey of attitudes and perceptions of performance for the diagnostic department.

It is difficult to assess the impact of these programs on patient care and worklife because the interviews for this report focused only on members of the steering committee. A major evaluation effort is underway to measure both the delivery of service and the attitude of

workers. Nonetheless, labor and management representatives felt that the stated goals had not been achieved, and that there had been little impact on the larger collective bargaining system, where most had also hoped to see some improvement.

Two dynamics are worthy of note in understanding the quality-of-worklife project. First, the director of the hospital who endorsed the project was replaced shortly afterward by a successor whose mandate was to cut costs. Second, the consulting team worked primarily with employees in the target ward, members of the diagnostic department that was being surveyed, and with a few steering committee members. The consultants did not develop the steering committee to be a problem-solving group.

Guidelines offered

Cooperative projects emerged from these cases not as panaceas, nor as surefire successes. Rather, practitioners must exercise caution in the face of optimistic claims for joint programs and care in their execution. Based on the three cases studied, it is possible to offer the following guidelines for cooperation:

- Do not expect certain success.
- Examine the initial situation to predict the success of the program; specifically, the felt need for change, the mutual legitimacy of the parties, and support from top-level management.
- Expect more interpersonal changes and indirect effects than specific accomplishments.
- Attempt problem-solving at any hierarchical level.
- Engage a third party with labor-relations experience and behavioral-science skills.
- Despite the increased risk of failure, identify common objectives early.
- Involve "line" officials of both union and management.
- Develop a cohesive group of labor and management representatives.
- Avoid challenges to union or management authority.
- Attempt change in an entire, largely self-contained social system.

The three cases not only identify a probable pattern of factors facilitating cooperative problem-solving, but also suggest a tentative strategy to implement such a change. These guidelines stress the need for participants in a joint effort to monitor the *process* of the change effort as well as specific substantive issues.

FOOTNOTES

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Helpful comments were provided by Richard Shore and Edgar Weinberg of the Department of Labor.

[1] William Batt and Edgar Weinberg, "Labor-Management Cooperation Today," *Harvard Business Review,* January-February, 1978.

[2] J. W. Driscoll, "A Behavorial-Science View of the Future of Collective Bargaining in the United States," *Labor Law Journal,* July 1979, pp. 433–38.

[3] Richard Walton and Robert B. McKersie, *A Behavorial Theory of Labor Negotiations,* New York, McGraw-Hill, 1965, pp. 4–5.

[4] The interviews lasted from 20 minutes to 8 hours, with a median length of 1 hour.

Dynamics of establishing cooperative quality-of-worklife projects

An analysis of the start-up and operation of union-management projects concerned with restructuring work; forces supporting and opposing their creation are examined

EDWARD E. LAWLER III AND JOHN A. DREXLER, JR.

For years, cooperative projects have been proposed as a way to improve union-management problem solving, reduce conflict, increase organizational effectiveness, and create a better quality of worklife for employees. Prior to 1970, relatively few cooperative projects were started in the United States.[1] This trend has changed, however; recently a number of cooperative union-management quality-of-work projects have been voluntarily started as an adjunct to the collective bargaining process. In some cases, project start-up has been facilitated by a neutral third party, in others it has not. This article concerns the dynamics of establishing 10 cooperative union-management quality-of-worklife projects that were facilitated by a third party, and presents the initial results from these projects.[2]

Theoretical analysis of start-ups

Kurt Lewin, an early psychological theorist, developed a model that explains the causes of individual and group behavior in social settings.[3] Basic to his model is the notion that multiple forces, both encouraging and discouraging to specific behaviors, operate on individuals and groups. Because these forces are relatively constant over time, stable behavior patterns usually exist. In the case of union-management relationships, the persistence of noncooperative behavior is explained by an equilibrium of forces in which the balance favors noncooperation. Cooperation will occur only if the forces are altered to shift that balance. The relative strength of positive and negative forces can be changed by increasing the forces favorable to the new behavior, or decreasing those opposed.

Two other of Lewin's ideas are relevant to our discussion: (1) behavior patterns are more effectively changed when negative forces are reduced than when positive forces are increased, and (2) behavior patterns are more effectively changed when effort is targeted at the groups involved, rather than at individuals. The rationale for the first idea is that increasing the positive forces has the undesirable side effect of producing psychological tension among the participants and, thus, tendencies toward emotionality, fatigue, aggression, and withdrawal.[4] The rationale for the second is the potency of group norms, and the reluctance of people to change their social role behavior "on their own" without group support and concerted action.[5]

First, we will examine the forces encouraging and discouraging joint union-management projects that were present in the 10 locations prior to start-up, then, we will discuss how the existing forces were altered to produce project start-up.

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Forces favoring joint projects

Complementary goals. Most job and organization redesign projects in the United States have been initiated and directed by management. In the sites we studied, both management and labor recognized that such efforts might be more effective in unionized workplaces if they were cooperatively directed. Without formal union involvement and cooperation, significant employee involvement is impossible. Employees often have useful information about how jobs and organizations should be designed. Production workers, for example, often have the expertise to identify problem areas and to suggest practical solutions that can make the organization more effective. Further, participation itself is a factor in improving the quality of worklife. It can lead to a more satisfied work force and encourage individual dignity, growth, and development.[6] Thus, employee participation in the redesign process can help both management and labor accomplish their goals, and as such, represents a force toward cooperation for both groups.

Reduction of resistance to change. For management, another reason for involving unions in a change process is that such involvement may increase individual and group readiness to accept change.[7] People are often reluctant to accept changes if they are not included in the planning; thus, projects that are unilaterally initiated by management are frequently resisted by employees.[8] The resistance can be active or passive, and can take the form of planned noncompliance or spontaneous noncooperation. Such resistance is often sufficient to make the changes ineffective or to delay their implementation. The advantages of participation in aiding implementation was a strong force acting on management in the sites we studied. Several had tried to produce change unilaterally and were aware of the potential advantages of joint change efforts.

Permanence of changes. Another advantage of joint changes is that they may be more sustainable and permanent than those unilaterally imposed. There are two reasons for this. First, the maintenance of joint changes does not depend on a few key people but, instead, is a public commitment of two groups. Second, when both sides agree to a change, as long as either one remains committed, it is difficult for the other to withdraw. The force here is not one of a specific contract, but one of mutual commitment to honor the cooperative relationship. Thus, for both union leaders and managers who want to see changes institutionalized, joint projects offer a promise of continuity. This was recognized by some of the union and management representatives in the sites studied, and although it was not the most important force toward joint projects, it was significant.

Avoidance of legislation. Voluntarily established joint projects have advantages for union and management members who wish to avoid imposed legislation. In many European countries, legislation has been enacted to require union-management collaboration. The unions and managements in this study were aware of a potential for similar legislation in the United States and saw it as something to be avoided.[9] Some stated that voluntary cooperation may prevent coercive legislation and has the advantage of being more adaptable to local conditions, as well as more in tune with American labor relations traditions.

Achieving noneconomic benefits for employees. The union representatives felt they had to discuss noneconomic matters, but that such issues are not easily or best accommodated in the established adversarial bargaining and grieving process, and thus, an alternative approach should be tried. For them, the cooperative approach promised a better response to members' noneconomic needs, and they were positively inclined toward it.

More efficient decisionmaking. In most sites, union and management officials had spent long periods in adversarial relations and were dissatisfied with the rigidities and rituals associated with these relationships. Strikes and prolonged negotiations had taken their toll on both sides, and the belief was expressed that "there must be a better way." Thus, out of fatigue—and perhaps boredom—both unions and managements were attracted toward an approach that promised limited relief from adversarial ceremony, while still serving their respective interests.

Forces opposing joint projects

Goal differences. The strongest negative force in most sites was the broadly shared belief that unions and managements have different and potentially conflicting goals. Union leaders talk of employment security, higher wages, improved benefits, and job rights. Managers talk of maintaining profitability, productivity, and achieving greater organizational effectiveness. Thus, at least on the surface, the important goals of unions and managements are different and there seems to be little common ground to serve as a basis for cooperative projects.

Lack of a model. There are few models of how to structure union-management projects. The European models were largely rejected by both the unions and managements as fitting different cultures with different union structures and different political environments.[10] This attitude was illustrated by Thomas

Donahue of the AFL-CIO in a discussion of union membership on corporate boards of directors, a trend in Europe. Donahue stated that such moves "offer little to American unions . . . we do not want to blur in any way the distinctions between the respective roles of management and labor in the plan." If unions were to become a "partner in management," he suggested, they would likely be "the junior partner in successes and the senior partner in failure." Thus, a problem in starting projects in the United States is that an institutionalized American approach has not yet been developed, and as a result, both the unions and managements in the sites studied were hesitant to undertake a cooperative project.

Lack of knowledge and experience. Most of the union and management leaders were competent in their traditional roles, but were not knowledgeable about organizational development, job redesign, and organizational psychology. The union leaders, particularly, had limited exposure to the basic principles involved, and, therefore, to the risks and potential benefits arising from a quality-of-worklife project. Only one union had a staff person with professional-level training in the design of work and social systems. For the union leaders particularly, but also for some managers, this meant that they would have to be more dependent than usual upon the judgments of others purporting to be experts. For most, this was a significant force against commitment to a joint project.

Past adversary relationships. The union-management relationships were all long-term adversary relationships. In most cases, the past experiences of bargaining and grievance were more of a hindrance than a help because they represented behaviors that had to be put aside. Group norms existed that discouraged any nonadversary interactions between sides. Lewin pointed out that such situations make change particularly difficult to produce and, indeed, in the sites studied, it was a strong force against joint projects.

Loss of power. The managers and union leaders felt that cooperative projects could be a threat to their power to control events and to ensure meeting their responsibilities. For managers, power is usually centered at the top of the hierarchy and decreases through succeeding levels. Middle and lower level managers often are hesitant to engage in new activities unless they are clearly supported by their superiors. This means that starting a project requires getting support all the way up and down the management hierarchy. This kind of broad support for a joint project can be difficult to obtain because of a fear of losing power. For example, managers at all levels in the sites we studied were concerned about joint projects taking away some of their traditional prerogatives in the areas of staffing, work design, and the evaluation of performance.

The power of union leaders often rests upon support from the rank-and-file membership. A manager may be removed from office by superiors; but union officers can be voted out of office by the membership. Unions can also be decertified by a vote of the members. There is evidence that because of this, union leaders generally feel less secure in their jobs than do managers, and more often perceive change as threatening.[11] Furthermore, many union officers have obtained office and power on the basis of their skill in handling adversary relationships. In entering into a joint project, they undertake to change something that, at least in one respect, has been good to them: an adversary relationship that focuses on a contract and bread-and-butter issues. In the projects we studied, some union officers did fear that a cooperative project would threaten their power; in some cases the local officers were concerned about support from their peers or from regional and international officers. Consistent with this are the results of a recent study which found that a group of union leaders rate quality-of-worklife issues as the most threatening that they confront.[12]

Impact on contract roles. Labor-management quality-of-worklife projects necessarily raise questions about contractual protections. Which matters are to be handled within and outside of the contract? Will there be proposals to limit or suspend contractual terms in order to allow the trial of some alternative course of action? Both management and union leaders expressed concern that protection achieved by hard bargaining might be difficult to regain or supplant if once yielded. A few union leaders thought that the erosion of contractual agreements might become progressive, particularly if the joint program was successful, leaving workers without those protections and perhaps without the conviction that a strong union is necessary. Such concerns were expressed most often by those individuals, both union and management, whose responsibilities included negotiating contracts.

Time involved. Cooperative projects often take time to get started and to show results. For example, in the projects studied, 12 to 18 months were typically required to take a project from conception to actual initiation. Once started, the projects required further time to become fully functional. The fear of slow progress, or no progress, acted as a force against project start-up on both the unions and managements.

Ambiguity of goals and outcomes. Differing or ambiguous expectations represented another blocking force in most of the projects. It is hard to attract people to a potentially risky cooperative project without there being some explicit understanding about focal issues and directions of change. At the same time, the agreement about focal issues and specific directions of change must arise out of the process itself if it is truly to be a joint effort. In one case, some individuals thought the project would aim at convenience matters, such as improved parking and payroll functions; others saw supervisory behavior as the target for change; still others believed that specific jobs would be redesigned to be less boring and tedious; finally, one top manager thought that lower level joint committees would identify and define policy issues to be brought to him and the local union president for solution. At this site, as in others, general agreement to go ahead was difficult to obtain because of these differing initial goal expectations.

Qualified consultants. The final negative force was the difficulty of finding qualified consultants who have the experience, credibility, and skills necessary to deal with cooperative projects. In all of the cases we studied, questions were raised by both managements and unions about the neutrality of proposed consultants, most of whom had prior experience only as consultants to management.

Creating conducive conditions

The existing negative forces in a workplace are usually stronger than the forces that favor joint projects. As such, while a desire for change may be present, the opposing forces are typically so strong that project start-up is precluded until some change in the forces occurs. This was true in all the projects we studied. Our analysis of these joint projects indicates that successful start-ups occurred because of some key interventions that reduced the forces acting against joint projects. Without these interventions by third parties, it is doubtful that project start-up would have occurred.

Role of third parties. The third parties in the projects introduced new ideas, served as a communications link, and helped break down false stereotypes. As stated earlier, Lewin believed that reducing opposing forces is more likely to result in positive change than is increasing favoring forces. The third parties realized this, for they worked to reduce the forces operating against joint projects. For example, in dealing with the blocking force of conflicting union and management goals, the third parties showed both sides that their goals, while different, may be complementary rather than conflicting. Most managers will agree that an improved quality of worklife is a rational goal because organizations cannot perform well when the workers have a poor quality of worklife. Most union representatives will concede that organizational effectiveness is in their interest because unions cannot continue to advance the security and wages important to their members in ineffective organizations. The third parties also pointed out that there are some goals that are shared by managements and unions (such as, safety in a mine, patient care in a hospital).

Providing a model. The negative force of lack of a model was reduced in all of the cases by establishing joint labor-management committees with equal representation from union and management. These committees were established with an understanding that they were an adjunct to, rather than replacement for, collective bargaining. In most cases, the idea for the committee was provided by a third party, but in one case it was suggested by the union. Often committees were established at several organizational levels in a multi-tier arrangement. For example, in two cases, joint committees were established at the international union and corporate headquarters level, at the regional level, and at the local level. The creation of these committees was an inportant event in all sites, not only because the committees served as a mechanism for moving the project ahead, but also because they were seen as a joint body that could not be dominated by either side. In many projects, this was a key factor in reducing the fears of both sides, and the formation of such committees was seen as a clear first step the project could take.

Adversary history. In all cases, some insulation from past adversary relationships was obtained by bringing into the new committees individuals who had not previously been associated in adversary roles. In some instances, people in such roles were explicitly excluded, in part to protect their roles and in part to symbolize the nonadversarial nature of the committees.

Providing information. A number of approaches were used to educate potential participants about joint projects. Key individuals attended seminars and other conferences, and many union and management leaders visited ongoing projects before they agreed to go ahead with their own. Union representatives from other projects were brought to sites where efforts were being made to initiate new projects. This was effective in reducing resistance because union members seemed to understand and trust their counterparts' descriptions of their experiences.

Potential loss of power. Two main approaches were taken to moderate forces arising from fear of power loss or loss of control. One was an agreement to work together on a basis of consensus decisions within the committees; no action could be taken if even one member was strongly opposed. While this led to the decisionmaking becoming laborious and time-consuming after start-up, especially in the early stages of the work, it was necessary to allay fears that one side or the other may be coerced into undesirable actions. Further, in most of the sites studied, there was a formal written agreement designed to protect the parties and various groups that might be affected by actions taken. These agreements varied in content, but typically included the provision that either union or management could, on short notice, unilaterally discontinue the effort, and that employees would be guaranteed against job loss or pay loss from actions arising from the cooperative effort.

Finding consultants. Several mechanisms were used to deal with the problem of finding acceptable consultants. A third party that specializes in starting joint projects screened the resumés of potential consultants and then arranged for interviews of several consultants by the joint committees. This helped assure that the consultants would be acceptable to both the union and management; in addition, it communicated to the consultant the joint character of the projects. To increase the pool of experienced consultants, intern programs have been established at several sites to train younger people interested in this work.

Overview: reducing negative forces. The approaches used either partially or completely reduced most of the forces acting against the establishment of cooperative joint projects. It is important to note, however, that two negative forces—the time required and the impact on the contract—were not dealt with in most situations. Still, the approaches used achieved enough of a net reduction of the forces against cooperation to allow a start-up.

Initial results

All of the labor-management quality-of-worklife projects are still alive, although the survival of two is in question. Several have existed for more than 3 years. Their duration is particularly interesting because the agreements that started the projects allow the parties to withdraw easily and quickly. Apparently, the approaches used to shift the balance to favor joint projects permanently changed the situation. This is consistent with Lewin's predictions about the effects of participation and of public group commitments.

One reason the projects continue is that the committee structures used in the projects lead to changes that are jointly created and "owned." In the projects studied, it took only a few meetings of the joint committees before the rhetoric changed from "you need to do something" to "we need to do something." Changes in seating arrangements also reflected the spirit of cooperation that develops. In early committee meetings, the union and management representatives tended to sit across the table from each other in confrontation style; later they mixed up their seating arrangements. Committee members also seem to accept quickly the fact that a joint process is viable, and that changes can be made which will help both the employees and the organization.

In all cases, union and management representatives have discovered that much work is involved if meaningful organizational change is to be accomplished, in part, because the committees operate on a consensus basis, and will not implement a decision unless there is widespread support for it. However, it also reflects the complexity of the issues with which the committees deal and the ambiguity of what is supposed to happen in the joint committees. The committees typically begin with a wide open charter to improve the quality of worklife and with no specific problems to solve. In one sense, their biggest problem is not having any concrete problems with which to start. The result typically is a long period of education, frustration, and, finally, problem identification and problem solving. In addition, the right of committees to discuss contractual issues is not clear in most projects. They have been discussed, but often with a lack of clarity concerning the committee's ability to affect them.

Most committees have started by dealing with local housekeeping issues (for example, issues concerning parking and cafeteria facilities), then they deal with issues concerning work and organization redesign. Some have started with the need for more training and employee development. This is a logical area for action, because it influences both organizational effectiveness and the quality of worklife for individuals. Another frequently discussed issue is pay systems—most of the projects have searched for and tried to implement pay plans in which workers share in the benefits of increased performance. Job redesign is a third area in which most of the projects have made changes. In some cases, they have provided for individual job enrichment, while in others, they have used team approaches to job design.

None of the projects shows evidence of the worst fears of either unions or managements being realized. No unions have been decertified, no union leaders have lost power or elections, and no managers have been fired. There have been some problems, however.

In three cases, the existence of a cooperative project has caused internal problems on the union side; tension has increased and opposition groups have developed. In two cases, it has worsened the relationship between the international and the local taking part in the project. On the management side, there have also been problems. The expected gains in performance have not yet been realized in some cases, and this, combined with the slow progress, has led to some disagreement about the worth of the projects.

THE EVIDENCE STRONGLY indicates that the initiation of joint quality-of-worklife projects can be aided by reducing the forces against cooperation. The approaches that were identified are widely applicable, and their use could lead to the initiation of more joint projects. The forces identified as favoring joint projects probably exist in most workplaces, although perhaps not to the degree they are present in the sites studied. The forces against progress were quite strong and probably are typical of those in most workplaces.

Overall, the conditions which led to the projects do not seem to be unique. Joint projects in other workplaces are certainly feasible, particularly if these early projects are successful and third party efforts to stimulate interest in projects continue. However, it is important to note that two of the forces against joint projects—the time they require and their possible impact on contracts—have not yet been dealt with. In two sites, the contract problem was handled by a clause in the contract specifying the existence of a committee, but these sites are the exception rather than the rule. Until an approach is developed to deal with both of these forces, joint projects will probably be limited to those situations in which the conditions are relatively favorable, and strong forces favoring cooperation are present.

———*FOOTNOTES*———

[1] See Edward Weinberg, "Labor-management cooperation: a report on recent initiatives," *Monthly Labor Review,* April 1976, pp. 13–22. Also see descriptions of current projects provided in the National Center for Productivity and Quality of Working Life *Directory of Labor Management Committees,* 1976.

[2] Most of the projects discussed in this paper were started as part of the Quality of Work Program of the Institute for Social Research (ISR) at the University of Michigan and the American Center for the Quality of Work Life (ACQWL) of Washington, D.C. The role of ACQWL is to initiate broad ranging joint quality-of-worklife improvement projects by soliciting the support and interest of individual managements and unions. ACQWL establishes a structure of joint labor-management committees at participating sites and serves as a third party during project start-up and initial planning stages; an independent consultant is usually chosen jointly by unions and management as a third party once the change project begins. The primary role of ISR is to document individual projects and to evaluate and assess their impact on organizational effectiveness and individual worker outcomes, such as satisfaction and safety. Funding for the overall effort is provided through grants from the Ford Foundation and the Economic Development Administration of the U.S. Department of Commerce.

[3] Kurt Lewin, "Frontiers in group dynamics," *Human Relations,* 1947, pp. 5–41.

[4] Kurt Lewin, "Frontiers in group dynamics," p. 26.

[5] *Ibid.,* p. 34.

[6] Rensis Likert, *The Human Organization* (New York, McGraw-Hill, 1967).

[7] Kenneth D. Benne and Max Birnbaum, "Principles of changing," in Warren G. Bennis, Kenneth D. Benne, and Robert Chin, eds., *The Planning of Change* (New York, Holt, Rinehart and Winston, 1969), pp. 328–35.

[8] Lester Coch and John R. P. French, Jr., "Overcoming resistance to change," in Dorwin Cartwright and Alvin Zander eds., *Group Dynamics* (New York, Harper and Row, 1968, 3d. ed.), pp. 336–50.

[9] Edward E. Lawler, "Should the quality of work life be legislated?" *The Personnel Administrator,* January 1976, pp. 17–21.

[10] Nancy Foy and Herman Gadon, "Worker participation: Contrasts in three countries," *Harvard Business Review,* May-June 1976, pp. 71–83.

[11] Edwin A. Miller, "The study of job attitudes of national union officers," unpublished doctoral dissertation, University of California, Berkeley, 1964.

[12] Thomas A. Kochan, David V. Lipsky, and Lee Dyer, "Collective bargaining and the quality of work: The views of local union activists," *Proceedings of the Twenty-Seventh Annual Winter Meeting, IRRA,* Dec. 28–29, 1974, pp. 150–62.

The process of work restructuring and its impact on collective bargaining

LEONARD A. SCHLESINGER AND
RICHARD E. WALTON

To date, work restructuring in America has taken place mostly within nonunion organizations. The U.S. labor movement has generally viewed job redesign, quality of worklife, and related activities with suspicion. In recent years, however, a number of unions have become interested in these issues and have joined with management groups to effect basic changes in the structure of the workplace.

Our study is based on work restructuring projects in eight U.S. firms. The vehicle used for dealing with work restructuring issues in each situation was a joint labor-management committee separate and distinct from the bargaining committees. These committees had an equal number of management and union representatives. Management members were chosen by top management, and union members either were appointed by the leadership or elected by the membership.

We have reviewed these joint efforts with three questions in mind. How do the various participants perceive the risks of their involvement in these projects? How do they deal with these perceived risks? How does the handling of these projects affect the nature of collective bargaining relationships and processes? With respect to the third question, we take as a reference the theory set forth in a book one of us coauthored in 1965, which proposed four subprocesses as comprehensive of the major dynamics of labor-management negotiations.[1]

The network of participants

Our current conception of the network of participants in a joint work restructuring effort includes not only the local union and local management, but also first line supervisors, union stewards, corporate management, the international union, and the workers themselves. Each group perceived unique risks associated with its participation. In each case, the strategies of involvement included factors intended to minimize these perceived risks.

Local management. Plant managers saw major risks with respect to three groups. First, they were wary that their corporate superiors would be less supportive of plant level work restructuring efforts in actual practice than corporate rhetoric would promise. Thus, plant managers took into account certain career risks. Second, they were concerned that work restructuring activities would somehow worsen rather than enhance worker-management

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relations; or would enhance worker morale without economic benefit and at a significant cost of managerial time and effort; or would have short-term human and economic benefits but serve to further raise employee expectations, laying the ground for future disappointment. We found that these first two concerns, which exist in both nonunionized and unionized plants, were amplified for plant managements in a unionized situation. Such amplification relates to the third group with which plant management perceives substantial risks; namely, the local union.

Local plant managers' greatest fears derive from experiences in their adversarial relations with the local union—fears that the union would exploit the cooperative venture to achieve their own adversarial ends; or would disrupt the venture if it appeared to gain acceptance among workers.

Local unions. Full participation in a joint effort raises the trust issue for local union officials, just as it does for managers. Many union officials expressed the suspicion that work restructuring, work reform, and quality of worklife were just new terms for "speed up" and therefore entered into the process quite wary of management's intentions.

Some substantive features which characterize many work restructuring efforts are of important concern. Often the number of job classifications have been reduced in order to allow for greater operational flexibility and more meaningful tasks. Union officials who have viewed this change in isolation without respect to other changes were suspicious of giving up some boundaries without knowing how the flexibility might be used and perhaps abused. Even more concern has surrounded the restructuring that incorporates many maintenance functions into operating teams, thereby reducing the size of a separate maintenance group. This proposal and one which involved the cross-training of maintenance specialists threaten jurisdictions carefully developed and preserved over many decades. Certainly, at the outset, it has not been obvious to union officials how the larger patterns of restructured work could justify giving up the benefits which these jurisdictional boundaries have provided. Not that such changes would be appropriate or proposed as a part of any particular joint effort, but they have been a part of some projects and may be viewed with alarm by a union official assessing the risks of participating in a joint project.

In brief, union officials do not want to overturn the gains generated via collective bargaining. To cope with this concern, at most of the sites it was agreed to preserve the sanctity of the union agreement, although in a few instances the grievance machinery was replaced by the joint committee. Where there was a "sign-off" from sections of the collective bargaining agreement, it was agreed that the "sign-off" was voluntary and could be revoked by either party.

Supervision. In several projects a common complaint from both union and management groups went as follows: "We were really working nicely and making real progress and then the foremen went and screwed everything up."

Many of the first-level supervisors interviewed displayed distrust toward both their management superiors and the union. They often feared that management was attempting to eliminate their jobs, or the union was attempting to strip them of their decisionmaking or supervisory authority, or both. Indeed, it is often assumed by the planners that work restructuring will ultimately eliminate or decrease the number of first-line supervisors as work teams are better able to coordinate their work and handle more of their own human problems. In any event, the supervisors' role is expected to change so significantly that some supervisors rightly have feared they will not be able to perform effectively in the redefined role. Thus, there is a realistic basis to the fears of the first-line supervisor. However, not surprisingly, supervisors are better prepared to play a constructive role in implementing a restructuring effort if they are involved in the design process.

Union representatives/stewards. Union representatives, not unlike supervisors, often fear that work restructuring will diminish their role. As employees have been encouraged to speak for themselves in various forms ranging from work-team meetings to plantwide task forces, the steward has been less exclusively relied upon as a channel of communication including "grievances." Much the same involvement pattern that is called for in the case of remedying some of the problems surrounding supervisors applies to union representatives as well.

As a contrast to the risks associated with exclusion from projects, in a few instances in which stewards have developed a high sense of ownership about the innovative work structures, their enthusiasm created risks for them personally and for the work restructuring program. In one of the sites studied, the steward of the experimental department took it upon himself to handle all of the policy and procedure questions that needed to be resolved with the company without consulting the union hierarchy. When confronted at a union meeting about his actions, he stated, "What happens in department X is none of your business." This stance created significant antagonism on the part of

both the union leadership and the rank and file outside the experimental unit.

Workers. Workers, not unlike the supervisors we have discussed, are often in the position of mistrusting both management and the union leadership. With management they may have played the conventional games of reciprocal manipulation regarding work standards, overtime scheduling, and the like. With the union, they may have regarded its leadership as too politically motivated and its programs as unresponsive to some of their important concerns.

Some of the employee distrust derived from misperceptions of what work restructuring actually meant. Like management, they initially assumed the project would take the same form in their organization that it has taken in some other project that has received wide publicity for job rotation or work-team formation. Therefore, some of the efforts to familiarize workers with work restructuring raise more concerns than they allay and unnecessarily so.

Much of the early effort at the sites studied was devoted to allaying other more realistic fears which employees expressed, through vehicles such as: (1) a guarantee of sanctity for the union agreement; (2) a guarantee that layoffs or cutbacks would occur only through attrition; (3) a guarantee that individuals would lose no wages as a result of changes; (4) in cases where productivity was an expressed purpose of changes, a guarantee that workers would share in the economic benefits; and (5) an opportunity to end participation in a joint effort on short notice.

Corporate management/international union. At many of the sites studied, the involvement of either corporate level management or the international union leadership, or both, was critical to the joint effort. However, the nature of involvement varied considerably. In one instance corporate management offered to be a consulting resource; it was able to do little more because of the divisionalized nature of the firm. Similarly, when contacted for assistance by management, the national leader of a divisionalized union informed management that all work restructuring issues were handled at the regional level.

In contrast, corporate leaders in another firm committed themselves to a worklife improvement program and actively sought out and enlisted key managers in the effort. Similarly, one union studied insisted that no matter how small a joint effort was to be, effective coordination and supervision should be provided by the international leadership. One reason for the involvement of the international union is that it serves as a source of reassurance to local union leaders and the rank and file that they are not being "hoodwinked" by management and management consultants.

Impact on the bargaining process

Work restructuring by joint committees appears to follow a precedent in labor relations for isolating problem solving and bargaining activities. The use of joint committees at the site level followed by bargaining committees at the top level is not an infrequent combination. Such a procedure provides the opportunity to involve more people in an open and spontaneous exploration of issues without preventing the parties from addressing the issues in a controlled and channeled decisionmaking process at a later point in time.

But such separation is not always readily achieved in practice. Union officials interviewed said that managing the different relationships existing in the joint committee and collective bargaining frameworks posed the most formidable problem.

Basically, the Walton and McKersie theory indicates that labor negotiations are comprised of four subprocesses — bargaining, problem solving, attitudinal structuring, and internal consensus seeking. The theory acknowledges that each of these processes has its own internal logic — each complex in its own right — and that the most interesting and challenging aspects of negotiations occur as a result of the interaction between pairs of these subprocesses.

Our research to date leads us to make several observations pertinent to the theory. First, the work restructuring activity increases somewhat, and maybe even dramatically, the ratio of problem solving to bargaining activity compared with that normally observed in U.S. collective bargaining. This in turn places a higher premium on structuring attitudes of mutual trust and respect. Although participants currently differentiate between "work restructuring" activities and "collective bargaining" in order not to allow their problem solving and bargaining to interfere with each other, over time the parties can become more integrated in their thinking and actions.

Second, work restructuring activity presents some novel problems for union leaders in seeking rank-and-file consensus for agreements they enter into with management.

Neither of the above, however, requires any revision of Walton-McKersie's four subprocess theory. But our next observation is not comprehended within the framework of that theory.

Third, work restructuring is a reflection of and, in turn, will promote a trend in the United States toward "participatory democracy" in the workplace. Collective bargaining and the Walton-McKersie theory, which attempted to capture the essence of the institution as then practiced in the United States, contemplated a form of "representative democracy," where workers' influence was exercised through union representatives in a two-party (union-management) forum.

Work restructuring involves workers directly in determining conditions affecting their work. This, in turn, reinforces their expectations that they will be afforded an opportunity for direct participation in the future. In the extreme case, workers develop a belief that "decisions affecting me are only legitimate if I participate in them directly."

Direct involvement is more feasible if units, small enough so that individuals can see themselves as a "significant part of the whole," are given some autonomy to determine what is best for them. This autonomy, in turn, increases the diversity among units within the same larger facility, undermining the concept that equity can only be achieved through uniformity (a principle of traditional unionism and a natural corollary to representative democracy). The tendency toward diversity associated with work restructuring extends to the level of the individual. Whereas, historically, work has tended to be progressively deskilled to accommodate some engineering conception of the "lowest common denominator" of human skills and motivation, the trend is being reversed in many cases in favor of providing challenge to employees to develop and then utilize their capacities. Obviously, the new trend will require that we take more account of individual differences in the workplace.

All of these interrelated trends toward direct participation—smaller units with greater autonomy, diversity within units traditionally managed by principles of uniformity, more accomodation of individual differences in preferences and capacities—will require some revision of both the practices and theory of collective bargaining, with their traditional emphasis on representational influence systems and two-party decisionmaking.

———*FOOTNOTE*———

[1] Richard E. Walton and Robert B. McKersie, *A Behavioral Theory of Labor Negotiations: An Analysis of a Social Interaction System* (New York, McGraw-Hill, 1965).

Moving quality-of-worklife programs into the workplace

The core of this approach is to encourage employees to participate in the key decisions that affect and determine day-to-day work patterns. It recognizes that the person who does a job is the person who knows that job best. And it seeks to draw upon the expertise and creativity of a better-educated work force to help redesign and reorganize work in ways that meet the needs and demands of working people today and encourage them to maximize their contributions to the productivity of the organizations that employ them . . . .

Quality of worklife is an adventure in cooperation and consultation among people who must function together in work situations. There are no set formulas for success—except that success is unlikely unless free and easy interchange is encouraged at all levels. Management, particularly, must be genuinely willing to consult with employees, to consider their ideas and opinions, and to communicate frankly before implementing decisions. Obviously, the cooperation of unions, too, is essential in moving quality-of-worklife programs out of the conceptual stages and into thousands of individual workplaces.

——WILLIAM M. BATTEN,
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From an address in the Dean's Lecture Series at
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Flexible schedules: problems and issues

JANICE NEIPERT HEDGES

Following three decades of stability in full-time work schedules, alternatives to the standard 5-day 40-hour week began to appear in the early 1970's. The initiative came primarily from management, seeking improvements in worker morale and output per unit of labor and capital investment. Although labor leaders continued to espouse a shorter workweek, many workers seemed willing to settle for a rearrangement of their hours.

Schedules that compressed a full 40-hour workweek into 4, or even 3, days dominated the early innovations.[1] But before the mid-1970's, a different type of schedule—flexitime—gained prominence. Like the compressed workweek, flexitime involves no change in total hours of work. But it is unique in that it transfers some control over the timing of work from supervisors to individual workers, based on a philosophy that workers should have the right, insofar as their work permits, to adjust their beginning and ending hours to meet their personal needs and preferences.

The basic mechanics of flexitime are simple. The fixed daily schedule, during which everyone is expected to work, is designated as "core time." This period commonly is 4 to 6 hours in length and spans the middle of the former schedule. A "flexible band" of up to several hours during which a worker can elect to begin work at any time replaces a specific starting time. Similarly, a specific quitting time is replaced by a band of several hours following core time.

In systems where the contractual hours must be worked each day, quitting time for a worker on any day is determined by that worker's starting time the same day. In more flexible systems, those in which credit and debit hours can be carried over to other days, a worker can elect to stop work any time after core hours.

Just how flexible a flexitime system is varies from one installation to another. There are differences in the length of core time (which can range from half to three-quarters of the former workday), in the width of the flexible bands (which in some cases are as narrow as 30 minutes), and in the length of the period in which total hours worked must be balanced with total hours required (which can be a day, a week, or even longer). The degree of flexibility in a particular system depends on the amount of control management is willing to transfer to workers, the relative isolation or interdependence in which a worker functions, the constraints imposed by the laws and collective bargaining agreements that cover specific groups of employers and their employees, and the interaction of those laws and agreements with scheduled hours of work.

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Flexitime systems in Europe, where overtime pay provisions are less restrictive, generally are much more flexible than in this country. Many of the installations in Germany, Switzerland, and Great Britain, for example, provide for credit and debit hours to be carried over from 1 week to another, and in limited amounts, even from 1 month to another. Experience with varying degrees of flexibility indicates that the greater the flexibility, the greater the benefits. For example, the likelihood of a drop in absence and of a rise in productivity tends to increase with greater flexibility.

The degree of flexibility elected by workers under such scheduling options also varies. Studies show that some workers use flexible working hours daily; others, only occasionally; and still others adhere to their former schedules. Differences among workers in their use of flexitime are determined by factors such as responsibilities and interests outside of work, place of residence, and method of commuting. Decisions are also affected by schedules of schools, churches, government agencies, and those of merchants from whom they purchase goods and services.

The three summary reports that follow are from among the first detailed accounts by managers in the United States of their experience with flexitime. They relate to a variety of work environments as found in a drug company, a computer firm, and a government office, and include research and development, production, office, marketing, and customer service operations. Each report draws from company records and attitudinal surveys and covers roughly the same ground: the terms of the flexitime system, its origin and objectives, the basic problems encountered, and the results for management and workers.

Although the reports of these establishments provide some insights into the workings of flexitime, general conclusions must await more rigorous studies based on more extensive experience. Not every environment offers the same prospect of success; in fact, a few establishments have abandoned flexitime as unworkable. Moreover, evaluations by labor officials in these same establishments might provide additional perspective. For example, where management sees a reduction in overtime, labor officials may see a decrease in earnings and an increase in the intensity of work.[2]

Nonetheless, the generally positive results reported for these three establishments seem to be fairly typical of the wider experience with flexitime.[3] Attendance tends to improve as tardiness is virtually eliminated and absence is reduced; productivity increases are reported far more often than decreases; overtime hours frequently are reduced; utilization of plant and equipment improve; service to clients increases; and employees assume more responsibility for their own work and that of their unit.

Problems related to flexitime

But the record is not all positive. The three reports reveal typical scheduling problems encountered under flexitime that need to be resolved if the system is to succeed and, even more so, if it is to produce maximum benefits. Problems, such as lack of support for flexitime or its possible abuse, either by workers or by management, are less likely to occur if workers and unions are involved in the process of planning, introducing, and modifying the system.

Scheduling. Since the total work force is available only during core time, problems of scheduling are inherent in flexitime and can affect communication, supervision and workflow. Placing limits on flexibility is usually the solution. If necessary, flexible bands can be made very narrow and core time, substantial. Workers may be required to select a schedule for a specified period of time or to coordinate their schedule with others, and clear any deviations with supervisors or co-workers. Beginning and ending hours may be a matter of group rather than individual decision, and, as a last resort, some workers may be excluded altogether from participation.

Adequate communication within the work unit and with suppliers and clients must be maintained. Some adjustments can be made to accommodate flexitime. Staff meetings, for example, usually are scheduled for core time. But wherever necessary, flexitime makes the accommodation, generally of a type described above. Certain establishments, including one reporting here, have turned a potential problem into an advantage. For example, keeping communication to a minimum during the flexible periods (quiet hours) seems to have good results. In some cases, establishments that operate in more than one time zone use flexitime to extend hours of communication with branch offices.

Sufficient supervision during the flexible bands can be assured by limiting flexibility. In some instances supervisors coordinate their schedules with other supervisors. Some have found it possible to give advance instructions during core time or to delegate more responsibility. Employees on flexible hours, for their part, seem to be willing to assume more responsibility for their own work and that of their group. In practice, supervision usually presents a less serious problem than anticipated.

Uninterrupted workflow as a problem varies with the extent to which a worker functions independently and also with the number of workers who perform or are able to perform the same duties. The constraints on flexitime for an employee performing independent research are obviously less than for one who provides services or for a worker on an assembly line. If the number of workers is large, random variations in schedule preferences will mitigate problems of workflow. Job enlargement or job rotation often has proven the most straight-forward and successful method of broadening the applicability of flexitime.[4]

Scheduling problems generally are responsible for excluding security, cafeteria, and elevator personnel from participation in flexitime systems. Many production jobs cannot be successfully scheduled under flexitime, particularly those in operations involving continuous processing, multiple shifts, or assembly lines. Modified flexitime systems have proven successful, however, in some shift situations and even on assembly lines where the components are small enough that sufficient stockpiles of parts and materials can be established between work stations.

Costs. Since flexitime keeps a building open longer hours to accommodate those who wish to start work earlier or finish later, some increased costs for heating, cooling, lighting, and for cafeteria, elevator, and other services might be expected. Increased costs also may be incurred in connection with recording the hours of work accumulated. However, actual increases usually are small (consistent with the experience of the government agency reporting here) and generally more than offset by gains such as lower overtime costs and improved utilization of building and equipment.

Although the effect of flexitime on national energy usage is a consideration, any increase in usage in the establishment may be offset by economies in commuter transportation.

Wage and hour laws. The finding that the most flexible systems yield the best results leads supporters of flexitime to view laws and collective bargaining agreements that curtail the possibility of working longer and shorter days and weeks as an obstacle.

Initiatives to amend Federal legislation on overtime hours and premium pay in order to enlarge the degree of freedom feasible under flexitime began in 1975. An Administration-sponsored bill was introduced in the 94th Congress to test a limited number of new flexitime models in the Federal Government.[5] This bill would have modified overtime provisions of the Federal Pay Act and the Fair Labor Standards Act to permit flexitime employees to work more than 8 hours a day or 40 hours a week as a matter of personal preference, without the government incurring a liability for payment of a premium wage. The bill passed the House, but failed to get Senate action. Its sponsors plan to resubmit it in the 95th Congress.

The General Accounting Office, in a report to Congress,[6] recommended that in connection with legislative proposals to amend the Contract Work Hours and Safety Standards Act and the Walsh-Healey Act, consideration be given to permitting flexitime employees to exceed 8 hours work per day and 40 hours per week for their own convenience, without obligating their employer to pay overtime premiums. The report also recommended that the Fair Labor Standards Act be amended to permit flexitime employees of Federal contractors (and in the longrun, all flexitime employees) to work more than 40 hours a week of their own choice, without receiving premium pay. No congressional action was taken on these recommendations.

Labor officials generally opposed proposals to amend present laws on premium pay and overtime, primarily on the grounds that workers would be deprived of protection against excessive hours of work and loss of premium pay.[7]

Issues of flexitime

Flexitime raises some fundamental and rather complicated issues. A critical issue, reflected in the attitude of most labor officials, is whether the rights of workers in regard to overtime and shift differentials can be protected under flexitime. Can management-ordered overtime be clearly distinguished from the longer hours that an employee works for personal convenience? Or will employees be directed, or pressured, to "volunteer" for a longer day or week so that peak loads can be handled at regular wage rates?

The arrival and departure of workers at various times within the flexible bands itself makes enforcement of wage and hour laws more difficult. It will be even more difficult if current laws are amended to permit longer and shorter days or weeks. On the other hand, the potential benefits seem sufficient to encourage legislative efforts to make greater flexibility feasible as long as such efforts continue to protect the basic interests of workers.

A second issue is whether flexitime will add to the oversupply of labor, either by enabling more persons to enter the labor force or by increasing the likelihood that persons now employed will use flexible hours to take a second job. Flexible work

schedules are considered a critical step toward equal employment opportunity for women and others who find it difficult to work rigid schedules. At the same time, studies of multiple jobholding indicate that workers on non-standard work schedules are more likely than others to hold more than one job.[8] Multiple job holding is of particular concern in periods of persistent unemployment.

An issue that may arise if anticipated gains for employers materialize is whether such gains (for example, a reduction in overtime payments) should be shared with workers so that they can obtain a monetary benefit for improved attendance and higher productivity. A division of any productivity gains could be important in gaining the acceptance of flexitime by organized labor.

There are still other issues. One arises from the greater ease in applying flexitime to office as opposed to production jobs. Will flexitime, while narrowing the distinction between managerial and professional workers (who already have some control over their hours of work) on the one hand, and clerical workers on the other, widen the gap between the white-collar and the blue-collar group?

Another issue pertains to responsibility for scheduling work. Scheduling, once considered management's sole prerogative, has become an area for collective bargaining. Flexitime takes it one step further, giving individual workers a voice in determining their hours of work. Concern has been expressed by management that flexible hours are a further encroachment on their prerogatives. However, it should be noted in this context, first, that only limited options are offered to workers and, second, that the concept of a manager's function is changing, with increasing emphasis on delegation and worker participation.

Exceptions to "fixed" schedules abound in many places of work. A compelling issue is whether they should be acknowledged and systematized.

In summary, flexitime has proven advantages. It also presents problems that must be worked out if its potential gains are to be realized, and issues that must be resolved if rights are to be protected.

———*FOOTNOTES*———

[1] See Janice N. Hedges, "New patterns for working time," *Monthly Labor Review,* February 1973, pp. 3–8 and "How many days make a workweek?", *Monthly Labor Review,* April 1975, pp. 29–36.

[2] See John D. Owen, "Flexitime: Some problems and solutions," *Industrial and Labor Relations Review,* January 1977, pp. 152–60.

[3] See, for example, Virginia Hider Martin, *Hours of Work When Workers can Choose* (Research Project of the Business and Professional Women's Foundation, Washington, D.C., 1975), p. 12; Alvar O. Elbing, Herman Gadon, and John R. M. Gordon, "Flexible Working Hours: It's about Time," *Harvard Business Review,* January-February 1974, pp. 1–6; and J. Carroll Swart, "What Time Shall I go to Work Today?" *Business Horizons,* October 1974, pp. 19–26.

[4] John D. Owen, "Flexitime."

[5] See H.R. 9043, Federal Employees' Flexible and Compressed Work Schedules Act of 1975. (Another bill, H.R. 6350, had similar provisions.)

[6] See report to the Congress by the Comptroller General of the United States, *Contractors' Use of Altered Work Schedules for their Employees—How is it Working?* April 7, 1976.

[7] *Alternate Work Schedules and Part-time Career Opportunities in the Federal Government,* Hearings before the Subcommittee on Manpower and Civil Service of the Committee on Post Office and Civil Service, House of Representatives, Ninety-Fourth Congress, First Session on H.R. 6350, H.R. 9043, H.R. 3925, and S. 792. Sept. 29–30, Oct. 7, 1975; *Changing Patterns of Work in America, 1975,* Hearings before the Subcommittee on Employment, Poverty, and Migratory Labor of the Committee on Labor and Public Welfare, United States Senate, Ninety-Fourth Congress, Second Session on Examination of Alternative Working Hours and Arrangements, April 7 and 8, 1976; and *Contractor's Use of Altered Work Schedules.*

[8] Kopp Michelotti, "Multiple jobholding in May 1972 and 1973," *Monthly Labor Review,* May 1974, pp. 65–69.

Drug company workers like new schedules

ROBERT T. GOLEMBIEWSKI
AND RICHARD J. HILLES

Can flexitime work in a large, diversified corporation? This is a report on a major pharmaceutical company's first 6 months of experience with a flexible work hours program. The company, SmithKline Corp., has an extensive product line and is involved in the full range of activities from research and development through marketing.

The flexible work hours policy permitted many variations on the elemental theme that employees exercise control over when they begin and stop work each day. Top management defines a maximum condition which various operating units may exploit fully or not at all, depending upon their choice and the demands of work. Basically, an employee may start work any time between 7 and 9:15 a.m., and can stop work between 3 and 6 p.m. of a 5-day workweek. These are the flexible work hours. The mimimum that an employee may work is 5 hours in any 1 day. All employees are required to be present for the 5 hours between 9:15 a.m. to 3 p.m. (excluding 45 minutes for lunch), called the "core" hours. Normal hours of work in the firm vary from 35 to 40 hours per week, depending on the policy of specific units.

Two classes of employees—nonexempt and exempt—participate in the program. Nonexempt employees (those covered by the Federal Walsh-Healey Act) may work as few as 5 hours a day, but they can work no more than 8 hours unless they receive supervisory approval for overtime pay. Exempt employees (those not covered by the Walsh-Healey Act) may work as few as 5 or as many as 11 hours a day.

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Four approaches

Such factors, when combined with the different lengths of normal workweeks, create substantial differences in the way various groups of employees can use flexitime. Four programs—ranging from least flexible to most—illustrate the different flexibility possible for various groups of exempt and nonexempt employees:

- In the mailroom, all nonexempt employees work a regular 40-hour week. Consequently, their starting time determines their quitting time.
- Manufacturing office employees are, in the main, nonexempt and work 7-3/4 hours per day. Therefore, they can work only an additional 15 minutes per day before getting into overtime. Employees can determine when they will begin work in the interval 7 to 9:15 a.m., but they can bank only 15 minutes per day to shorten one or more of the workdays in the same week.
- Nonexempt employees in the customer service unit work a 7-hour day, and can bank up to an hour a day to shorten other workdays in the same

week. All employees must provide supervisors with advance notice of their arrival and departure times so that customer coverage can continue without interruption.

• Employees in other areas of the firm—research and development, marketing (excluding field sales), corporate personnel, and so on—work a 7-hour day. Exempt employees can bank as many as 4 hours a day; and nonexempt employees can bank 1 hour per day. Employees must use their banked hours in the week they are accumulated. All employees can determine when they will begin and finish work on specific days as long as they respect the "core" hours, although supervisors can require exceptions as needed.

The flexible work hours program involves 2,150 employees; however, nearly 40 percent are covered by Federal wage-and-hour laws and cannot take maximum advantage of the flexible work hours. One unit (manufacturing-production) with 650 employees was offered the opportunity to develop a suitable flexible work hours program, but decided against it. Two other groups of employees—the field sales force and security—did not participate in flexible work hours. The former already had substantial control over their hours of work; and the latter had to keep to rigidly fixed schedules due to the nature of the work.

The introduction of flexible work hours in the firm was broadly experimental and participative. Managers assisted the personnel representative in developing a pilot application. Prior to the start of the experiment, managers also approved the way success or failure was to be measured.[1]

Following the successful pilot study, top management authorized—but did not require—subordinate managers to develop some flexitime variant suitable to their own organization units and employees, with the help of corporate personnel. Appropriate managers appointed 23 work-hour area representatives to work with personnel in developing individual programs and evaluating their success or failure. Six months after the local variants were begun, results were assessed and reported in the aggregate to top management. Each of the 23 area representatives received data concerning his or her own subworkforce for futher dissemination to involved managers and employees.

Evaluation

Evaluation was based on the attitudes of both supervisors and employees about their work and the worksite, as well as on data about absenteeism and overtime. No control or comparison group was used because there were major perceived differences between the population under flexible work hour programs and those employees not covered (security, field sales, and manufacturing-production).

Attitudinal data were collected from a sample of 183 supervisors and 274 employees in 16 of the 23 work areas. A fifth of the employees under flexible work hour programs were surveyed.

The seven work areas not surveyed had about 12 percent of the workers. The questionnaire survey was voluntary, and seven of the area representatives declined to participate. Area representatives who did not participate averaged 35 employees each, with a low of 10 and a high of 100; they claimed to know the attitudes of those employees toward flexible work hours, and felt a survey was redundant and a waste of time. On the other hand, the 16 participating area representatives were responsible for an average of 120 employees each and, therefore, felt less confident in assessing reactions to the program.

Area representatives did not follow any single pattern in polling nonsupervisory workers; they were urged to generate approximately a 10-percent sample of nonsupervisory workers, but several had areas with large differences in skills and wage rates, and therefore, sampled more extensively. Random methods of selecting individual respondents were recommended, but in some cases job demands and availability of specific individuals made random selection impossible.

Area representatives were urged to get as many responses as possible from supervisory employees, because the expectation was that supervisors would be especially sensitive to problems with the flexible work hour programs. About 30 percent of all supervisors were surveyed.

Nonsupervisory workers' evaluation. The reactions of nonsupervisors were strongly positive. Their favorable reaction is especially noteworthy because the 1,400 nonsupervisory employees in the 16 work areas participating in this study included 875 nonexempt employees who were limited in their ability to use flexible work hours. When asked to describe their reaction if the firm was to return to the previous fixed hours policy, 83 percent opposed a return to fixed hours, while only 6 percent were in favor of doing so.

There was a variety of reasons for the strong preference to retain flexible work hours. (See table 1.) Generally, the benefits to most employees were seen as considerable, as in reduced traffic congestion and ability to attend to personal business. The costs were not seen as great. About 11 percent of the respondents saw others as less available when needed; and the same proportion also saw the availability of support services as having been adversely

affected by flexible work hours. Only a few employees reported a negative effect on their productivity or job performance. In fact, on a separate questionnaire item, 43 percent of the respondents indicated that flexible work hours improve their productivity, while only 2 percent perceived a reduction.

Supervisory workers' evaluation. The 183 supervisors responding provided reactions as individual employees and as supervisors. The latter are considered an important indicator because flexible work hours might so complicate the task of supervisors that advantages experienced by employees would be offset by disadvantages for the supervisors.

Supervisors as employees were about as positive about flexible work hours as nonsupervisory workers—81 percent opposed a return to fixed hours, while 9 percent favored it, for example. Their attitudes were as favorable as those of nonsupervisory workers shown in table 1.

Supervisors in their managerial role also responded favorably to flexible work hours, but less uniformly in some respects. Twelve percent saw their flexibilty in scheduling as having been reduced somewhat; 17 percent saw some reduced employee coverage of work situations; and 18 percent reported having to spend more effort accounting for employee's time. These indications do not appear to be problems: they seem overbalanced by positive effects. Thus, 85 percent of the supervisors reported that flexible work hours improve employee morale; 45 percent saw an improvement in overall performance; and 32 percent attributed enhanced productivity to the innovation. The few negative comments focused on specific work areas where the programs were not seen as applicable.

Trends in absenteeism. One major expected consequence of flexitime is that it will decrease single-day absenteeism resulting from the need to attend to personal business or minor physical complaints. Rather than come to work late under a fixed-hour program and risk a reprimand, the employee might simply call in sick. Flexitime should have no obvious impact on multi-day or total absences, which are determined by many diverse factors.

Two stratified, random samples of 50 exempt and 50 nonexempt employees were drawn to test for absenteeism effects, comparing a 5-month period in the year before flexitime with the same period in the year following its implementation. The samples were stratified to reflect proportions of the several job classes of involved employees, with random choices of individuals filling each share of the 100 cases. Only paid sick days of exempt and hourly-paid employees were considered. During the 1974 period, 191 total sick days, of which 78 were single-day absences, were recorded. During the 1975 period, the employees' total sick days increased to 235 days but only 67 were single-day absences. This implies that the flexible work hour programs had the intended effect. The expected decrease in single-day sick absences did occur, a decrease that is particularly notable since total sick days increased substantially.

Trends in overtime. Flexible work hours also might affect overtime. Some observers have worried that such flexibility for salaried personnel would only result in burgeoning overtime costs for hourly workers. For example, a research scientist might use flexible hours to finish a long experiment and sleep late the next day; but his flexible hours might require overtime for lab helpers who are paid by the hour. It seems safe to conclude that flexible work hours programs in this firm did not increase overtime. In fact, comparing the first 5 months in 1975 with the same period in 1974, overtime costs were down more than 21 percent. This drop cannot be credited to the flexible hours program alone; indeed, the company was making a concerted effort to minimize overtime. But these programs clearly did not frustrate management efforts to reduce overtime; and they may have encouraged employees to make more efficient use of their most productive work periods.

Conclusions

These results encourage the use of flexible work hours. At very little cost, major and favorable atti-

Table 1. Responses of nonsupervisory employees on effect of flexible workhours

Item evaluated	Very favorable		Favorable		Same		Unfavorable		Very unfavorable		No response	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Productivity	176	64	80	29	13	7	.....	.....	.....	.....	.....	2
Job performance	97	35	93	34	83	30	1	1	.....	.....	0	.....
Ability to attend personal business	136	50	87	32	44	16	2	1	4	1	1	.....
Availability of others when needed	31	12	90	33	120	44	28	10	1	1	4	.....
Availability of support services	28	10	93	35	117	44	30	11	.....	.....	6	.....
Communication with others regarding work	51	19	73	27	135	50	11	4	.....	.....	4	.....
Traffic to and from work	112	42	90	33	63	23	3	1	2	1	4	.....

tudinal shifts occur among both employees and supervisors. For this firm it is clear that flexible work hours did not increase costs of absenteeism or overtime, and probably decreased them. No adjustments in the program were made on the basis of this 6-months evaluation—flexitime continues as before, creating somewhat more freedom at work for little or no additional cost in dollars or effort.

——*FOOTNOTE*——

[1] For results of the pilot application, see Robert T. Golembiewski, Richard J. Hilles, and Munro Kagno, "A Longitudinal Study of Some Flexi-Time Effects," *Journal of Applied Behavioral Science*, Vol. 10 (December 1974), pp. 503–32.

Cooperation between unions and management

The basis for cooperation is laid in the collective agreement negotiated by unions and management. Such an agreement establishes standards of equitable work relations and begets confidence that makes possible continuous cooperation in dealing with other problems arising out of the day's work. The union is essentially an agency for cooperation for service to the union members and to the industry in which its members are employed.

* * *

Partnership implies joint responsibility and decision of matters involved—in the case of industry, for problems of production. The workers' group, to function in such a partnership, must have organized channels for developing decisions and carrying out undertakings. The organization must be a voluntary one.

As soon as an agreement is reached between workers and management, the workers must assume definite responsibility not only for the terms of the contract, but for maintaining the spirit of partnership or cooperation. It is fundamental for efficiency in production that the spirit and method of teamwork be followed. In this as well as in developing agreements, there should be joint participation through representative groups. The committee that is responsible for working out production problems should be a different agency from that concerned with grievances.

——*Report of Proceedings of the 46th Annual Convention of the American Federation of Labor*
(held in Detroit, Michigan, October 4-14, 1926),
pp. 51-52

The problem of job obsolescence: working it out at River Works

ROBERT ZAGER

Are workers naturally resistant to technological change? More specifically, are white-collar workers resistant? A recent experiment at an engine plant of the General Electric Co. does not provide final answers but it does suggest workers accommodate themselves to change that appears to benefit them.

General Electric's River Works at Lynn and Everett, Mass., is one of the company's oldest manufacturing plants, but it produces some of the most advanced engines in the world. The number of employees fluctuates as major contracts start and stop. In mid-1977, more than 12,000 people were employed there. Most of the hourly paid employees were represented by the International Union of Electrical Workers, but the weekly paid drafters and planners opted in 1951 to be represented by the International Federation of Professional and Technical Engineers (IFPTE) which formed locals 142 (drafters) and 149 (planners). The drafters, comprising designers, design drafters, trainees, tracers, technical illustrators, and illustrators, are concentrated in the Engineering Services section. Planners, whose work ranges from methods, tools, processes, procedures, and machine-loading to time and wage standards, are dispersed through the shops.

Membership of local 142 has averaged about 425, its current level. Membership of local 149 has varied between a high of 411, in 1969, and a current level of 292. Most members of the two locals have had technical education beyond high school, some to the bachelor of science level. Many have come through GE's apprentice program with substantial experience in the shop. Management regards them as a prime source of candidates for entry-level management positions. Since 1960, 73 drafters have been promoted from the aircraft engine drafting unit to management positions, and between 1967 and 1972 some 91 planners were promoted.

Because of the high degree of responsibility, independent thought, and creativity demanded by the work, very few of these white-collar employees had imagined that technological change might transform, or even partially eliminate, their jobs. The rapid evolution of the computer, mainly in the form of time-sharing facilities and minicomputers, has suddenly made the unthinkable real. Starting with the drudging, routine tasks such as hand-printed notes, tube drawings, tracing, repetitive cross sections and views, and the tiresome calculations and minutiae that engineering entails, the new technology has shown that a surprising proportion of the work could be profitably mechanized.

Technological changes

The beachhead of the invasion of change was the arrival in 1970 of a special reproducing

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machine, which eliminated the jobs of several tracers. The least skilled classification among drafters, tracers have the task of going over the lines of finished drawings and bringing them to a uniform density, so that they remain sharp and clear under microfilming. With the reproducing machine a slow, labor-intensive process is performed instantly, error-free, and with a minimum of labor.

In 1971, management introduced a flat-bed plotter, a huge machine guided by tape or magnetic card, capable of drawing lines five times as precisely as a drafter and at a rate of up to 500 inches per minute, and of lettering at the rate of 60 three-eighth inch letters per minute. The plotter was used to take over the tedious but essential work of preparing engineering master drawings and layouts. In addition, it can scale drawings up or down, change their axes, and can be applied to other functions such as engineering, manufacturing, and quality control.

Aircraft turbine engines contain many airfoils, whose contours are smoothly curved. At GE, the shapes are generated by computer programs. As engine performance standards rise, shapes grow more complex and occasionally a computer program produces an airfoil with some areas lacking the requisite smoothness. A drafter can smooth these portions by hand but doing so negates the stored computer data. Management, therefore, introduced an automatic digitizer, which works by reversing the process. The computer has ingested a mathematical formula and uses it to plot the points of a partly nonsmooth curve. The digitizer now sights points on the manually smoothed portion of the curve, notes their coordinates, and translates them back into the computer memory, which in turn instructs the plotter. Thereafter the curve can be reproduced at will, rotated, and so forth.

Next came a drum-type plotter, less precise but faster than the flat-bed, drawing at a rate up to 1,400 inches per minute and at 144 letters per minute.

Most recently, the company has introduced interactive graphics, a technique widely publicized and used in the electronics field but not yet widely used in mechanical fields, particularly in three dimensions. In this system, a cathode ray tube (CRT) and a computer terminal replace the drafting board. The designer either creates or summons to the tube face an image of the engine part that concerns him; he enlarges, reduces, repositions, or rotates one or more features at will; he sees where parts might interfere and how operating temperatures might alter sizes and shapes. In seconds, the tube shows him the length of a chain of, say, 150 lines and arcs, or the area of a complex shape to the nearest .001 square inch. With a light pen and the terminal keys, he adds an element (for example, a rivet or screw), or changes curves, lines, or distances. Then he brings the entire object back to scale for appraisal, and, when satisfied, captures the CRT image on paper either electrostatically or by means of the computer-driven plotter. In addition, the computer data, of which the image is the visual expression, are transmitted on magnetic tape to an interactive graphics system for use in tooling, machining, and process design.

Although fewer technological changes have come into planning than drafting, more planners are doing work that involves major technological change, and the effect on individual jobs is greater. The key innovations are in the field of numerical control of machine tools (NC). The NC machines have become indispensible for fast, low-cost, repetitive production of difficult parts. The essence of NC is that electronic control replaces direct human control of the machine tool.

But each advance creates a new problem. In order to induce the computer to write NC instructions, the parts planner must be able to communicate with it. The language for this purpose was called "APT." The hitch was that it took a year to learn how to program a whole job by means of APT. Management set up a voluntary, but grueling, 22-week formal course, with 4 hours of classwork and 8 hours of homework per week, and a tough final examination. All training was after work and unpaid; the trainee carried on his regular job during the day.

Perhaps 75 percent of the members of the planners local are doing work that has been touched by technological change. Some jobs have undergone major changes. A planner now may spend less than half his time on one of the new jobs, and the rest of his time on other work.

The structure of cooperation

The invasion of change into fields that once epitomized job security might easily have led to turmoil and resistance. That it has not done so is a tribute to the foresight and flexibility of both GE and IFPTE. All these potentially unsettling innovations were introduced swiftly and smoothly, with full cooperation—even encouragement—from the locals and their members. Management had

practically a free hand in researching and developing ways to increase productivity through technological change. Employees were able to share in the excitement of each new development, because management and the unions have worked out an arrangement that takes the worry out of change.

In this mutually advantageous arrangement, the company provided:

- Early, full communication of proposed changes.
- Consultation on the possible effects of changes upon working conditions.
- Reliance on attrition to protect the incumbents of jobs made redundant by technological change.
- A variety of manpower adjustment programs in the event that attrition should ever be impractical in such a phase out.

In return, the unions assisted by:

- Communicating to members a constructive attitude toward technological change in general.
- Communicating with members about particular changes, to avert needless anxiety and grievances.
- Suggesting to management ways of increasing the utility and acceptability of particular changes.

Some provisions appear in the body of the contract, some in letters of agreement, some in informal writings, and some in custom and practice. Mutual trust holds the arrangement together.

Improvements in job security

Drafters and planners perceive technological change as having actually increased their job security in a number of ways. The capabilities of these technological changes have attracted new kinds of work to the plant. It has helped to keep River Works busier than it otherwise would have been, and it has opened opportunities for promotion within the bargaining units and also into management.

Many IFPTE members saw the additional training these new methods necessitated to be a means of making their future employment more secure. As elsewhere, younger employees were eager to learn new skills, while some older employees, especially those nearing retirement, saw no point in discarding old skills for new ones they would have little time to exercise.

Moreover, technological changes have taken over the drudgery, lessened chances for error, enabled employees to see the results of their work sooner, and, by opening up new ranges of concepts and manipulations, imparted a sense of adventure. Those who have worked with the new methods have no hankering to return to the old, though they keep the old ones polished for use.

The gains do not obscure the possibility that, as technological change becomes more pervasive or competition intensifies, displacements may some day occur; but a web of management/labor arrangements holds the danger down to an acceptable level.

Union security is threatened less by jurisdictional intrusions than by River Works' long-term decline of business and employment (down by 1,000 in a decade).

Individual security is closely tied to union security. Planners look to their local to defend them against job encroachment, monitor the introduction of technological changes, and police the employment adjustment sections of the contract, as well as fight for economic improvements. The informality of the *modus vivendi* makes it all the more necessary for the local to remain vigorous.

Communication and consultation

In the contracts of the two locals, similar letters of agreement state:

> ". . . the Company will notify the Union prior to the introduction of technological changes which will have an effect on the work normally performed by the employees in the bargaining unit. Thereafter, at the request of the Union, the Company is prepared to hold discussions with the Union relating to such changes insofar as they may have any effect on the wages, hours, or working conditions in the bargaining unit."

The letters represent a minimal concession to a 1973 union demand for contract language specifically providing employment adjustments in the event of technological displacements. They confirmed what had long been the practice at River Works. As early as 1968, management has taken pains to let the union know as soon as there were definite plans to introduce a technological change, and to give the union a close look at equipment as soon as it came on the premises. From time to time, management also meets informally with the union to survey the latest technical developments in the field. Here the locals are able to ask and get dependable answers to any pertinent question

about change. Their criticisms and suggestions receive serious consideration, although management reserves the right to make decisions.

The unions use the information culled from these meetings to anticipate and defuse potential causes of grievance and tell members what lies ahead. They expound the inevitability and the benefits of technological change more effectively than management ever could do. Members tend to listen to the local leaders because they have been consistently accurate and farsighted about technological change. The leaders can talk frankly about benefits of change because they have a record of pointing out the dangers too, while there is still time to deal with them.

Besides informing members about particular changes, Local 149 aims to present a balanced view of technological change in general, using such media as its monthly news bulletin, newsletters, and major reports. All the writings reflect much field investigation, study, and thought. Their message runs along the following lines:

- Computer-aided drafting and planning are here to stay and their impact on workers will grow.
- Technology is developing so fast that IFPTE must start thinking at once about the consequences.
- Older workers will feel the impact most. Although they have the strongest hold on employment, they are least amenable to change and have the least hope of finding traditional jobs elsewhere. To management, they represent an unattractive investment for retraining.
- IFPTE members' greatest dangers lie in thier own complacency and unwillingness to face facts.
- Drafters and planners must learn to think of new technology as new tools for doing the job.
- Adjustment to technological change is as vital as economic issues. There is little point in negotiating wage-benefit increases for jobs that are about to go out of existence.
- The true question before drafters and planners is not, Will we be affected? but, Who will get the new jobs?
- A key problem for drafters and planners (though not at River Works) is that they do not see new equipment until it is already in operation and beginning to cause displacements. Even without filing a grievance, they have a statutory right to know how management plans to use new equipment that may affect them.
- Since new techniques cannot be stopped, ". . . our most appropriate course of action should be to take a positive stance and encourage its implementation in return for guarantees that will help stabilize our bargaining units and protect our members."
- All IFPTE locals should coordinate efforts and press for employment adjustment provisions in contracts.

Attrition

How have technological changes affected the number of drafting and planning jobs at River Works? Favorably, on the whole. They have been instrumental in bringing new business but they have made a few jobs redundant. Up to now, the objective of the changes has been faster, better, more accurate work. Reductions in employment have been a byproduct, touching certain drafting jobs but not the overall number of drafters employed. However, as the computer data-base becomes more complete, redundancies may occur faster than new jobs open up.

All jobs eliminated by technological change have been phased out without harm to the incumbents. For example, the reproducing machine made half a dozen tracers' jobs redundant, but the tracers were kept at work until they could fill vacancies at the next higher level—drafters. Those promoted were not replaced. Management has pursued this policy voluntarily. There is no commitment, written or oral, to use attrition as a remedy for all technological change redundancies, although clearly the policy allays anxiety and fosters cooperation.

Resort to attrition has been eased by the age distribution and other characteristics of the two bargaining units. Local 149 reported in a 1972 news bulletin that 103 of 299 members would reach mandatory retirement age 65, and an additional 78 would reach optional retirement age 60, before the end of 1982. "Taking into consideration quits and deaths, the figure jumps to approximately 7 out of every 10 planners" who would leave by attrition between 1972 and 1982. And even this calculation omits planners leaving River Works by promotion or transfer to other GE plants. Such hard facts leave room for attrition not only in technological change redundancies but also in economic reductions in force.

Effective tripartition

Since 1970, GE's River Works has introduced one major technological advance after another into the work of drafters and planners, with active

cooperation from unions and employees. This accomplishment rests on a structure of relations by which management has virtually a free hand in the field of technological change, the unions have a respectable role to play, and the employees feel secure against displacement. The case clearly demonstrates that employees are as rational as employers, and not merely accept but actively encourage the introduction of technological changes when they believe the changes will benefit them. So much for the hobgoblin of "innate resistance to change."

The Government's role

In June of this year, at a nearby residential conference center, we assembled more than 40 of the country's foremost authorities on industrial relations to review the current and future status of labor-management cooperation. . . . We examined together many of the impediments to the wider adoption of cooperative practices and we received some excellent suggestions as to the kinds of strategies that might best cope with them.

Particularly instructive to us were the recommendations that were advanced regarding the appropriate role for the Federal Government, and especially the Department of Labor, to play in facilitating progress in this area. Among them were widely agreed upon proposals that we undertake the following actions:

- Create an information exchange that makes readily available to all who request it data on current and emerging industrial relations isssues, collective bargaining developments, recent experiences with various kinds of cooperative programs, and sources of technical assistance throughout the country;
- Conduct and support research designed to fill the many knowledge gaps that already have been identified in this fast-developing area of labor-management cooperation;
- Organize and sponsor, alone and in conjunction with other organizations, national and regional conferences to promote the widest possible dissemination of information about new concepts and programs among practitioners, third-party consultants and researchers, and government officials;

Develop and lend support to the development of training programs and materials which can enhance the capability of union and management officials to design and administer their own cooperative programs;

Undertake to become a model employer and demonstrate to management and labor alike what can be achieved by expanding opportunities for employee participation in workplace decisions.

——RAYMOND J. DONOVAN, Secretary of Labor
From remarks at the National Labor-Management Conference,
Washington, D.C., September 9, 1982

Union-management committees in the Federal sector

JAMES E. MARTIN

Data from the most recent surveys of the Bureau of Labor Statistics show that the greatest use of joint union-management committees appears in the Federal sector, where they are provided for in 44 percent of a representative sample of negotiated agreements.[1] In contrast, in the municipal sector, joint committees are provided for in 19 percent of the negotiated agreements in cities with a population of 250,000 or more,[2] and in the private sector, less than 5 percent of the negotiated agreements covering 1,000 workers or more called for their use.[3]

Despite the greater prevalence of joint committees in the Federal sector, Harry Douty, in a report on labor-management productivity committees for the National Commission on Productivity and the Quality of Working Life, concluded, "Little appears to be known as yet about the performance of these joint labor-management committees in the Federal service. . . ."[4]

This paper discusses the functioning of joint union-management committees in the Federal Government. It should be noted that the scope of the committees in this study differs from most previous work on joint labor-management committees, including studies of the Bureau of Labor Statistics which focus on productivity committees. The meetings discussed herein are not limited to productivity committees.

The operation of joint union-management meetings and committees in six Federal organizations was examined as part of an exploratory multiple-case study. All six organizations were located in a large Midwestern city and consisted of three Veterans Administration facilities and three from the Department of Defense. Below are some characteristics of the organizations studied:

Characteristic	*Organization*					
	A	B	C	D	E	F
Number of employees ..	75	200	575	1,200	2,500	700
Average grade level	3.5	5.7	5.5	5	8	5.5
Percent blue-collar workers	1	65	32	2	2	35
Percent male	10	60	55	45	58	60
Percent black	85	45	75	40	14	65

In each organization the union-management agreement, the minutes of the joint meetings, and the general labor relations files were analyzed. In addition, 63 interviews focusing on the union-management interactions, activities, and sentiments were held with union and management personnel most responsible for the functioning of the relationship.

Operation in each organization

At Organization A, there was little information exchange or problem solving in the joint union-management meeting. The meetings were reported

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to have become rather heated occasionally, and broke up prematurely at least twice. However, both union and management stated that the joint meetings served to keep the lines of communication open between the parties by forcing them to come together to try to understand each other's problems.

At Organization B, there was a little more information exchange and problem solving than at Organization A. In the beginning, both parties felt the meetings were turbulent, but after changes in union and management leaderships, meetings were generally calm and rational. Both union and management felt that the meetings kept the lines of communication open.

Organizations C and F (veterans' hospitals) used the meetings for information exchange and problem solving. In 1971, the administrative units of the hospitals were combined and the meetings were also combined. The problem solving did not take place in the meetings but rather as a result of them. Both parties felt the meetings were useful and served as an important vehicle for communication. Occasionally, at Organization F (where management was headquartered) meetings dealing with specific problems were held with division managers.

At these four organizations, labor relations concerns and organizational concerns were generally equally discussed in the meetings. Labor relations concerns were such items as planning for contract negotiations, updating the steward lists, and grievance handling procedures. Organizational concerns discussed included suggestions for improving production and saving work hours and general working conditions at the organizations.

At Organization D, there were two separate joint meetings, one with the commanding officer and one without. Both meetings resulted in considerable exchange of information and some problem solving. Union and management agreed that the items discussed in these meetings were instrumental in helping the union-management relationship achieve its objectives. These meetings appeared to be more heavily weighted by organizational concerns than labor relations concerns.

Organization E, the largest organization, did not have a regularly scheduled monthly union-management meeting. Such meetings had been replaced by *ad hoc* meetings in 1971, and the parties felt that because they met so frequently in *ad hoc* meetings, there was no need for a regularly scheduled meeting. Many different topics consisting almost entirely of organizational concerns were discussed. Overall, the parties felt that the *ad hoc* meetings helped keep the lines of communication open and reduced the level of problems in the union-management relationship. Regular monthly joint meetings dealing solely with divisional concerns were held in some of the divisions, and were felt to be effective.

Organization E had a joint committee, negotiated into the first agreement effective June 1969, with specific authority to seek solutions. The agreement stated the committee was to meet at least once every 3 months. However, little was accomplished until major leadership changes in union and management in July 1971, after which the committee began to meet more frequently and deal more completely with its assignments. At the time of the research the committee was meeting biweekly. Respondents felt that both employees and management had a very great respect for the reports and recommendations of the joint committee. The topics were exclusively organizational concerns.

All unions sent their president, and at least one and sometimes up to three other officers, occasionally on a rotating basis, to the joint meetings. Representing management, the labor-management relations officer or the highest ranking personnel officer attended meetings at every organization, except one; three organizations included the commanding officer or the director of the facility at their meetings. Depending on the particular subjects to be discussed, national union representatives, additional personnel staff, or line managers attended the meetings.

General findings

Joint union-management meetings varied directly with the size of the organization—the larger the organization (in terms of the number of employees), the more the meetings were used for information exchange or problem solving, or both. The more the joint meetings were used for information exchange and problem solving, the lower was the frequency of union-management problems. Greater use of the personnel and labor relations staff in handling relations with the union and more good faith in the carrying out of consultations were also related to greater use of the joint meetings. Although these exploratory findings are tentative, they do suggest that the use of joint meetings was related to problem resolution and to the way the union and management interacted, as exemplified by their use of consultation and labor relations staff.

A joint committee, having as its major goal overall organizational objectives, functioned at all six sites. However, only five of the labor agreements established a general purpose joint meeting. The

oldest joint meeting had been established prior to the union's having been granted exclusive recognition. Three joint meetings started when the union received recognition. The two newest meetings were only begun when the first labor agreement was implemented. Thus, in four out of the six instances, joint meetings had functioned or were functioning without having been incorporated into the labor agreement.

In this research, an effective meeting in terms of producing results was one which led to information exchange and problem solving on matters of mutual concern. Where the meetings served partially as a starting point in information exchange and problem solving, as at the four largest organizations, they were more effective. Concerns raised at those meetings and not resolved were examined and often answered by the parties before the next meetings. Leadership attitudes concerning the joint meetings also appeared important in determining effectiveness. Where union and management leaders viewed the joint meetings more favorably, they were used more effectively.

Where the joint meetings utilized specific solution-seeking authority, increased effectiveness was apparent. In addition, the organizations whose meetings dealt primarily with organizational concerns, as opposed to labor relations concerns, had more effective meetings than those organizations where labor relations and organizational concerns appeared equally. In no organization did the joint meetings deal directly with productivity concerns. However, at the four largest organizations, increases in productivity resulted from the time saved in the resolution of problems and by resolving some problems before they became major issues.

Comparisons with private sector

It is useful to compare the findings of the current study to the general observations of a Bureau of Labor Statistics report on six cases of joint committees in the private sector.[5] All of the functioning committees in that report arose out of a crisis situation, whereas in the current study, no evidence was found to suggest that any of the joint committees were established because of a crisis.

Where the Bureau study found some success in industrial relations matters, the joint committees it studied dealt with matters similar to those in the current study and did not deal exclusively with productivity matters.

A second important observation of the Bureau was the crucial role of the union and management leadership support in determining the usefulness of the meetings. In the current study, leadership changes were able to increase the effectiveness of the joint meetings in individual organizations. Among the six organizations, differences in the behavior of the leadership and their attitudes toward the joint meetings varied and appeared related to their effectiveness.

The Bureau also found that good labor-management relations were important in determining the function and scope of the committee when the committee is initiated. Some support for that finding also came from the current study. At the two smallest organizations, the parties felt there was a lack of good union-management relations and that the joint meetings were limited to keeping the lines of communication from closing and preventing labor relations from getting worse. Where relations were better or where they had improved, the meetings performed more tasks and were more effective.

Our findings indicate that at all six organizations the meetings contributed benefits. These benefits varied considerably among organizations, from helping to keep the channels of communication from closing accompanied with a little information exchange and almost no problem solving, to being a major problem-solving and information-exchange vehicle of the union-management relationship. In the more effective instances, the joint meetings served as an aid in reducing the areas of conflict between the parties. Specific productivity concerns were not discussed, even though benefits from the meetings, such as decreased time spent on labor relations matters and an improved labor relations climate, indirectly helped productivity.

———*FOOTNOTES*———

[1] *Collective Bargaining Agreements in the Federal Service, Late 1971,* Bulletin 1789 (Bureau of Labor Statistics, 1973), p. 62.

[2] *Municipal Collective Bargaining Agreements in Large Cities,* Bulletin 1759 (Bureau of Labor Statistics, 1972), p. 14.

[3] *Report on Joint Productivity Committees to the National Commission on Productivity and Work Quality* (Bureau of Labor Statistics, unpublished, Feb. 20, 1974), cited in Harry Douty, *Labor-Management Productivity Committees in American Industry* (Washington, The National Committee on Productivity and Work Quality, May 1975), pp. 50–52. (It should be noted that the Center assumed its new name at the end of 1975.) Douty notes that because the BLS study omitted agreements from the railroad and airline industries, units with less than 1,000 workers, plants with a Scanlon-type plan, and nonunion plants, the percentage of private sector joint committees may be somewhat greater than found in the BLS survey.

[4] Douty, *Labor-Management Productivity Committees,* p. 19.

[5] *Report on Joint Productivity Committees.*

Labor-management panel seeks to help laid-off State workers

TODD JICK

The last few years have been a period of declining resources in many parts of the public sector. Budget and program cutbacks in New York State have been particularly severe. As a result, problems of retrenchment have emerged in a sector characterized typically by its secure jobs. Turmoil has replaced stability and the loss of workers' jobs has been one of the key outcomes. Between April 1971 and December 1976, approximately 10,000 individuals were laid off by New York State. Approximately 3,000 workers remain laid off today, with almost another 1,000 having been rehired at lower grades.

The New York State Continuity of Employment (COE) Committee was established to tackle the delicate issues of public sector worker displacement. Created in April 1976, the Committee emerged out of a collective bargaining agreement between the State of New York and the New York State Civil Service Employees Association. Its membership consists of an equal number of union and management officials, and it is chaired by a neutral party. The Committee's mission is to study worker displacement problems arising from economic or program cutbacks in State agencies and to facilitate programs and make recommendations which would minimize layoffs, or at least minimize the negative effects of layoffs.

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What follows is a brief discussion of the procedures used to research the displacement problem and the specific programs and policies recommended thus far.

The role of researchers

Once constituted as a formal committee, the members were faced with a dilemma of how to meet their mandate. They needed to agree on the scope and nature of the problem, to generate alternative strategies for dealing with it, and to reach consensus on the choice of appropriate programs. They sought answers to a variety of research questions relating to the whereabouts and condition of laid–off State employees. Thus, the Committee decided to solicit the assistance of academic researchers to contribute supportive services. Behavioral science researchers were brought into the project to collect and analyze the required information.

The research serves a variety of functions. First, it provides objective evidence to support or refute hypotheses and questions generated by the Committee. For example, the Committee wanted to know whether low staff morale caused by job insecurity affected patient care in State hospitals. A literature review and research design were prepared by the researchers to help the Committee decide how to pursue the question. Data collection would follow if deemed necessary. This is typical of how the Committee sought to demonstrate a "hunch" and how the researchers provided the tools to test it out.

Perhaps most importantly, research has responded to the interests of the Committee to investigate the impact of layoffs from a variety of perspectives. Whereas layoffs have traditionally been considered as an economic phenomenon alone, the current emphasis has also explored the social and psychological consequences. The general thrust of the research has been to examine how layoffs affect the employee's physical health, psychological well–being, and family life, as well as economic stability. Furthermore, the Committee wanted to understand how to ensure both efficiency and high morale of those employees who continued to work in a system under conditions of perceived job insecurity and a high degree of personnel movement. Research thus reflected the dual concern of humane and effective use of the State's work force. (Not surprisingly, this also struck a balance between the union's interest to be a vocal fighter for job security and the State's interest to manage efficiently.)

Preliminary evidence indicates that under the perceived threat of layoff, many good workers have chosen to voluntarily quit (which results in costly retraining and a loss in organizational effectiveness). Moreover, absenteeism associated with low morale and perceived insecurities creates significant inefficiencies in services. The Committee may therefore be led to conclude that the overall "costs" of layoffs become higher than the initial savings through personnel cuts. While this is evidently true for the individual, various data indicate that this applies to the immediate agency as well.

The COE Committee is currently in the process of evaluating some of this cost-benefit research, a kind of balance sheet, in order to formulate action-policy recommendations.

Role of action program staff

Action programs have been designed to deliver direct benefits to displaced employees. Reemployment has been the major objective, facilitated through a variety of techniques including retraining opportunities, relocation services, counseling, and placement programs. There is a full-time coordinator–facilitator of the action programs who works in close cooperation with the affected agencies, the Civil Service Department, the State's Office of Employee Relations, and the Civil Service Employees Association.

The action program staff serves two purposes. First, staff members engage in advocacy for the displaced employee. They seek out individuals, determine their needs, and provide them with assistance. Committee members help to develop leads to agencies which may have hiring plans. The typical pilot program involves liaison work by a Committee representative to determine manpower needs in various State agencies, identification of suitable trainees from the list of laid-off individuals, assistance in recruitment where necessary, and the design, coordination, and evaluation of the program. Specific programs have included special recruitment of correctional officers and accompanying training, retraining for system analysts positions, and helping individuals find more suitable opportunities in the private sector. The overall direction is that of "employability enhancement," that is, locating available job markets and easing entry through retraining or simple advocacy.

A second purpose of the support staff is to prevent problems in the future by minimizing the barriers to continuity of employment for State employees. This essentially represents effective work force planning characterized by coordination, matching, and problem solving. The goal is to develop a tighter match between staffing needs and staffing resources, to improve the manpower planning function so that, for example, agencies "scaling up" can easily acquire employees from agencies who are cutting back. Thus, it has already been recommended that comprehensive work force planning be developed in the form of an administrative "home" or center for statewide planning. The Committee is currently considering a pilot program to set up a parallel center within a State department which will be subject to work force fluctuations.

Accordingly, the action staff has been developing a number of programs and proposals: a skills inventory of laid–off employees, relocation and job search grants, special grants, civil service announcements, and tests. Together with the retraining, counseling, and private sector outplacement programs, these represent the tools for a readjustment program. Pilot projects in these areas are currently underway and have begun to be evaluated.

Policy recommendations

Preliminary findings from the research and the action programs led the Committee to a number of policy recommendations. For example, there was considerable evidence that the agencies themselves could not do much to mitigate discontinuities in employment. Thus, some strategies being evaluated by the Committee include: (1) use of a project task force of affected agency representatives to do "hands–on" person–by–person planning to find solutions for all individuals in a target situation (as long as there is lead time, commitment, and backing from higher State levels); (2) substantial advance notice of layoff to provide the lead time necessary to gear up for humane solutions; (3) incentives to agencies which conduct good planning; (4) improved data manage-

ment so that each agency maintains timely data for good human resource planning; and (5) improved official communication on job security matters to reduce much unnecessary anxiety fueled by rumors and inaccuracies.

All the policy recommendations are a result of the research and direct assistance action programs. It must be noted, however, that reaching a consensus on policy proposals is frequently a time-consuming and controversial process. Frequently, the mixed-motive problem-solving spirit reverts to adversarial positioning. Moreover, the researchers are also subject to political pressures and they must be sensitive to the parties' political concerns. There are also obstacles which are less a function of internal process but rather external constraints. For example, the 1-year State budget cycle inhibits long-range planning by agencies. Conflicting political interests and stakes between (State) agencies can deter efforts directed toward sharing resources and information. These are chronic problems which impede Committee programs and which influence Committee decisions.

The COE committee represents a specific strategy relevant to a New York State problem, but it is an encouraging model for all who are trying to find better solutions to critical industrial relations problems.

An experiment: Labor-management participation teams

In the past, job-related problems for which the contract provides no answer have been tackled every three years, in a crisis atmosphere, as part of negotiations; and once an overall agreement is reached, these kinds of "on-the-job" problems receive no meaningful treatment for another three years.

That system leaves something to be desired from the Union's standpoint, and also from management's standpoint. The right to strike over local issues, of course, is a vitally important component of the Experimental National Agreement, and the Union would not consider any solution which affected that right in any way. Nevertheless, the ability to *also* tackle job-related issues on a meaningful basis *during* the life of the agreement could be a valuable *additional* procedure.

Both sides have an interest in developing a system for meaningful consideration of job-related issues throughout the life of the agreement. The Union's interests are in establishing an effective means of improving the on-the-job conditions most directly affecting our members. The Companies' interest is finding a means to improve output. In an attempt to provide a method by which both sides can work out effective solutions, and at the same time minimize the risks of a new approach, the settlement agreement proposes an *experimental program* which would authorize the local parties at the department level to "discuss, consider and decide upon proposed means to improve department or unit performance, employee morale and dignity, and conditions of the work site." The proposal, described below, is a radical departure from past efforts—primarily because it allows the local parties to explore a full range of solutions to their problems.

——Excerpt from summary of United Steelworkers of America—U.S. Steel Corp. national agreement, April 1980

The perceptions of participants in a joint productivity program

ANNA C. GOLDOFF

New York City's financial crisis is largely responsible for its present labor-management program. The program originated in a memorandum of interim understanding signed by the municipal unions and by the city on June 30, 1976. That agreement reflected guidelines set by the State Emergency Financial Control Board and the conditions set by then Secretary of the Treasury William Simon for Federal seasonal loans. These conditions specified that no municipal workers would get cost-of-living adjustments unless matched by productivity savings, which could not be achieved through service reductions or contract items. Hence, the citywide Joint Labor-Management Productivity Committee, composed equally of representatives from the City of New York and the Municipal Labor Committee, was created in July 1976. Its function was to guide and approve the work of the 26 agency subcommittees, insuring that individual agency productivity proposals complied with the spirit and letter of the interim agreement. These subcommittees are cochaired by union and management and have an equal number of representatives from both sides. Following is the result of personal interviews with 15 agency representatives and 21 union representatives participating on the subcommittees.[1]

Most (72 percent) of the participants reported moderate to strong commitment to the productivity effort. The majority (56 percent) also stated that they achieved their goals in the initial phase of the program. Seventy-eight percent said their goals were making cash savings for cost-of-living adjustments and 22 percent mentioned other productivity issues, such as improving job satisfaction or managerial effectiveness. Only 8 percent felt they could achieve future productivity goals through the current program.

Are the benefits of the program distributed equitably to both sides? Forty-two percent said yes, 44 percent disagreed. Only 27 percent of union respondents felt their role was instrumental. In contrast, 67 percent of the management participants saw their side as having the primary role.

According to our respondents, neither side felt that the program threatened the traditional rights and privileges of management. Sixty percent of the managers were satisfied with their rights under the program, 33 percent were not. Most of the union respondents also felt the program did nothing to alter management's prerogatives, but 75 percent believed that the program infringed on collective bargaining issues. Thirty-three percent of the management respondents also thought this was true, but most (53 percent) did not. A majority of

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the respondents felt that the productivity program used the same tactics and maneuvers as the formal bargaining process.

Do union members feel that the union leadership is co-opted into management as a result of this program? More than one-half (57 percent) did not feel this was true, but 38 percent did. However, the union leaders denied "switching sides." Rather, they felt forced to take on managerial roles because of asserted managerial incompetence in city government. Did the rank and file believe the union leaders could aggressively pursue wage increases while being a part of the productivity program? Fifty-seven percent of union respondents believed that union leaders are hampered in pursuing wage increases but a clear majority blamed the fiscal crisis, not the productivity program. Most of the participants (56 percent) felt that the initial stimulus for the program has changed—that is, the improved economic and political environment has diminished the crisis atmosphere that produced the Committee. Forty-two percent disagreed.

This research suggests that the participants in New York's productivity program are committed only to a short-term cash savings program to pay employee cost-of-living adjustments. Negative perceptions of future goal achievement, a diminishing environmental stimulus, and jurisdictional ambiguity between productivity and collective bargaining issues indicate that a long-term productivity program would not succeed.

One obstacle is strong union dissatisfaction. Two-thirds of union respondents believed that the current program will disband after the agreement expires. In fact, 73 percent of the labor cochairmen interviewed agreed that the program will be unnecessary when normal collective bargaining is resumed. Because these cochairmen are local union leaders, their dissatisfaction and lack of commitment are definite weaknesses in the current program. Their negative perceptions will affect other labor participants in the program, as well as the union's rank and file.

FOOTNOTE

[1] The sample included 12 of the 26 participating agencies: Housing and Development Administration, Human Resources, Personnel, Environmental Protection, Law, Economic Development, Model Cities, Parks, Police, Sanitation, Fire, and Corrections. Interviews with city and union staff experts suggested that these included an even mix of the most and least effective agency subcommittees.

Employee-owned companies: is the difference measurable?

Employee ownership may be associated with better attitudes toward the job and higher productivity and profits, according to a recent 98-firm survey

MICHAEL CONTE AND ARNOLD S. TANNENBAUM

Employee ownership can be found throughout the history of the United States, although companies that are wholly owned by employees (including workers) have always been rare. One survey reported that 389 companies, in which a large proportion of the stock was directly owned by employees, were established in the United States between 1791 and 1940.[1] The number of companies with at least some degree of employee ownership was probably much larger, and there is evidence that this number has grown in recent years.[2]

Several aspects of performance in a variety of employee-owned companies are analyzed in this article.[3] The data employed include: the size and sales volume of employee-owned companies; the percent of employees who participate in the ownership plan; the percent of equity owned by nonmanagerial as well as managerial persons; and aspects of control of the company by employees. Also analyzed are the attitudes of managers toward the ownership plan and their judgment about the effect of the plan on productivity and profit. Actual profit data were available for a subset of companies, and the relationship between profit and other characteristics of these companies was studied.

Employee ownership can take two forms: direct, where employees own shares in the company as would ordinary shareholders in a joint-stock company; or "beneficial," where employees own shares through a trust, as illustrated by the Employee Stock Ownership Trust (ESOT).[4] The Employee Retirement and Income Security Act of 1975 stipulates that the holdings of an Ownership Trust must be invested "primarily" in the stock of its company—unlike the holdings of the usual profit-sharing trust, which may be diversified, or of a pension trust, which must be diversified.

Contributions to the Trust are governed by an Employee Stock Ownership Plan (ESOP). Depending on the plan, contributions may be made on the basis of a profit-sharing principle (whereby some fixed percentage of company profits is annually transferred to the Trust), a cost principle (whereby a fixed percentage of labor costs is annually transferred to the Trust), a fixed contribution principle (whereby a fixed dollar amount is transferred to the Trust), or by other methods determined entirely at the discretion of a single party or parties. The central requirements, however, are that the Ownership Trust invest "primarily" in employer securities and that disbursements from the Trust be made in employer securities. Dividends that may be declared are not usually

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distributed immediately to employees but, rather, are held in trust. Nonetheless, the financial well-being of the "beneficiaries" of stock in the Trust is tied to the success of the company.

Finding who owns what

A list of 148 companies in the United States and Canada, thought to have some degree of employee ownership, was compiled.[5] After conducting telephone interviews, usually with the financial officer, 98 of these companies actually were found to have some component of worker ownership; 68 firms had Stock Ownership Plans, and 30 had direct ownership. Their median size was approximately 350 employees; 17 percent had fewer than 100 employees and 25 percent had 1,000 or more. During the previous year, almost half of the companies had sales of at least $25 million.

As shown in table 1, employees in about three-quarters of the companies owned at least half of the equity; ownership of the entire equity by employees was more likely to occur in stock-plan than directly owned companies. This table refers to the percent of equity held by all employees, including managers. Table 2, on the other hand, refers to the percent of equity owned by the workers alone, which, of course, is less than that owned by all employees.

The measure of equity owned by workers in stock-plan companies was obtained by multiplying the percent of the company's equity owned by the Trust times the percent of the Trust's equity owned by the workers. Because of the way records are kept in most of the stock-plan companies, we found it necessary to rely on the distinction between salaried and other personnel as the basis for distinguishing rank-and-file workers from managers in these companies. Furthermore, although most of the directly owned companies could report the allocation of ownership between managerial and other personnel, only about half of the stock-plan companies could report the precise allocation of stock within the Ownership Trust. In these companies, 54 percent of the Ownership Trust stock, on average, is owned by nonsalaried employees. This average, then, was used to define the amount of worker-owned stock within the Trust in each of the remaining cases.[6] As estimated, therefore, worker-owned equity in the remaining cases is directly proportional to (that is, 54 percent times) the percent of the company's equity in the Trust itself.

Table 1. Percent of total equity owned by employees, including managers, in 87 companies

Equity owned by employees	Percent of companies		
	Stock ownership plan (N = 60)	Direct ownership (N = 27)	All companies (N = 87)
Less than 10 percent	4	4	4
Between 10 and 49.9 percent	18	18	18
Between 50 and 99.9 percent	28	59	38
100 percent	50	19	40

NOTE: Eleven companies did not provide sufficient percent of equity owned internally data to determine the percent of equity owned internally.

Table 2. Percent of total equity owned by workers only, in 83 companies

Equity owned by workers	Percent of companies		
	Stock ownership plan (N = 58)	Direct ownership (N = 25)	All companies (N = 83)
Less than 3 percent	34	8	27
Between 3 and 9.9 percent	16	8	13
Between 10 and 49.9 percent	43	20	36
Between 50 and 100 percent	7	64	24

NOTE: Fifteen companies did not provide data relevant to the percent of equity owned by workers.

Employee owners in the Trust are entitled to dispose of their stock at market value once it has been distributed to them. Unlike employees in directly owned companies, however, owners in a Trust generally do not vote their stock. The following tabulation shows the percent of companies where voting rights and other employee control mechanisms are reported to be available:

	Percent of stock-plan companies	*Percent of directly owned companies*	*Percent of all companies*
Employee-owners have:			
Stock-voting rights	27	97	50
Representatives on Board of Directors	36	77	49
Union representation	32	33	32
Influence on important decisions other than through a union	51	77	56

In general, the data indicate substantial differences between stock-plan and directly owned companies in these measures of employee influence over company decisions. For example, only 36 percent of the respondents in companies with Stock Ownership Plans report that worker representatives sit on the board of directors; 77 percent of the companies with direct ownership report the presence of workers on the board. Similarly, 51 percent of the respondents in companies with ownership plans, compared to 77 percent in companies with direct ownership, indicate that employees influence "important" decisions in the

company. In some of the companies, this influence reportedly extends to such decisions as whether or not to make major capital acquisitions. The two types of companies do not, however, appear to differ with respect to whether or not employees are unionized. Although not specifically measured, indications are that directly owned companies have significantly fewer unionized employees than do comparable ownership-plan companies.

Employee ownership and profitability

Profit data were supplied by 30 companies. The ratio of pretax profits to sales was used as a basis for gauging profitability. Each company's ratio was then divided by its industry's 1976 ratio.[7] This weighted ratio was the primary measure of a company's pretax profitability. For five companies, however, an additional adjustment was necessary. Because these companies are directly and wholly owned by employees, they distributed a part of their "profit" to employees in the form of wages. This allocation of funds has the effect of depressing the conventional profit statement, although it has the corresponding advantage of reducing taxes. These moneys, however, should be considered as part of the company's profit for purposes of comparison with other companies in our set. To calculate the amount of money diverted from profits to wages in the five companies, the average wage differential between the worker owners and nonowner workers was used.[8] This differential in each company was added to its formally stated profit figure, and this final value was used for computing the profitability of these five companies. Although this adjustment seems appropriate as a way of maintaining comparability among companies that employ different accounting procedures, the unadjusted profit statements also were compared. This unadjusted value is, most likely, overly conservative; but there may be some utility in examining both measures of profitability.

The average adjusted profit ratio for the 30 companies was 1.7; the unadjusted ratio was 1.5. In both cases, these values, which are greater than 1, indicate greater profitability among employee-owned companies than comparable sized companies in their respective industries. However, because the variance in profitability among the 30 companies is relatively large and the number of cases is small, statistical significance is not achieved. It is also possible that the "sample" of companies may be select with respect to profitability. The results are suggestive, however, that employee ownership, in one form or another, may be associated with the profitability of a company.[9]

Table 3. Regression coefficients for the predictors of "adjusted" and "unadjusted" profitability

Predictor	Adjusted	Unadjusted
ESOT (= 0) vs. direct ownership (= 1)	-.22	-.34
Percent employees participating in plan	-.30	-.31
Percent equity owned internally	-.31	-.19
Percent equity owned by workers	[1]1.02	.78
Worker representativeness on board of directors	-.18	-.18
Employee stockholders vote	-.05	-.24
Multiple r	.72	47

[1] $p < .02$.

NOTE: The data necessary to calculate the adjusted profitability ratio are unavailable in five companies of the subset and five companies did not provide information concerning all of the predictors in this regression. The number of cases in the adjusted and unadjusted cells are therefore 20 and 25 respectively.

In table 3, the two indexes of profitability (adjusted and unadjusted) are predicted using several aspects of employee ownership in a regression analysis. The predictors include: (1) the form of employee ownership, whether direct or through a Trust (Ownership Trust is scored "0"; direct ownership is scored "1"); (2) the percent of employees who participate in the plan; (3) the percent of company equity owned by employees (by managers and workers); (4) the percent of company equity owned by the workers themselves; (5) whether employees have representatives on the board of directors; and (6) whether employee stockholders have voting rights.

These predictors jointly explain a substantial amount of the variance in "adjusted" profitability, but only one of the predictors, the amount of equity owned by the workers themselves, proves statistically significant (p less than .02); the more equity the workers own, the more profitable the company, other things being equal (beta = 1.02).[10]

The second variable of importance in this analysis, the amount of equity owned internally, has, if anything, a negative relationship with profitability (beta = -.31); but the statistical significance of this variable is marginal, at best—a coefficient of this size occurring about one out of four times by chance. Variation in "internal ownership" in this context is really variation in ownership by managerial personnel, because ownership by the workers themselves is controlled in the analysis. The possible implication, therefore, is that increases in the amount of equity owned by managers may have a negative effect if this increase is not accompanied by an increase in the equity owned by the workers. This result is not strong statistically, but it may be worth considering as a hypothesis.

The impact of the remaining variables can easily be attributed to chance, but it is interesting to see that they, too, imply, if anything, negative relation-

ships in the regression. Direct ownership (rather than through a Trust), the percent of employees who participate in the plan, the existence of worker representatives on the board, and the existence of voting rights show a negative relationship (if anything) to profitability when the percent of equity owned by the workers themselves is controlled.

Prediction of the unadjusted profitability index is not as good as the prediction of the adjusted index, the multiple correlation being only 0.47, and none of the predictors meets the usual criterion of significance. The pattern of results, however, is similar to that for the analysis of the adjusted profitability index; the one predictor that approaches a marginal level of statistical significance is the precent of equity owned by the workers.

The negative signs associated with several of the variables in table 3 do not imply (or they would not imply, even if they were statistically significant) that these characteristics are associated with low profitability; they imply (or would imply) such a negative association only under the conditions of the regression analysis where, for example, the amount of equity owned by the workers is controlled statistically. In fact, because companies where workers hold a high percent of the equity are likely also to be directly owned, direct ownership, like the amount of worker ownership itself, is positively associated with profitability.

Table 4 helps to illustrate these associations. This table shows the simple, zero-order correlations among the variables presented in the regression analysis. Correlations that are significant at the .05 level or better are indicated. We see in this table not only how the predictors may be associated with profitability, but also how the predictors relate to one another. For example, companies in which workers hold a high proportion of the equity tend to be directly owned (r = .68), to have worker representatives on the board (r = .36), and to provide voting rights to employee owners (r = .68). On the other hand, the correlation between the percent of equity owned by the workers and that owned internally (by workers and managers) is not as high as one might expect, in view of the fact that internal ownership includes ownership by workers (r = .34). The proportion of equity owned by managers in many of these companies is relatively large and "internal ownership," therefore, reflects managerial ownership more than worker ownership.

Direct ownership in this table is significantly and positively related to adjusted profitability (r = .48)—unlike the relationship indicated in the regression analysis—because direct ownership is associated with the percent of equity owned by workers, which appears from the regression analysis to be more closely associated with profitability. Voting rights is also associated with the percent of equity owned by workers and it, too, shows a positive relationship with adjusted profitability (unlike the relationship in the regression analysis), although the magnitude of the correlation does not meet the criterion of statistical significance, given the small number of cases.

The percent of employees who participate in the ownership plan, however, does not show the relationship to profitability that one might expect from the hypothesis that employee ownership has a positive effect on profitability (r = .33). The explanation may hinge on the association, or rather lack of association, between the percent of employees who participate and the percent of equity owned by workers (r = .14). Apparently, many companies that have relatively widespread employee ownership, in fact, involve only a small proportion of the companies' equity in such ownership. Many members, in other words, own very little.

Subjectively supported by managers

In a previous study, substantial sentiment in favor of employee ownership was found among both managers and workers in a company that had recently adopted an ownership plan.[11] Employee

Table 4. Correlations among aspects of employee ownership and profitability

Characteristics	Profit (adjusted) (N = 20)	Profit (unadjusted) (N = 25)	Stock plan vs. direct ownership (N = 75)	Percent employees participating (N = 75)	Percent of equity owned internally (N = 75)	Percent of equity owned by workers (N = 75)	Workers on board (N = 75)
ESOT (= 0) vs. Direct ownership (= 1)	[1].48	.27					
Percent employees participating	-.33	-.29	[1]-.23				
Percent of equity owned internally	-.02	-.06	-.10	[1].25			
Percent of equity owned by workers	[1].60	.31	[1].68	.14	[1].34		
Workers on board	.24	.08	[1].36	.08	.04	[1].43	
Employee stockholders vote	.30	.18	[1].68	-.11	-.11	[1].47	[1].22

[1] $p < .05$

ownership, they felt, contributed substantially to the satisfaction of all employees, to the motivation of workers, and, ultimately, to the productivity and profitability of the company. Records of the company also indicated that grievances and waste (in the form of expendable tools) declined and that productivity and profitability increased during the period immediately following the introduction of the plan (although profitability was higher during one period a number of years earlier).

In the present analysis, a management representative in each company was asked questions about the effect of employee ownership on productivity and profit. "Do you think that employee ownership affects profits? Does it increase profits, decrease them, or have no effect?" Similar questions were asked concerning productivity. On average, the responses to these questions indicated substantial support for employee ownership. The analyses presented in the previous section, suggesting that employee-owned companies are associated with above average profitability within their respective industries, lend some credence to the claims of these managers. However, the managers who credited employee ownership for high levels of profit did not necessarily work for the more profitable companies.

Managers in companies that were substantially worker-owned were no more likely to ascribe positive effects to employee ownership than managers in less intensively worker-owned companies even though the proportion of equity owned by workers appears to be related to profitability. On the other hand, employee ownership is more likely to be reported to have positive effects on profit where such ownership is direct, rather than through a Trust; managers also respond more favorably where workers are not represented on the board.

Each manager respondent was asked whether employee ownership affected the attitudes of workers toward their job. The average response was 0.84 on a scale from 0 to 1, where "1" means that work attitudes are better and "0" that they are worse as a result of the ownership plan. Their response, therefore, implies that these managers, on average, perceive employee-ownership plans as having a substantially positive effect on the attitudes of employees. But, according to a regression analysis, this judgment by managers may be less positive where workers have representatives on the board of directors. In general, managers were more satisfied with the plan where ownership is direct rather than through a Trust and where the percent of employees who participate in the plan is relatively large. It seems reasonable that managers should think well of the plan where participation is widespread. On the other hand, we have seen that widespread ownership, *per se*, is not associated with profitability; such ownership may very well mean that many employees own only a very small fraction of the equity—and it is the amount of equity owned by workers that appears to be most often associated with profitability.

Taking stock

Employee ownership in the United States has taken a number of forms, although examples where workers own a substantial part of a company's equity are rare. These data, although only preliminary, offer a glimpse of the possible impact of employee ownership on the economic performance of companies and employee attitudes. On the basis of this brief analysis, some tentative conclusions may be suggested: The industrial relations climate in employee-owned companies appears to be good, in the judgment of managerial respondents; managerial respondents in these companies see employee ownership as having a positive effect on productivity and profit; the employee-owned companies that have been studied appear to be profitable—perhaps more profitable than comparable, conventionally owned companies; the ownership variable most closely associated with profitability is the percent of equity owned by the workers themselves; although workers' influence in the company, as judged by managers, is a function of worker-owned equity, managers' evaluation of the ownership plan is not affected in a positive way by either the amount of equity held by the workers or the amount of influence exercised by the workers; managers appear more favorably disposed toward plans with widespread participation among employees, even though this may involve only a small fraction of the company's equity.

These conclusions are tentative. The companies that provided profit data may be select, and the analyses are based on correlations that illustrate association among variables—they do not prove causation. The results, however, are sufficiently encouraging to justify a detailed, longitudinal study of a number of companies over a period of years. Such a study should include measures of the attitudes and motivations of all employees within the companies as well as measures of company performance. If employee ownership does have an

effect on the economic performance of a company, as the data of this study tentatively suggest, the explanation may be found, at least partly, in the effect of ownership on the employees themselves.

FOOTNOTES

[1]Derek Jones, "The economics and industrial relations of producer cooperatives in the United States, 1790–1940," mimeo.

[2]"Employee Ownership," Survey Research Center, Institute for Social Research, University of Michigan, Sept. 23, 1977. Matthew J. Bonaccorso and others, "Survey of Employee Stock Ownership Plans," unpublished masters thesis, University of California, Los Angeles, Graduate School of Management, December 1977.

[3]The study reported here was done under a grant from the Economic Development Administration, U.S. Department of Commerce. The views expressed are those of the authors.

[4]Louis Kelso and Patricia Hetter, *Two Factor Theory: The Economics of Reality* (New York, Random House, 1968).

[5]The list was culled from articles in newspapers, magazines and professional journals, conversations with colleagues, and references given by persons in employee-owned companies whom we contacted.

[6]The definition of "worker" implicit in the stated procedure differs somewhat in the two types of companies. "Workers" may include foremen and salaried clerical workers in some directly owned companies, but not in stock-plan companies. Table 2, therefore, may overstate the difference in worker ownership between stock-plan and directly owned companies, although we do not believe that the definitional inconsistency accounts for the entire difference shown in the table.

[7]Robert Morris Associates, Annual Statement Studies (Philadelphia, Credit Division, 1976).

[8]These nonowner-workers performed essentially the same jobs as the worker owners and received the union wage rate.

[9]For studies in which performance of worker-owned plywood firms is compared to that of conventional firms, see Carl J. Bellas, *Industrial Democracy and the Worker-Owned Firm* (New York, Praeger Publishers, 1972); Katrina Berman, *Worker-Owned Plywood Companies: An Economic Analysis.* (Pullman, Wash., Washington State University Press, 1967); "Comparative productivity in worker-managed cooperative plywood plants and conventionally run plants," unpublished, 1976; Paul Bernstein, "Democratization or organization: theory, practice and further possibilities," Ph. D dissertation, Stanford University, 1972. See also Seymour Melman, "Managerial versus cooperative decision making in Israel," *Studies in Comparative International Development,* 1970–71, who compares the performance of kibbutz firms with conventional firms in Israel. For an analysis of companies that have substantial profit-sharing programs, some of which entail a degree of employee ownership, see Bert L. Metzger, *Profit Sharing in 38 Large Companies* (Evanston, Ill., Profit Sharing Foundation, 1975).

[10]"Beta" refers to a standardized regression coefficient.

[11]*An employee owned firm,* Survey Research Center, Institute for Social Research, The University of Michigan, Jan. 17, 1977. For a study of the reaction of both managers and workers in Israeli kibbutz, Yugoslav, American, Austrian, and Italian factories that differ in their system of ownership, see Arnold S. Tannenbaum and others, *Hierarchy in Organizations* (San Francisco, Jossey-Bass, Inc., 1974). See also Ana Gutierrez Johnson and William Foote Whyte, "The Mon Dragon System of Worker Production Cooperatives," *Industrial and Labor Relations Review,* October 1977, pp. 18–30; and Richard J. Long, "The Effects of Employee Ownership on Organization, Employee Job Attitudes, and Organization Performance: A Tentative Framework and Empirical Findings," *Human Relations,* January 1978, pp. 29–48.

Learning from foreign management

First, foreign managers increasingly demand responsibility from their employees, all the way down to the lowliest blue-collar worker on the factory floor. They are putting to work the tremendous improvement in the education and skill of the labor force that has been accomplished in this century. The Japanese are famous for their "quality circles" and their "continuous learning." Employees at all levels come together regularly, sometimes once a week, more often twice a month, to address the question: "What can we do to improve what we already are doing?" In Germany, a highly skilled senior worker known as the "Meister" acts as teacher, assistant, and standard-setter, rather than as "supervisor" and "boss."

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Clarke Professor of Social Sciences,
Claremont Graduate School,
in *The Wall Street Journal,*
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Part III. Improving Worklife Abroad

The seven articles in this section focus on efforts in Western Europe and Japan to enlist the participation of workers and their unions in programs to improve the work environment, including the nature of work itself. Because of their often impressive accomplishments, the many experiments in work and workplace design conducted in these countries during the 1970's attracted widespread attention and undoubtedly encouraged counterpart efforts in the United States.

The role of trade unions in work improvement experiments conducted during the early part of the last decade in Sweden, Great Britain, France, Italy, and West Germany is discussed by Joseph Mire. With the growth of service industries, white-collar as well as blue-collar unions became increasingly involved in these efforts, a development reviewed by Everett Kassalow. Other articles deal in greater detail with some of the programs undertaken in specific countries. A second contribution by Mire discusses joint labor-management efforts to deal with worker discontent within the framework of the Japanese industrial relations system (although in a period predating the zenith of the quality-circle movement). David T. Fisher, an American manager in a West German company, explains that country's system of codetermination as established by the Act of 1976 and other legislation. And Arthur S. Weinberg describes work council-trade union relations in the Netherlands, as well as experiments there to reduce the repetitive character of assembly line work.

The reactions of American workers to working conditions and workplace innovations abroad were examined through two adventuresome projects sponsored by the Ford Foundation. In one article, by Arthur S. Weinberg, six auto workers from the United States were reported to be rather critical of the group assembly methods and other employment conditions prevailing in Swedish auto plants. A second article, by Herbert A. Perry, describes the experiences of six longshoremen who worked at the port of Rotterdam, focusing on factors contributing to job satisfaction and dissatisfaction.

In reading these articles, it is important to bear in mind that observations and interpretations reported necessarily reflect the conditions prevailing during a particular stage in the evolution of the work humanization movement. The early to mid-1970's were years of trial-and-error experimentation in Europe, with a predictable mixture of successes and failures. Most important, however, it was a time during which a foundation was laid, particularly in Scandinavia, for more sweeping reforms brought about through legislation enacted in the second half of the decade. Noteworthy in this regard, according to a recent ILO study, is the fact that each year since 1974 has seen some European country enact additional legislation to establish or extend worker participation in decisionmaking. This preference for legislative remedies stands in marked contrast to the much greater reliance placed on collective bargaining strategies in the United States.

Improving working life—the role of European unions

A report on efforts in five countries to restructure and reorganize jobs and on the participation of trade unions in job improvement experiments

JOSEPH MIRE

EFFORTS TO HUMANIZE WORK are part of the broad worldwide concern for a better quality of life. On the shop floor and at the bargaining table, these efforts cover safety and health, improved systems of remuneration, job security, and better welfare provisions. Proposals to humanize work run the gamut of employer-employee relations from the early demand for "industrial democracy" first coined by Beatrice and Sydney Webb to the demand for worker representation on companies' boards of directors and for workers' control or self-management. More recently they have ranged to a demand for restructuring and reorganizing work to relieve the worker from the deadening impact of monotonous, repetitive, and boring work and pressures on the assembly line.

A previous *Monthly Labor Review* article described efforts to make work more meaningful through worker participation in management decisions.[1] This report describes attempts to restructure and reorganize work in several Western European nations and focuses on the role unions have played in these efforts.

There are reasons for the newly awakened interest in job satisfaction. There is an increasing uneasiness and uncertainty about the stability of the industrial relations system. Western European unions, using economic and political muscle, and aided by incredible progress in technology, have with few exceptions been highly successful in improving standards of living of workers and in securing protection against the various hazards to a worker's employment, including unemployment and advancing age. "For the first time in the history of mankind," as Arnold Toynbee pointed out, "the good life has come within reach of the masses of the people."

Yet, good pay, improved working conditions, and social and welfare legislation do not seem to assure a happy and satisfied labor force: Labor strife and unrest continue; rank and file workers seem more prone now than before to reject collective agreements negotiated by union leadership; wildcat strikes are numerous and often center on noneconomic concerns,[2] and rates of absenteeism and turnover in industry are spiraling.

The plant—an authoritarian institution?

Increasingly, unions charge that the economic and social progress achieved by workers often has

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changed very little the basically oppressive and authoritarian character of the workplace. Some workers feel they are still mere appendages of the machine and are treated as tools, hands, or a commodity in production. Many jobs are monotonous and depersonalized, allowing the individual human being no room for independent judgment or initiative in the performance of their duties and eroding the need for skills. Workplaces, machines, and tools continue to be designed by technical engineers, keeping in mind efficiency and productivity with little regard for social and human concerns. Consequently, work for too many people is as dissatisfying as it ever was.

Unions (and management) also perceive that as standards of living advance and education levels and aspirations of workers rise, there is a corresponding disinclination to do boring and unsatisfying work. Employers in many nations find they must turn to foreign workers, often to do the less desirable jobs. Western Europe today employs about 8½ million foreign workers who are doing most of the undesirable jobs. The Ford Co. in Cologne, Germany, employs 14,000 foreign workers out of a labor force of 35,000. Eighty percent of workers employed in a Renault automobile plant near Paris are foreigners. One Swedish company recently was unable to recruit a single Swede below the age of 30 for its assembly line operation.[3] In Italy too, in spite of its pockets of unemployment, companies such as Olivetti and FIAT complain of their difficulties in recruiting native labor for their plants.[4] Both management and unions are concerned lest manual labor may become a synonym for a bad job suitable only for foreigners.

On a more positive side, many union leaders and government officials see the demand for a more rewarding work experience and satisfaction not merely as a response to workers' discontent but also as a logical next step in a dynamic social policy, and part of the quest for a smooth functioning of the social and economic system. It is a demand appropriate for socially and technologically advanced industrial societies which have already met most of the early goals of the labor movement. Thus, the Swedish Prime Minister Olaf Palme sees new horizons for reform, not through further massive welfare programs, but ". . . in making work less boring by allowing workers to exercise initiative on the factory floor."[5] Similarly the Austrian Minister of Finance, at a meeting of economic experts of the Socialist Party called for a qualitative full employment policy to replace the present quantitative full employment policy. "It is not enough," he said, "that everybody has a job but that he has the kind of job which is best suited to his interests and ability."[6] Many trade union leaders have spoken in the same vein. Arne Geijer, former President of the Swedish Trade Union Federation, called for the integration of the production processes with decision-making and control functions ". . . in order to increase personal responsibilities and with it job satisfaction within the enterprise."[7] The Austrian President of the Union Federation, Anton Benya, in an address to the union's conventions,[8] stated: "Next to achieving material benefits for workers, we must also search for ways to improve the quality of life."

These considerations have combined to prompt many companies and unions to focus on the nature and organization of work as the main hope for relieving workers from boring, repetitive, and generally unsatisfying work. A whole roster of programs and approaches has been developed, which includes job enrichment and enlargement; job rotation; team work; small production islands to replace the assembly line; elimination of time clocks; shortening of working hours or extension of rest periods for monotonous work or both; flexible working hours; equalizing of working conditions between blue- and white-collar workers; alternate employment of workers on administrative and manual jobs; election of spokesmen from even the smallest units in the plants; and finally also efforts to secure representation for workers on the supervisory boards of management.

The following is a brief description of specific efforts to reorganize and restructure jobs and of union attitudes towards these efforts in selected Western European countries—Sweden, Great Britain, France, Italy, and West Germany.

Varying means and goals

No consensus exists as yet as to which of these measures—or combination of measures—is most effective. What works in one place or one country may not work somewhere else and transferability of experiences from one plant to another has proven very difficult. There are presumably some jobs which are beyond redemption and the only solution may lie in further technology. Some jobs can be made more attractive, if not more enobling, by raising the pay. Again others can be made more acceptable if workers are given some discretion on how, when, and at what pace to perform their duties.

Nor should it be assumed that unions in Western Europe have arrived at a unified policy to deal with job satisfaction. In Scandinavia, unions have actually taken the initiative in proposing to management joint experimental programs to deal with job monot-

ony and assembly line work. At the other end of the spectrum, some unions flatly refuse to become involved in programs having to do with production problems or job satisfaction either on the ground that this is a management responsibility and/or that "they would not want workers to become too happy or the private enterprise system too successful."[9] In between, most of the unions are taking an attitude of "interested concern" or "wait and see," going all out neither for nor against programs dealing with job satisfaction. If the results are beneficial to the workers, the unions will usually go along.

The caution shown by the trade unions must be viewed in the light of their experiences with previous schemes to "humanize" the working place and also in the light of their own institutional interests. Many unions fear that programs to improve job satisfaction are either disguises to speed up production, or worse, merely anti-union devices, even if there should be a financial spin off for the workers.[10] Promises for more job variety and autonomy are seen as attempts to divert workers' attention from more pertinent—and more costly—union objectives.

Also, for trade union leaders, especially those who have lived through several depressions, there is the fear that improved job satisfaction may result in higher productivity and thus, at least in the short run, reduce the number of available jobs. Still other unions fear the impact job restructuring may have on established institutional arrangements for skill requirements, wage differentials, transfers, and promotions, all of which are often drastically altered by the introduction of a new work organization such as teamwork or the breakup of the assembly line and its replacement by production islands.

Last, but not least, unions are prone to point out that there has been no rank-and-file articulation of the demand for union action on job improvement programs (although such failure may tell more about the worker's estimate of what a union can and can not do rather than whether or not workers are satisfied with their jobs). In the absence of any definite policy on work restructuring and job satisfaction among most unions, the degree of participation in management programs is largely left to workers and union representatives in the plant. That is where a good deal of sharing in the decisionmaking is going on on a more or less informal basis.

Significant joint effort in Sweden

A recognized pioneer of social and economic reforms, Sweden has now also become one of the world's foremost laboratories for the humanization of the workplace. Unions and companies in Sweden are currently engaged on a substantial scale in joint programs to redesign tools, machines, plants, and the organization of work to allow workers more variety on their jobs, more discretion on how to do their jobs, more opportunities for individual growth and participation in problem-solving situations, and, consequently, more job satisfaction. These results are to be achieved in conjunction with rising productivity since, realistically, it is felt that increased job satisfaction at the expense of productivity—and therefore also at the expense of income of the workers—is an untenable proposition.

On the management side, interest in job satisfaction of workers has been prompted by high rates of turnover and absenteeism, serious difficulties in recruiting labor, especially for assembly line operations, and increasing friction between workers and supervisory personnel resulting in an alarming recurrence of unplanned work stoppages. On the union side the case for job improvement was succinctly formulated in its program for "industrial democracy" adopted at the 1971 Congress of the Swedish Trade Union Confederation (LO). Taking note of the "glaring difference which exists between conditions at work and those outside the factory gates, where social reform had transformed the whole character of life," the federation considers it inevitable that the individual workers' interests should "turn to other aspects of his working life than wages and working conditions in the narrow sense. The workers increasingly look for more job satisfaction and a better environment. . . ."[11]

The result of these mutual concerns, given the highly centralized labor market policy of Sweden, and its very mature level of employer-employee relationships, has been a very significant joint labor-management effort to come to grips with workers' dissatisfaction and to engage in programs of experimentation with a view to adjusting work to the workers rather than, as in the past, having the worker adjust to the job. Although job redesign experiments have not been limited to the automobile industry, outstanding examples are provided by two Swedish automotive companies, Saab and Volvo.

Saab began its experimentation with job improvement programs at Scania in 1969. The plant manufactures trucks and Saab engines, and employs about 5,000 people. After exploratory talks with the Metal Workers Union, it was decided to form a joint "Reference Group" to guide and assist in the development of the program. For its initial trial run, this group selected two operations in the chassis department, engine finishing and small bore piping. In each section a production and a development group was formed; the former to propose

changes in the work organization and the latter to suggest improvements in the everyday cooperation between workers and supervisory personnel and the various specialists. Forty people in two production and two development groups initially took part. By early 1973 their numbers had grown to over 1,500 workers in 130 production and more than 60 development groups. Ultimately all employees are expected to be active participants in the program.[12]

Both management and workers seem well-satisfied with the results to date, although the road to success has not always been smooth. Production goals have been met, quality improved, and turnover and unplanned work stoppages significantly reduced.[13] Many valuable ideas have come, spontaneously, out of the group. As byproducts, the company and union also point to better relations between workers and work study personnel and less opposition—or criticism—to the introduction of new tools and methods, since those matters are now being discussed at length at the periodic meetings of the development groups. Also, company and workers' representatives no longer talk of "experiments" and all are agreed that it would be very difficult to go back to the old assembly line.

Many of the experiences gained at Scania have since been incorporated into a new engine factory built in 1972. There the assembly line has been replaced by a "group assembly" and the principle of using production and development groups have become generally accepted. In fact, some of its features are now being applied to office employees. Also on the drawing board are plans to involve the development groups in the preparation of the annual budget of the company and to train workers and supervisory personnel in such fields as "working in a group," knowing the product, industrial economics and engineering, and work simplification.

Volvo, like Saab, started its program in the late 1960's with the full encouragement, endorsement, and cooperation of the Metal Workers Union. As a first step, the union negotiated with management an agreement providing for the establishment of specific minimum standards for the physical environment in the plants, applicable to all Volvo factories and offices. Their aim, of course, was to reduce risks to health and safety. Next, in line with a recommendation of a committee composed of union and management representatives, a number of project groups and factory committees were formed to consider proposals for the improvement of job satisfaction.

At Volvo Torslanda, some 1,000 workers participate in a job rotation program. Workers change jobs every day, or in some departments, every 4 hours. For example, one group will assemble fuel pipes on Monday; fit side windows on Tuesday; fit car interiors on Wednesday; assemble rear parts on Thursday; and fit fuel pipes again on Friday. The system requires that workers learn to do four jobs instead of only one and, to make this possible, the company has introduced an elaborate training program. At Volvo-Lundbywerken, which produces trucks and buses, teamwork was introduced. Groups of up to nine workers are given a work assignment and they decide for themselves who does what. The teams elect their own foreman—on a rotating basis—and they do their own training, with the cost of the training borne by the company. Production problems are discussed with management at monthly meetings. A new production technology was installed in a new engine factory built by Volvo at Skovde. Here the assembly line has been completely replaced by small "work groups." Built-in "puffer zones" give workers and/or the work groups a chance to determine their own workpace as well as rest periods. The work groups are fully responsible for quality control, processing of raw materials, and tool inventories. Each work group takes care of the transport of motors from one workshop to the other. The company employs 600 workers and produces 25,000 engines annually. The most advanced Volvo plant has just been constructed at Calmar. It incorporates at this new assembly works all the positive elements of the experience gained in other Volvo plants, after earnest and detailed discussions with all concerned, including the union, the factory central committee, and, most important, the workers themselves. Work groups of up to 20 workers were established for each operation, such as electric system, instruments, brakes, and wheels. Within the groups the workers themselves decide on who does what, what the pattern of the operation should be, and the beginning and ending of the work shift. Electric trucks are used to transport car bodies between the departments. The layout of the plant maintains a small shop atmosphere because a great number of dividing walls separate adjoining workrooms, and each room has its own entrance, restroom, and puffer zone. The plant will employ 600 workers and is expected to produce 30,000 engines annually.

Efforts in Great Britain

Because of our common heritage, the British system of industrial relations is closest to the American system. But there are some important differences. The trade union structure, while democratic, is also very untidy. Craft, industrial, and general unions function side by side, often competing and bargaining for the same skill. No union has exclu-

sive jurisdiction. Consequently, there is no industry with only one union, but some with as many as 20 unions. There is an emphasis on national agreements —with varying degrees of supplementary bargaining left to the local plant organization—and a heavy reliance on unwritten and uncodified understandings and practices. Shop stewards, functioning across jurisdictional lines, take part in plant negotiations and guide union policies. They are, unfortunately, also responsible for a good portion of unauthorized strikes. Disputes about rights, arising out of a collective bargaining agreement, are settled by internal joint machinery rather than outside arbitrators as is so common in the United States.

In June of 1973, the Trade Union Congress (TUC), the British counterpart of the AFL–CIO, took the first important step in the field of job satisfaction when it joined with the Confederation of British Industry and the Government in the establishment of a Tripartite Committee on Job Satisfaction. The committee has nine members—three each from government, business, and labor—and is chaired by the Minister of State, the second highest official in the Foreign Service. The committee does research and offers advice and assistance to companies which wish to engage in experimental job satisfaction programs.

The TUC has agreed to serve on the committee though it has not yet adopted an official position on the issue. Job satisfaction is viewed by the TUC only as a part of its larger demand for "industrial democracy" or, more specifically right now, as part of its demand for worker representation on the supervisory boards of management.[14] The TUC position, according to responsible spokesmen, is that before workers should be asked to join in job restructuring programs, they should be given a larger share in the economic decisions of the company. This position notwithstanding, the TUC has encouraged participatory arrangements at the floor level.

Examples of trade union participation in programs to restructure jobs can be found in the petroleum and tobacco industries, electronics, and banking, all of which have much routine work and therefore serious problems of turnover and/or absenteeism. The Phillips Electronic Co. has been heavily engaged for many years in a variety of approaches to improve work satisfaction. It operates some 20 plants in Great Britain, with about 65,000 employees, and employs three behavioral scientists to assist in experimental programs. The company has introduced teamwork in several plants. Although workers were invited but not forced to participate, more workers volunteered than could be accommodated. No less than 16 unions are involved, with the major union being brought in at every stage of the planning. The teams do their own training, administration, maintenance, and stock control. Productivity moved up moderately and so did pay. More important, absenteeism declined and quality improved. All employees are encouraged to learn at least two or three tasks. A new technology is about to be introduced in a 5-year-old plant producing washing machines. A "working party" composed of engineers, efficiency experts, and shop stewards has studied its likely impact on workers and has come up with pertinent recommendations on teamwork.

Teamwork has also been introduced at several plants of the Imperial Chemical Co. It has been supported fully by the General and Municipal Workers Union which termed the program an outstanding success, inasmuch as it raised productivity and pay and reduced turnover and the number of disputes. Key to the success, according to the union, has been the involvement of the workers who assisted, at weekly staff meetings, in identifying jobs workers do and those they can do. Those doing routine jobs were given additional responsibilities, including testing, cleaning, and repairing.

The Transport and General Workers Union maintains a position of neutrality on job improvement programs, neither encouraging nor discouraging their local branches from participation in company-initiated programs, except for those dealing with such narrowly defined issues as health and safety, which are being pressed hard by the union. Also, the union has made special efforts to raise the pay for low-skilled workers. The union position is that pay hikes are the real reason there has been no serious problems of worker turnover or absenteeism in companies under its jurisdiction and no rank-and-file demand for improved job satisfaction. The union is interested in experiments in other companies abroad and top officials plan to visit the Volvo plant in Sweden.

By contrast, the Amalgamated Union of Engineering Workers seems very definitely cool to any suggestion that it should cooperate with management on production problems. Work satisfaction under capitalism is held to be an elusive goal which the union has no desire to achieve anyway. The union has been invited by the TUC to serve on the Tripartite Committee on Job Satisfaction but has declined. Yet the union is asking for a vast extension of the scope of collective bargaining. The union is interested in new technology, shorter hours of work, and higher pay rather than restructuring jobs

as the solution to boring work.

In the British steel industry, cooperation on production problems has long been practiced. The Iron and Steel Workers Federation is brought in at every stage of new designs for tools, machines, or plants. This type of full cooperation has continued uninterruptedly through private and public ownership, and concern for productivity and the competitiveness of the industry has always ranked very high with the union. It recently gave its approval to an industry plan which will reduce employment in the steel industry within the next 10 years by some 50,000 to 60,000 workers.

In banking, the Union of Bank Employees takes a strong interest in job satisfaction. Menial jobs abound in banking, and turnover rates vary from 15 to 20 percent per annum. This worries the union even more than management because the training cost of new employees is minimal. Therefore, the union is cooperating fully in endeavors to create more meaningful work in banking. An Interbank Research Organization has just been established to research problems of job satisfaction. It is trying to estimate the technology which will govern banking in the coming decade and determine the kind of adjustments which can and should be made now.

Management initiative in France

Trade unions in France are split along ideological lines into three major federations: The Communist General Federation of Labor; the Democratic Federation of Labor (formerly the Christian Federation of Labor); and the Socialist Force Ouvriere. Total membership is less than 20 percent of all workers, the lowest of any Western European country. Union dues are low, payment irregular, and, consequently, the financial structure weak. The Government plays a large role in setting economic and social policies, including wages, in public as well as private employment. A polarization of interests dominates labor-management relations, the former committed to the class struggle, the latter often still inclined towards paternalistic attitudes, viewing the plant as an extension of the family.

In November 1973, the French National Assembly passed a law creating an independent Agency for the Improvement of Working Conditions. Its major purpose is to focus on problems of job satisfaction. The agency will collect information about significant achievements by companies, organize training seminars, and offer assistance to companies or unions wishing to promote experimental programs. A tripartite Board has been established composed of five representatives each from labor and management, three representatives from Government, and two academics. All major unions have promised to cooperate, though some with the declared intention to direct the efforts of the agency towards matters of health and safety rather than job restructuring or other production problems.

About 30 large companies as well as some nationalized industries, including the Postal Service, are engaged in action-research programs dealing with work reorganization to improve job satisfaction, though precise information is hard to come by. Unions are being informed and consulted, but as a rule not asked to officially endorse the program, which they would be most reluctant to do. However, companies generally have managed to get worker and union support at the plant level.

Of the three major union federations, the Force Ouvriere is most receptive to job satisfaction programs. It wants to get away from the assembly line and is concerned about the resistance of young people to do any kind of manual labor. The federation has large membership in the public service and in banks and insurance companies, where mechanization is now being pushed in earnest and boredom is widespread. Several local union branches of the federation are involved in experimental programs, and their reports have been quite favorable.

The Democratic Federation of Labor is interested in job satisfaction because of its strong theoretical commitment to a system of self-management. It wants to eliminate all piecework as well as shiftwork, the latter because it interferes with family life, and it is trying to reduce the spread in income between various skills of workers. In actual practice, perhaps for reasons of competitiveness, the union is shying away from openly cooperating with management on production problems. The Communist General Federation of Labor is pragmatic. It opposes cooperation on production problems as a matter of principle, but will go along, and—if past experience is a guide—share the credit, if the experimental programs should be successful.

Given the general reluctance of all three federations to openly cooperate with management on production problems, companies are pretty much left free to reorganize work, conceded by the unions to be a management prerogative. Also, French unions seldom have the strength at the plant level to oppose such programs even if they wished to do so. Nor do they attach a high priority to job satisfaction because of other more pressing problems. All three federations have been pushing very hard for a harmonization of pay and other working conditions between blue- and white-collar workers. Much of the differentiation in sickness benefits, vacations, and holidays, for example, already has been eliminated.

Monthly pay has been negotiated by all three federations in an agreement signed July 1970, which became effective in two steps January 1972 and July 1973 respectively.

The Renault Automobile plant, a nationalized enterprise, has been a leading pioneer in job restructuring. It tried most of the known approaches with as many plants and workers as possible to find optimum solutions. First, the company concentrated on improving the physical conditions to correct what unions called the "inhumanity of industry." Then, job enrichment and rotation, teamwork, and other changes in the assembly line followed. For example, workers producing a new type of radiator were given additional responsibility for quality control. In a new plant at Donde, the general assembly of cars was broken down and reorganized so that workers could stop work without stopping the whole assembly line. Thus the pressure on each group has been lessened. At Le Mans, the assembly line was changed in two steps. First, workers were instructed to learn two or three operations which allowed them to move with the piece instead of doing only one operation always standing in the same place. Later, the assembly line was completely eliminated and replaced by "production islands." Four workers now work at a table surrounded by containers. The unions, according to a company spokesman, remained aloof initially but could not object when the workers liked it.

Job redesign in Italy

Many of the features described earlier for France also apply to the trade union scene in Italy, that is, unions are split along political or religious lines, dues are low, the financial structure of unions is relatively weak, there is heavy reliance on political as against economic action, employers are often paternalistic, attitudes are polarized, and there is a strong syndicalist and anarchist tradition. A problem peculiar to Italy is the existence of a "black market" for jobs. Small, unorganized shops operate in violation of most of the protective labor legislation, including social insurance, and pay little, if any, taxes. These enterprises defy Government and union attempts to eliminate them because the workers employed in these "sweat shops" support and defend the system. It is estimated that some 10 percent of the Italian labor force may be employed in such jobs.

The three major union federations are: The communist Italian General Federation of Labor; the Demo-Christian Confederation of Labor; and the socialist Italian Union of Labor. Of these, the Italian General Federation of Labor is the strongest. All three federations are on record as favoring the humanization of the workplace and the improvement of the quality of life. Their interests are directed primarily at measures to improve health and safety, to equalize working conditions for blue- and white-collar workers, and to reduce the gap in wages of workers with different skills. Unions view job enrichment programs, teamwork, and elimination of the assembly line in a larger context: They would like to see workers given more say not only on how to perform but also on what to produce. For example, the Agricultural Workers Union recently demanded of management changes in production goals to introduce more labor-intensive crops as well as crops oriented towards a "social purpose," such as wheat in the place of artichokes. Not unexpectedly, the demands were rejected by management but the demand for "social control" continues to play a powerful part in the propaganda arsenal of all three union federations. On the local level, companies experimenting with job restructuring have found it, generally speaking, not difficult to get cooperation from the respective unions. Two examples are provided by Olivetti and FIAT.

At Olivetti, job enlargement has been going on for a long time as a continuing process of improving production methods. More recently the principle of "production islands" has been introduced in the manufacture of electronic calculators. Under this system groups are comprised of four workers instead of 100 or more as previously on the assembly line. The workers now do a complete subassembly and also their own repairing and testing and, as a result, have all been put into higher classifications. A much higher proportion than previously is now being carried on the payroll as skilled workers, usually after undergoing short training programs. Job redesign, the company feels, has been very instrumental in improving work discipline and in reducing an abnormally high rate of absenteeism. Besides, it has injected a new image into the industry. After some initial reluctance, unions have been cooperating fully in the program.

The FIAT Automobile Co. started looking into job satisfaction in 1969 when it was expanding so rapidly it had to import labor from southern Italy. These workers found conditions in industry "shockingly inhuman." They missed working at their own pace, lacked work discipline, and disliked the assembly line. FIAT began by applying job enrichment to workers not on the assembly line. Workers were given additional responsibiliites such as quality control, minor repairs, and preparing machines for operation. Then job enlargement was applied to the assembly line, first to the production of auto bodies. The speed of the assembly line belt was slowed from

1 minute to 4, and workers instructed to do several operations. Finally, at a new plant established at Termoli in 1972, the assembly line is used only to move motors and the actual work is done by teams off the assembly line on production islands. According to interviews with both union and company officials, the programs have been quite successful in reducing absenteeism and in moving a larger proportion of workers into higher skilled jobs and therefore enabling them to earn more pay. Turnover has not been a serious problem, since Italian workers traditionally have not been very mobile.

Research efforts in Germany

Although democratization of work has been discussed widely and thoroughly for a number of years in Germany, the interest thus far has been largely theoretical. Only a few companies are actively engaged in experimental programs specifically addressed to the promotion of job satisfaction.[15] Several German automobile executives have traveled to Sweden to observe the programs at Volvo but have not yet changed their technology.

The Ministry of Labor and the Ministry of Science and Technology have joined in creating a special commission whose task is to formulate a research program aimed at the development of alternative—and more humane—work organizations. The commission also will make recommendations for the support of experimental programs to humanize work. It will start its work this fall.

The trade unions have initially thought mostly in terms of a "democratization" rather than restructuring of the workplace. They have tried to seek an increase in the decisionmaking power of workers, partly through an amendment of the German works council law, providing for the election of "Gruppen sprecher" (group spokesmen) to give smaller units in plants an opportunity to share in the decisionmaking, and partly through an extension of the law on codetermination giving workers in all industries equal representation on the supervisory boards of management.[16] Subsequently, enthusiasm and support for the election of "Gruppen sprecher" cooled considerably and the demand has been dropped, focusing union efforts now almost exclusively on the extension of codetermination.

Intensive research, however, continues at the Central Trade Union Federation, (DGB) under the auspices of the Institute for Economic and Social Research, an independent arm of the Union Federation. An interdisciplinary team project, with representation from the fields of economics, political science, sociology, and engineering, is trying to determine the nature and content of a "labor-oriented technology." The emphasis is on empirical, socioeconomic research studies on how best to protect workers interest in such a new technology. The interests of workers are defined as requiring for every job some ability, some decisionmaking, some opportunity to advance, and some social contact. It is hoped that the sum total of their research will provide the elements of a systematic labor-oriented theory on job improvement.

EACH COUNTRY, industry, and company has to find its own solution to the problems of work dissatisfaction. It seems likely that unions will be increasingly pressed by management initiatives, on the one hand, and their own desire to enhance the dignity of workers and improve their quality of life, on the other, to explore alternatives to the present work organization. In view of the union's role as spokesman for the human factor in industry, and as a vital instrumentality for effecting social and economic change, it is difficult to see how the goals of job improvement could be achieved without the fullest and wholehearted cooperation of the trade union movement.

———*FOOTNOTES*———

[1] Joseph Mire, "European workers' participation in management," *Monthly Labor Review*, February 1973, pp. 9–15.

[2] Even West Germany, with its tradition of union discipline and tight union structure, had no fewer than 370 wild cat strikes in the metal industry in the first 10 months of 1973. (*Arbeit und Wirtschaft*, Austrian Federation of Trade Unions, Vienna, December 1973).

[3] Basil Whiting, Program Officer, Ford Foundation, statement before the Senate Committee on Employment, Manpower and Poverty, July 26, 1972.

[4] Personal interviews, October 1973.

[5] Quoted in *Readers Digest*, April 1, 1974, p. 174.

[6] *Die Zukunft*, Vienna, May 1973.

[7] *Industrial Democracy in the Seventies*, Swedish Federation of Trade Unions, Stockholm, 1971.

[8] Vienna, 1971.

[9] Personal interview with a research director of a large trade union in Great Britain, November 1974. This position is, admittedly, equivocal, since this union, like all others, is bargaining with management on a number of issues, all of which aim at improvement of working conditions and thus aid in the survival of the "system."

[10] See also Donald F. Ephlin, "The Unions' Role in Job Enrichment Programs," in proceedings of the winter 1973

meeting of the Industrial Relations Research Association.

[11] *Industrial Democracy*, Swedish Trade Union Confederation, Stockholm, 1972.

[12] The Saab-Scania Report, Swedish Employers Confederation, Stockholm, 1973.

[13] Pehr G. Gyllenhammar, President of Volvo, in a speech at the Swedish-American Chamber of Commerce in New York City on Mar. 26, 1974, estimated that a reduction of only 1 percent in turnover and/or absenteeism justifies an investment of $30 million, for a company employing 10,000 people.

[14] Until quite recently, the TUC had been opposed to any involvement in any aspects of management, outside of collective bargaining. The switch in its present attitude towards representation on the supervisory boards of management may have been influenced by the fact that a proposal providing for such representation has been included recently in a draft document of the Common Market Organization.

[15] For some examples, see Mire, "European workers' participation."

[16] Such representation at present is limited to coal and steel industries.

Not just a passing vogue

This growing interest in workers' participation is all the more remarkable if one considers the larger environment in which it has recently developed. In many countries it was originally conceived in a period of growth and expansion, when the main issues related to the redistribution of wealth. As recession, unemployment, and inflation set in, both managements and trade unions were faced with tougher questions, namely job security and even the survival of enterprises themselves. At a time when managements were supposed to expedite decisionmaking in order to facilitate the quick adoption of contingency measures, certain forms of workers' participation loomed, in the eyes of some employers, as an additional challenge, if not as a handicap, to business operations. For the trade unions, workers' participation in times of recession entailed a shift of emphasis from the traditional concern with bargaining, wage rates, and the securing of better conditions of employment to the attainment of a bigger role in the running of enterprises. This was not an easy change, particularly for those unions which had reservations as to their involvement in management or were hesitant to promote workers' participation bodies likely to compete with them.

The fact that workers' participation has continued to develop in lean years shows that it is not just a passing vogue but a lasting and deeply rooted movement. To be sure, there have been some setbacks, particularly as regards workers' representation on company boards, as well as feelings of frustration at the limited success of efforts to expand shop-floor-level experiments. By and large, however, it is safe to say that there has been a continuous move towards more extensive forms of workers' participation in general.

——E. CORDOVA, International Labour Office,
in "Workers' Participation
in Decisions Within Enterprises: Recent
Trends and Problems," *International
Labour Review*, Vol. 121, No. 2,
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White-collar unions and the work humanization movement

In both developed and developing countries, service industries and white-collar occupations have expanded; increasing white-collar unionization in economically advanced nations points to a new concern with shaping satisfying jobs

EVERETT M. KASSALOW

Worldwide economic development since World War II has transformed the labor force distribution among industries and occupations in both developed and developing countries, with service industries and white-collar occupations showing the greatest growth. This shift has spurred white-collar unionization, just as it has altered the concerns of blue-collar unions in many countries. Reflecting these changes in labor force distribution, many unions are turning more and more toward issues of "work humanization," toward an increased concern with participation in the organization of job tasks and with development of jobs that are intrinsically satisfying.

Shift in distributions

The advances in personal income registered by most countries in the postwar period have been accompanied by a large increase in the demand for services. As family income has risen, some increased spending has gone for automobiles, appliances, and other hard goods, but—especially in the past decade—a greater proportion of the rising income has been spent for services such as education, medical case, insurance, travel, and recreation. Naturally, the labor force has reflected these expenditure trends, and the service sector of the economy has led the way in labor force growth.

A recent International Labor Office survey shows the service sector of the work force leading the way in practically all the developed countries.[1] For example, in Belgium, the service or tertiary sector (including commerce, finance, insurance, and community, social, and personal services) grew from 38.9 percent of employment in 1947 to 52.5 percent in 1970; in Canada, from 45.3 percent in 1951 to 61.3 percent in 1971; in France, from 34.3 percent in 1946 to 47.8 percent in 1970; in Germany, from 32.3 percent in 1946 to 41.9 percent in 1970; in the United Kingdom, from 45.8 percent in 1951 to 50.3 percent in 1966; and in the United States, from 53.6 percent in 1950 to 62.1 percent in 1970. There is every reason to believe that those trends will continue—and spread to other countries as well—in the years ahead, as concern for education, health, and the environment grows.

Although fewer data are available, the service or tertiary sector has also been expanding rapidly in most developing countries. For example, in Brazil, this sector grew from 26.4 percent of employment

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in 1950 to 38.0 percent in 1970; in Mexico, from 21.9 percent in 1940 to 26.9 percent in 1960; and in Egypt, from 19.3 percent in 1937 to 29.8 percent in 1960. The reasons for this flow to the service sector in developing countries are not as clear as those for developed countries, but they do seem to relate to migration from rural to urban areas. And in the urban areas, many new plants are so highly mechanized that they offer relatively few industrial jobs. There is also a strong, rising demand for services in developing countries. Moreover, as a study of the service sector in Mexico suggests, the lower rate of productivity in services than in the industrial sector adds to the relatively higher demand for service labor.[2]

These labor force shifts among industrial sectors have naturally entailed dramatic changes in occupational distributions as well. More employment in schools, hospitals, and insurance companies generally means that professional, technical, and clerical jobs expand more rapidly than those for farmers, laborers, assemblers, or other blue-collar workers. The growth of white-collar jobs has been in progress in many developed countries for most of this century; only in the last decade or two, however, have white-collar workers come to outnumber blue-collar workers in the most highly developed economies. (See table 1.) Most labor force experts in developed countries expect the growth of white-collar employment to continue. A recent government report in Japan found white-collar employees constituting 38.7 percent of the labor force in 1973 and projected expansion to about 46 percent by 1985.[3] For the United States, where white-collar workers were 48.6 percent of the work force in 1974, the proportion is expected to rise to 51.5 percent by 1985.[4]

In most of the developing countries for which longitudinal data on occupational distributions are available, white-collar employment seems to be increasing rapidly, also. For example, white-collar workers expanded from 15.6 percent of the Mexican labor force in 1950 to 23.1 percent in 1970. During this period, overall employment rose by 55 percent, while the number of employed white-collar workers grew by 129 percent. In Chile, white-collar workers rose from 20.4 percent of the work force in 1952 to 26.8 percent of a much larger work force in 1970. In Turkey, they rose from 4.7 percent of the work force in 1950 to 8.7 percent in 1965.

Although it is customary to emphasize long-run demand factors in explaining the growth of the tertiary sector, Yves Sabolo called attention to changes on the labor supply side. He found that income prospects, for equal qualifications, "seem better in much of the tertiary sector than in industry. .

Table 1. Occupational distributions of employed workers, selected countries, 1947–71

[Percent]

Country	Total	White collar	Service	Blue collar	Agricultural, fishing, and forestry	Other (not classified)
Australia						
1947	100.0	32.4	7.3	42.3	14.8	3.2
1971	100.0	41.4	7.4	38.8	7.7	4.7
Canada						
1950	100.0	33.7	7.8	38.1	18.9	1.5
1971	100.0	46.3	12.3	31.7	7.7	2.0
Finland						
1950	100.0	16.0	7.4	30.0	46.0	.6
1970	100.0	30.0	10.5	38.7	20.0	.8
Japan						
1950	100.0	23.5	4.0	24.4	47.8	.3
1970	100.0	36.4	7.7	36.5	19.2	.2
New Zealand						
1951	100.0	32.0	7.1	41.6	18.8	.5
1971	100.0	41.9	7.1	38.3	11.7	1.0
Sweden						
1950	100.0	27.2	9.2	43.0	20.3	.3
1970	100.0	41.3	9.6	40.8	8.0	.2
United Kingdom						
1951	100.0	29.3	14.6	42.4	5.6	8.1
1971	100.0	42.6	11.8	40.1	2.9	2.5
United States						
1950	100.0	36.0	11.0	39.0	12.0	2.0
1970	100.0	48.1	11.4	35.8	3.1	1.6

NOTE: Figures from *United Nations Demographic Yearbook*, various years, for economically active populations, have been rounded in some cases. (Canadian figures for 1971 taken directly from 1971 Canadian Census.) Occupational categories may vary slightly between countries, and, for example, for the most recent year some countries used the International Standard Classification of Occupation for 1958 instead of 1968. Moreover, within countries the shift from 1958 to 1968 makes very close comparisons doubtful; but generally, blue-collar workers include those in production or related jobs, miners, construction workers, truck drivers, laborers, factory operatives, skilled craftworkers, and the like; service workers include protective, lodging, food service, and similar personnel; white-collar workers include professional and technical, managerial, clerical, and sales personnel. "Other" usually includes those not elsewhere classified, or those whose occupations were not known. Those in the armed forces have been subtracted from the totals. Unemployed workers are in a few cases included in their occupational categories; in 1 or 2 cases, certain aboriginal groups are excluded. During these years, occupational definitions have been modified slightly in some countries—for these and similar reasons small changes within countries and between countries are not significant.

. . Secondly, as a result of the content of education and increasing labor force participation by women, there is an increasingly pronounced preference for employment in the tertiary sector rather than in the secondary sector." This trend in personal tastes in the developed countries "has led the machines to be preferred to the plough and now for the pen to the machine," he added. "This trend has also made a sudden emergence in the developing countries."[5]

White-collar unionization

The continuing growth of white-collar employment suggests that unionizing these workers must be increasingly important to organized labor, particularly in developed countries. Traditionally, most union movements (especially those before World War II) have been based upon blue-collar workers. In addition to representing their members at the workplace, these unions have generally supported political causes such as social welfare legislation, tax reform, and economic planning. As the proportion of white-collar workers expands, the political influence of organized labor may decline unless the degree of white-collar unionization increases as well.

What are the trends in white-collar unionization? Briefly, there appears to be a general relationship between the levels of blue- and white-collar unionization in most developed countries, as blue-collar organizing has typically led the way for white-collar movements. An Australian scholar, D. W. Rawson, recently summarized blue- and white-collar unionization rates for developed countries around 1971 and noted that Sweden had the highest rates of unionization for both blue- and white-collar workers.[6] The following tabulation gives Rawson's figures for the percentages of blue- and white-collar workers who belong to unions in six developed economies:

	Blue collar	*White collar*
United States	56	13
Germany	42	24
Britain	53	38
Australia	64	41
Norway	65	58
Sweden	80	70

Although white-collar unionization still trails blue-collar in each country, white-collar organizing has been gaining ground rapidly in many countries. In Sweden, for example, the leading white-collar federation increased its membership 172 percent between 1955 and 1975, while the blue-collar federation advanced 39 percent. Admittedly the blue-collar LO (Swedish Federation of Trade Unions) had already organized a majority of its potential members by 1955, but it is also significant that the white-collar federation went from about one-fourth the size of the blue-collar LO in 1955 to half the size (951,000 members) in 1975. In Great Britain, Professors Robert Price and George Bain estimate that white-collar union membership grew from 1.9 to 3.6 million from 1948 to 1974, an increase of 83 percent.[7] Blue-collar unionization in Britain was practically stable during the same period.

Although it is difficult to find comparable data for most other countries, a few additional figures may be of interest. As a whole, the predominantly blue-collar Danish Federation of Trade Unions (LO) increased 47 percent from 1955 to 1975; the LO's large white-collar affiliate, Commercial and Clerical State Employees, expanded by 184 percent. While the entire German Federation of Trade Unions (DGB) increased membership by 20 percent from 1955 to 1975, the number of unionized white-collar employees in the federation (excluding civil servants) grew 104 percent—and hundreds of thousands of other white-collar workers belong to a separate group, the German Salaried Employees' Union. The Austrian Federation of Trade Unions (OGB) increased 35 percent from 1955 to 1975; the private white-collar employees union expanded 67 percent, becoming the OGB's largest affiliate.

Work humanization

The growth in white-collar unionization has coincided with an increased interest in the work humanization movement, which seeks to develop intrinsically satisfying jobs. White-collar union members, who are likely to be better educated and more receptive to changes in job design, seem to accept work humanization efforts more readily than many blue-collar workers.

To date, most work humanization activities have centered in the developed countries, though some aspects (such as the campaign for improved safety from dangerous machinery and chemicals) have been more universal. (The drive for worker participation in top management, which has at times gone hand in hand with the work humanization emphasis on job redesign, has also been concentrated in developed countries.) But in a very real sense, the movement for more satisfying jobs is a natural outgrowth of the traditional concerns of unions everywhere, concerns that led to historic struggles against inhumanly long hours of work and atrocious working conditions.

The work humanization movement's special contribution is its suggestion that work should *satisfy* the workers, that jobs should be more than just a way of earning money. Previously, work has gener-

ally been viewed as a necessary evil—perhaps more evil for an underground miner or automobile assembly worker, less evil for a teacher or bank employee, but still something to be endured in order to obtain satisfaction elsewhere. To put it more elegantly, work was looked on as something instrumental to consumption; the essence of the work humanization movement is that work should also be intrinsically satisfying.

Of course, there have always been some workers—many professionals such as doctors or teachers, for example—who view their work as a pleasure in itself; these same people may have a great degree of control over their own work. Indeed, most white-collar workers have generally enjoyed more pleasant working conditions than blue-collar workers (though the large-scale introduction of the computer has transformed many white-collar jobs to such a degree that it is posing many of the same problems of routine tasks, poor promotion opportunities, and shift work that have long troubled many blue-collar workers). The work humanization movement goes beyond pleasant working conditions, however, to the dual concerns of satisfying work and the scope of workers' responsibility over their own activities.

Why is this new emphasis on work humanization developing? Once again, the great economic gains of the post-World-War-II period are important. As more and more employees reached at least a decent standard of living, new needs arose. Workers became more inclined to self-expression, which often took the form of higher job turnover, greater absenteeism, and refusal to perform some types of unpleasant work. In some countries—Sweden and Norway were conspicuous in this respect—employers began to perceive a need to redesign work as part of seeking new motivations for their employees. It is no accident that tight labor markets prevailed in these same two countries for most of the postwar period. The hard fact is that employer concern with relieving work monotony and boredom is often a response to such pressures.

Rising levels of education, with more and more employees entering the labor market with 2, 3, or 4 years more of schooling than their prewar counterparts, added to the pressure. The aspirations of postwar employees often exceeded those of their prewar parents.

In many countries, the strengthening of democracy and individualism—related both to greater economic security and to the greater strength of workers' political movements after World War II—also added to the work humanization movement. More and more people became aware of the inherent contradiction between participating as a full citizen in political life and being treated as a highly subordinate underling in the typically authoritarian structures of modern economic life. The impulse grew to question rules and regulations imposed from the top of the office or workshop.

Unions and the movement

Of course, trade unionism dealt with many of these problems. In Canada, Great Britain, and the United States, the power of the union at the workplace has been greater than in some European countries, let alone those in the developing world. But even where workplace unionization was strong, it was essentially reactive, rarely questioning the nature and organization of work itself. Rather, unions reacted to the excesses of employers' management of work. The idea that workers should help shape their own work, arrange or rearrange it to allow them greater personal responsibility and expression, was largely beyond the scope of unions and their members.

In view of this historic reactive role of unions, it is not surprising that where important work changes have been undertaken, where most work humanization projects have been implemented, the employer has typically taken the initiative. The role of the union as an agent for workers reacting to employers' actions has made it difficult for many unions even to collaborate fully in this work.[8] In many experiments, the employer has undertaken to redesign jobs, rotate assignments, or establish semi-autonomous work groups in collaboration with employees but with little or no participation by the union. Unions in Norway, Denmark, and Sweden have been more actively associated with these experiments, but even there they have not always had a strong, direct role at the worksite level. In these countries, work redesigned experiments generally proceed under an umbrella agreement between top-level union federations and employers' associations.

In the United States, many experiments have been conducted in nonunionized plants, and many unions have become convinced that the movement is just another device to prevent unions from gaining a foothold.[9] Indeed, some anti-union consultants in the United States sell so-called work humanization experiments as a device to help keep unions out. Even here, however, some unions are expressing interest in joint union-employer programs.[10]

By their nature, these experiments may set off forces that run somewhat counter to traditional union needs and bonds. Work reorganization devices such as flexible hours, job enrichment, or job

enlargement may establish ties between individual workers and the company that may differ from the broader collective appeals on which unions are based. Unions tend to concentrate on establishing uniform, collective rules and protections. Clearly, these new humanization plans will call for more flexibility in job titles, work hours, and probably pay scales and rules. Indeed, one of the unions' tasks will be to negotiate the workers' share of the increased productivity that often flows from work reorganization. Unions must find ways to meet these challenges. If the economic, educational, individualistic, and democratic trends that led to interest in work humanization are likely to continue, then unions as well as employers must adapt to respond to the new interests of modern workers.

White-collar unions are in a special strategic position to meet the challenges of the work humanization issue. Their members are likely to be better educated, more conceptually minded, and more readily interested in these programs. They also, in many instances, work in smaller groups than many blue-collar workers, which also facilitates work humanization experiments.

Case reports by social scientists of work humanization experiments show that white-collar employees accept such projects more quickly and show greater initiative in shaping work redesign. In one branch bank in Norway where new computer operations were being installed, for example, a work humanization specialist found that the bank's employees needed little help in developing systems for wider participation. Several other cases like this have been reported among white-collar employees.[11] Work redesign should be a participatory process, not one dominated by outside experts, and it should provide a learning process that can lead to career advancement. These goals accord with the upward aspirations of many white-collar workers.

Power relations

As work humanization efforts continue, unions will have to ensure that they do not become sham programs that may blow away at the first economic storm or whim of management. Work humanization practitioners who ignore basic power relations and the need for strong unions are deceiving either themselves or the workers. It is easily overlooked that one reason these experiments have had special success in Norway and Sweden is that the unions are fully established there, and most employers in those countries would scarcely be tempted to use work reorganization as a device to get around the unions. Indeed, the very strength and pervasiveness of unionization in Sweden and Norway reduces open labor-management conflict and helps create a working consensus in labor relations that is a necessary background to successful collaboration in work humanization.

Even those Scandinavian unions that have been most identified with work reorganization have been careful to make it but one part of their total plans for industrial democracy. They are also concerned with worker participation on company management boards, improved legislation for worker safety, greater collective bargaining rights at the worksite, and better sharing of wealth. These more traditional, power-based demands illustrate the continuing need for adversarial relations in some fields even while union–management cooperation in work humanization develops.

The humanization movement will probably not make significant progress in most major industries in the United States until unions are more genuinely accepted by employers, especially in the private sector. The kind of consensus atmosphere in which work humanization efforts flourish is often lacking in this country. At present, continued experiments in individual companies and in the public sector are more realistic goals.

Work humanization, in any case, should not be viewed as a cure-all. Many groups of employees prefer their old work routines, which they find comfortable; these groups should be accommodated in proposed reorganization plans. But for millions of other employees, the drive for greater responsibility, meaning, and significance in their work presents an exciting challenge to workers and their unions.

———*FOOTNOTES*———

[1] Yves Sabolo, *The Service Industries* (Geneva, International Labor Office, 1975).

[2] Earl L. McFarland, Jr., "Employment Growth in Services: Mexico, 1950–1969" (Ph. D. dissertation, Columbia University, 1974).

[3] *Japan Labor Bulletin*, Jan. 1, 1976, p. 8.

[4] *Employment and Training Report of the President, 1976* (Washington, U.S. Government Printing Office, 1976), table E–9, p. 336.

[5] Sabolo, *The Service Industries*, p. 121.

[6] D. W. Rawson, "A Note on Manual and Non-Manual Union Membership in Australia," *The Journal of Industrial Relations*, December 1974, pp. 394–97.

[7] Robert Price and George S. Bain, "Union Growth Revisited: 1948–1974, in Perspective," June, 1976, reprinted in *British Journal of Industrial Relations*, November 1976.

[8] See generally R. Tchobanian, "Trade Unions and the Humanization of Work," *International Labor Review*, March 1975, pp. 199–217; and Ursula Engelen-Kefer, "Humanization of Work in the Federal Republic of Germany: A Labor Oriented Approach," *International Labor Review*, March-April 1976, pp. 227–41.

[9] For a U.S. union view of this, see William W. Winpisinger, "Job Satisfaction: A Union Response," *The American Federationist*, February 1973, pp. 8–10.

[10] See Ted Mills, "Altering the social structure in coal mining: a case study," *Monthly Labor Review*, October 1976, pp. 3–10. A description of the quality of work demonstration project involving a Cleveland, Ohio, plant of the Eaton Corporation and the United Auto Workers is contained in *Recent Initiatives in Labor-Management Cooperation* (Washington, National Center for Productivity and Quality of Working Life, 1976), pp. 37–42. For an announcement and description of another important UAW quality of work program, this one with a plant of the Rockwell International Corporation, see Rockwell-Standard Division, Rockwell International press release, R5–85, Aug. 12, 1974, "Rockwell-UAW Announce Innovative Commitment at Battle Creek Plant."

[11] For the Norway case, see Max Elden, "Bank Employees Begin to Participate in Studying and Changing their Organization," paper presented to Third International Conference Self-Management, Washington, D.C., June 10–13, 1976. At this conference, several other groups made oral reports on union-management humanization of work projects in offices.

UAW-Ford employee involvement

A work force concept for now and the future

What it is . . .

Employee Involvement (EI) is the sum of many parts.

- It's a process in which local Unions and local Managements work together to jointly create a work climate where employees can achieve work satisfaction by directing their ingenuity, imagination, and creativity toward improving their work and the overall work environment.
- It's a means of providing employees the opportunity to actively identify and resolve problems related to their work.
- It's part sound management, part Union-Management cooperation, part human relations, part employee awareness, part communications . . . and basically good business.
- It's a Management and Union style that promotes all of this.
- And in a very real sense, Employee Involvement is a three-way partnership—a recognition by employees, the Union, and Management that their common interests can be served best when there is common effort.

——From *A Handbook on the UAW-Ford Process for Local Unions and Management* issued by the UAW-Ford National Joint Committee on Employee Involvement, 1980

Workers' morale in Japan

JOSEPH MIRE

DURING 1968, 1969, and 1970, the Bureau of Labor Standards of the Ministry of Labor in Japan conducted, by means of a questionnaire, six studies on job adaptation of young workers. About 2,000 workers were asked whether they considered their job worthwhile. Only a little over half responded in the affirmative, and the remainder replied either in the negative or by saying they "did not know." The following tabulation shows the changes recorded by the six studies[1]:

	1st	*2d*	*3d*	*4th*	*5th*	*6th*
Job is worthwhile . .	57.2	51.7	52.7	54.5	55.2	59.9
Job is not worthwhile	10.4	13.9	15.6	15.0	14.2	11.4
Do not know	32.4	34.4	31.7	30.5	30.7	28.7

Disturbing as these figures were, the Ministry of Labor was even more alarmed by the fact that 38 percent of those included in the survey at the beginning had to be eliminated from the tabulation because they had left their place of employment during the project period. The proportion of those changing jobs rose from 14.7 percent of the total in the first year to 32 percent in the second, and to no less than 49.2 percent in the third. This turnover hardly signified workers' contentment with their jobs.

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From the *Review* of June 1975

In December 1971, the Public Employment Security Office undertook an "employees life consciousness survey," covering some 2,800 workers in 2,200 establishments, each with at least 30 employees. The sample covered nine major industries: mining, construction, manufacturing, wholesale and retail trade, finance and insurance, real estate, transport and communication, electricity and gas, and water services. The workers were asked to state their views on the contents of their jobs, human relations, work environment, and what aspects of their life they considered most worth living for.[2] The methods used were personal interviews of workers at the plant site.

On job content, 8.9 percent of the workers were considerably satisfied, 45.8 percent slightly satisfied, 28.8 percent slightly dissatisfied, and 7.1 percent greatly dissatisfied.[3] The following tabulation shows the divergence of views between younger and older workers—the 20–24 and 45–54 age groups:

	Work environment		*Human relations*		*Job content*	
	Age		*Age*		*Age*	
	20–24	*45–54*	*20–24*	*45–54*	*20–24*	*45–54*
Considerably satisfied . . .	4.3	10.6	6.2	11.9	4.8	19.3
Slightly satisfied . . .	27.8	38.8	43.9	54.7	38.2	53.1
Slightly dissatisfied .	33.8	30.9	30.0	20.7	35.9	18.3
Greatly dissatisfied .	28.0	14.0	10.6	6.1	10.3	4.1

Concerning the "spheres of life worth living for," the answers of those in the 20–24 and 45–54 age

groups were as follows (in percent of the groups' totals): Work and/or recognition by others—37.6 and 45.2; family—7.1 and 33.4; leisure—39.8 and 9.0; civic service—3.5 and 5.3; others—13.0 and 3.7; none—7.0 and 2.6.

Spurred by the very disquieting results of this survey—which clearly reinforced the findings of the previous, the 3-year study—the Ministry of Labor sponsored, in October 1972, a roundtable conference on "new visions of working life." The conference concluded that improvements in the living environment of workers had not kept pace with the advance of the gross national product and income, and called for prompt efforts to reorganize work so as to eliminate monotony and the resultant mental strain. Shortly thereafter, the Ministry of Labor sent a questionnaire to some 700 business and union leaders, as well as other persons versed in labor problems, asking them, among other things, to list the priority of labor issues today and as they expected them to be in the 1980's. There was overwhelming agreement among these leaders that, in that decade, wages and other working conditions would decline in importance and job satisfaction would come to the forefront. The Ministry viewed this agreement as a hopeful sign that proposals to come to grips with job monotony, psychological stress, and increased job simplification will be forthcoming in due time and favorably received.[4] A special agency, The National Institute of Vocational Research, is now collecting pertinent information on job satisfaction, trying to develop a framework for an ideal relationship between the worker and his job. To that end the Institute is looking into job restructuring, attempting to forecast the structure of the future labor force and trying to "identify the relations between personal life on the one hand and organizations, value systems, level of education, and the financial situation peculiar to a specific occupational group on the other." [5]

The old system under stress

Growing job dissatisfaction is a serious factor in the current changes in Japan's industrial relations system based on a unique employer-employee relationship. It both reflects and contributes to those changes. And it puts into question some of the cherished traditions of that system, traditions that could be described in practical terms as lifetime employment, promotion from within, enterprise unions, and a wage system based on age seniority.

The tradition of lifetime employment is part of a management philosophy which views the plant as an extension of the family. It makes the employer responsible not only for providing employment but for the "whole employee," that is, his social and economic needs within the plant and without. Fear of unemployment and other insecurities are thus supposed to be substantially reduced. Hiring policies of companies are directed toward the recruitment of graduates from junior and senior high schools, with the understanding that everybody would start at the workshop level and work his way up, and that no hiring would be done from the outside. Thus, promotional opportunities are greatly enhanced, and workers doing monotonous, dull, and generally uninspiring jobs may well consider their work assignments to be only the initial, passing stage in their career and, consequently, less onerous and dissatisfying. Many industry spokesmen claim that it would be unlikely for workers above the age of 30 to be still working on the assembly line since by then they would, normally, have moved into some supervisory position. Workers also derive a sense of importance from the efforts of management to solicit their views on a wide range of problems concerning production and their jobs.[6]

A concomitant of the Japanese manpower policy is the investment of large amounts of time and money in (a) identifying individual capabilities of all employees, manual and white-collar; and (b) introducing constant on-the-job training and learning programs. The latter allow a more flexible use of the labor force to meet irregular peak periods, and if, as expected, employees stay in the same enterprise for their whole working life, both the workers and the company will be able to reap the benefit of such training and learning.

The upward adjustment of wages according to age seniority is based on the rationale that with age and length of service come greater skill and experience. Such a policy, it is held, reduces changes of favoritism, inevitable under a merit system, which has to depend largely on individual judgements by supervisors. Its most conspicuous disadvantage is the tendency to overpay older workers at the expense of younger, adding to the relatively greater dissatisfaction of the latter group in the labor force.

Indirectly related to wage payments by age seniority is another tradition—compulsory retirement at age 55. This goes back to a time when average life expectancy was close to that age, but the practice is now being continued because keeping workers beyond age 55 would entail further wage increases at a time when the workers productivity is thought to be on the decline.

The extent to which these and other features of the Japanese industrial relations system are still operative today is a matter of much debate. Most people knowledgeable on the subject agree that the sys-

tem is experiencing severe strains. The shift from a labor surplus economy to labor shortages during the last two decades has weakened the attraction of lifetime employment and increased the mobility of labor, especially among younger workers. Paralleling the trend in other industrialized countries, young people of Japan today have better education and, therefore, higher aspirations. They are no longer satisfied just to have a job but want opportunities for growth, challenge, and satisfaction. Also, some industries, such as electronic computers and electrical machinery, have been forced to resort to outside hiring since the needed labor could not be recruited through traditional channels. This, in turn, has reduced promotional opportunities for those starting, as usual, at the work shop level. Still other industries had to raise their hiring standards because of technological changes, with more jobs going to university graduates, whose ratio in the labor force has gone up 50 percent between 1959 and 1968.[7] Finally, the role and importance of the enterprise unions, compared with the national federations, is changing, with the latter now playing a rather dominant part in wage bargaining through the annual "spring offensive." For the first time the union federations are also asking for the establishment of national, uniform minimum wage standards.[8]

In sum, the peculiar characteristics of the Japanese industrial relations system have been shaken, but not eliminated. Its traditions will continue in some weakened form at least for the foreseeable future. But job discontent will undoubtedly produce profound modifications in the system.

Unions' search for remedy

Both management and unions seem acutely aware of the need to come to grips with the growing dislike and disrepute in which work in the manufacturing industries has fallen, particularly among young people, and the communal environment which prevails in many enterprises seems well suited for cooperative arrangements to restructure the work organization. Company spokesmen generally acknowledge the support received from enterprise unions. In a few instances, the unions have, in fact, taken the initiative and proposed to management measures to improve the working environment. Some of their suggestions are: To eliminate all distinctions in work standards and benefits between blue- and white-collar workers[9]; to decentralize authority; and to give the enterprise union more say on promotions and training programs.

Unions' approaches to the problem vary considerably. *Sohyo,* closely allied with the Japan Socialist Party and committed to nationalization of industry, is opposed to any form of workers' participation in industry, viewing it as a management tool. Its traditional responses to work monotony and the pressures of the assembly line are higher pay, shorter working hours, and more and longer rest periods. Its program aims essentially at political objectives.[10]

Domei, close to the more moderate Japan Social Democratic Party, deplores the lack of adequate information on job restructuring but seems willing to join in management efforts to find solutions through job improvement programs. At its 1973 convention, Domei issued a call to its affiliates to focus their efforts on workplace activities and to cooperate—and where necessary, to initiate—work improvement projects. The noticeable drift of young workers into the service industries has convinced the union's leadership that more pay and shorter hours alone would not solve the problem, and that something would have to be done to meet the psychological needs of the young generation.

The *Automobile Workers' Union* recently adopted an action program which puts the demand for a better quality of life in second place, right next to the fight against inflation. This was done in response to polls taken by the union. Its staff has been trying to formulate details of specific union goals on job dissatisfaction, but the task proved too big to handle. Job satisfaction, the union has come to believe, is a matter which must be attacked individually, not institutionally. No single measure will meet all situations, and the workers themselves should be involved in finding appropriate solutions. The union did determine, on a tentative basis, that each job should have at least three components: a long range goal; a system of rewards and promotions; and an opportunity for social contacts.

The *Federation of Electrical Machine Workers Unions* favors participation in management on the floor level but is skeptical about workers' serving on boards of management. The union strongly supports joint labor-management consultation committees and has recommended participation in them to its affiliates. The *International Metal Workers Federation–Japan Council,* which represents some 2,000 unions with a total of about 1,402,000 members and cuts across jurisdictional lines of all major federations, has set up a special study committee on industrial democracy and is planning to hold a nationwide conference on job improvement programs in the summer of 1975.

Employers' efforts

On the company side, interest—and experimentation—in job restructuring is apparently on a substantial scale, though no one at this time seems to be

able to provide a complete accounting of what is actually being done. Some examples can be cited here.

The *Iron and Steel Federation,* a membership organization of 54 steel companies and 2 associations of iron and steel producers, has pioneered in the establishment of voluntary autonomous work groups—so-called J–K committees—within its affiliates. Their purposes are to improve work quality, lower production costs, and generally improve workers' morale. J–K activities are carried out by small groups of workers, who elect leaders from among themselves and set their own goals. Workers share in the gains of productivity, and the programs are considered to be effective antidotes to job monotony.[11] The Iron and Steel Federation serves as a catalyst and recorder of experiences on job improvement programs. Its basic labor policy calls for the elimination of the conveyor belt system, improvement of communication between workers and supervisory personnel, and work restructuring based on a careful analysis of each worker's ability in relation to his job assignment.[12]

Mitsubishi, a diversified producer of a wide range of electrical machinery, was forced by circumstances to grapple with job monotony and problems on the assembly line. The company, employing some 57,000 people in 21 plants, has expanded rapidly and has had severe difficulties in recruiting and keeping labor. Union and management agreed that something had to be done to make work more attractive. Job enlargement was tried first. The time allotted for certain operations on the assembly line was changed from 3 minutes to 10, and workers were given additional responsibilities. Absenteeism dropped immediately, but not for long. After the novelty of the experiment had passed, absenteeism was back to its former level, apparently because the added work assignments were equally monotonous. The company then shifted to antonomous work groups, composed of 10 workers each. They were given weekly or monthly production goals but otherwise were fully in charge of plans and efforts to achieve them. Hence, their discretion covered planning, execution, and checking—the plan-do-see responsibility. This approach proved very effective, raising production and quality. Job dissatisfaction, the company feels, is more serious among female than male workers, because the latter move up rather quickly to more demanding jobs for which female workers lack either skill or interest. On suggestion of the union, the company is currently making a feasibility study of flexi-time.

Sony Electric Corp., a worldwide multinational concern, prides itself on its role as a pathfinder in the use of new technology, in developing new markets, as well as in its labor relation policy. A statement of the company's chairman, Masura Ibuka, "Nothing makes a man happier than doing the work he enjoys," is displayed conspicuously in all plants and is impressed again and again upon all supervisory employees. There is constant effort to put the right man in the right job and to bring out the best in each employee. The company has tried the whole roster of job improvement instrumentalities in its farflung empire, but has not yet come to any definitive conclusions about their respective merits and is, therefore, reluctant to disclose details. Each of the new techniques has worked in some places but not in others, and the company is still trying to find out why. The very speed with which the company is applying new technology has also made some of the work restructuring programs obsolete.

The union and management responses mentioned here are indicative, but not necessarily representative, of current efforts in Japan to deal with workers' morale. It stands to reason that a country which has few natural resources would particularly treasure and husband its human resources. The results are great efforts to consider workers' values and aspirations; to avoid underutilization; to involve workers in production problems; and to create for workers a satisfactory work environment.

———*FOOTNOTES*———

[1] For a detailed report on the studies, see *Rosei Jiho* (Labor Administration Review), April 1974. (The journal is published by the Labor Law Association of Japan.)

[2] Other questions of the survey pertained to general life, clothing, housing, food, welfare facilities, earnings, recreation and leisure, hours of work, culture, and savings.

[3] Remaining percentages were either those who answered "hard to say" or did not answer.

[4] Shin-ichi Takezawa, "The Quality of Working Life," a paper presented at the annual meeting of the International Council for the Quality of Working Life, at Tokyo, Aug. 6–9, 1974.

[5] *Some Facts and Figures,* June 1973. (Published by the Japan National Institute of Vocational Research.)

[6] In turn, management expects from its employees, loyalty, good performance, and full cooperation; a free hand to modernize the plant and to introduce new equipment; and a high degree of identification of workers' interests with those of the enterprise. Professor Shin-ichi Takezawa of Rikkyo University in Tokyo credits traditional Japanese employment policies with creating an exceptionally human bond in industry which makes it difficult for functional and class divisions to be perpetuated. See his "The Quality of Working Life" (cited above); see also

Robert E. Cole, *The Japanese Blue Collar* (Berkeley, University of California Press, 1971), p. 230. On the unique Japanese employer-employee relationship, see Robert Evans, Jr., "Japan's labor economy—prospect for the future," *Monthly Labor Review*, October 1972, pp. 3–8.

[7] Shun-Ichiro Umetani, *Japan Labor Bulletin*, Oct. 1, 1974.

[8] *Labor News*, Jan. 9, 1975, published by International Metal Workers Federation, Japan Council.

The "spring offensive" is the concentration of wage negotiations into the 3 spring months. First proposed by Sohyo in 1955, it is now followed by all major federations as a means of coordinating wage demands and strategies in order to minimize disagreements among unions and maximize results.

[9] Some of these distinctions pertained not only to work standards but to what clothes and ties workers were allowed to wear on their jobs, as well as in their homes.

[10] *Japan Labor Bulletin*, Oct. 1, 1974.

[11] Takazawa, op. cit.

[12] *Measures taken by the Japanese steel industry to improve the morale of the workers* (The Japan Iron and Steel Federation, Tokyo), May 1974.

Corporate goals in Japan

1. A corporation exists for the people who work for it.
2. A corporation exists for serving customers who buy its products and services.
3. A corporation serves its shareholders.

The goals are similar to ones for American corporations except for the reversal of priorities.

Because a corporation serves its own people, discharging or laying off employees due to a declining economy is out of the question. In a recession, the first consideration is shortening of work hours, diversification to downstream product lines. In return, employees develop a sense of sharing the destiny of the corporation with management. This sentiment of the employees can be shown by the number of suggestions a company receives from its employees. The average is 20 and the acceptance ratio by management is 85 percent, which favorably compares with the American average of 5 and acceptance of 10 percent.

——JOJI ARAI, Manager, U.S. Office,
Japan Productivity Center
From an address, "Productivity Management: Comparison of U.S./Japan Approach: Overview," at the State University of New York, Buffalo, July 23, 1982

Worker participation in West German industry

DAVID T. FISHER

Industrial relations in West Germany have been distinguished by cooperation and compromise, partly because of the tradition of employee participation in management. The Codetermination Act of 1976 is the latest in a series of laws which extends the influence of labor in industrial decisionmaking. German industrialists have angered union leaders by challenging the constitutionality of this law; the case has not yet been decided by the courts. To illustrate the significance of these events, this report traces the growth of codetermination in Germany during the last 30 years.

Much of the history of labor-management relations in West Germany involves the extension and development of codetermination, or the institutionalized participation of workers in management. Codetermination has evolved on both the plant level and the enterprise level.

Codetermination on the plant level is realized through the Works Council and is generally oriented toward the increased participation of the individual worker in his immediate labor environment. This type of codetermination was first sanctioned by law in 1920.[1] After being suppressed during the Nazi period, Works Councils reappeared during the Allied occupation with a strengthened and expanded role. The Labor-Management Relations Act of 1952 (sometimes literally translated as the Works Constitution Act) incorporated the institution of the Works Council into the laws of the Federal Republic. The position and function of the Councils were redefined by the Labor-Management Relations Act of 1972, which enumerates the rights of the individual worker and authorizes the freely elected Works Council to guard these rights. These rights include the rights of the worker to be informed about matters concerning his job, to make suggestions concerning his work, to see all files that are kept about him, and to appeal management decisions that he considers unfair. The Works Council also has important prerogatives concerning the hiring and firing of employees.

Although Works Councils are an irritation to management in the conduct of daily business, their usefulness as an instrument of conflict resolution cannot be denied even by the most conservative businessmen. The Works Council serves very effectively as a pressure valve for employee discontent and often brings critical matters to the attention of management before they have a chance to get out of hand. In addition, the Works Council tends to have a vested interest in the well-being of the plant and thus often acts more responsibly than some managers might. For these reasons, the Works Council is generally accepted, despite occasional partisan grumblings about its many responsibilities.

Beginnings

Codetermination on the enterprise level does not enjoy such widespread acceptance. This form of codetermination seeks to expand the voice of labor in the governing boards of large corporations. These

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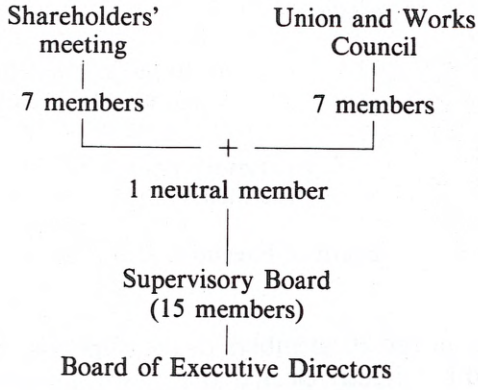
From the *Review* of May 1978

companies have a peculiar structure—two boards run the company. A Supervisory Board, elected by the stockholders, in turn appoints a Board of Executive Directors. No one may serve on both at one time. The Board of Executive Directors runs the daily business of the company, while the Supervisory Board concerns itself with general strategic questions. The goal of the second type of codetermination is to increase the number of Supervisory Board members who are either elected by the employees or appointed by the labor union.

Opponents of this concept fear that an increase in labor representatives beyond a certain point would reorient decisionmaking: labor approval would be necessary to appoint any executive directors, making it difficult, if not impossible, for management to champion the owners' interests. According to proponents of the scheme, the interests of employees and management should not often represent a zero-sum game and in those cases where they do, the interests of labor should tend to be controlling. Moreover, the proponents contend that large enterprises, by virtue of their amassed capital resources, have such an impact on societal well-being that it is unwise and irresponsible to allow them to be subjected to the will of a handful of major stockholders, often large banks.[2]

Prior to World War II, enterprise codetermination was unknown in Germany. During the Allied occupation, however, the labor movement was able to effect a codetermination policy in the coal and steel companies in the Ruhr District. Aided by the Allied forces, who depended on the unions as a source of "denazified" German leaders, the labor movement succeeded in implementing the following structure in the Supervisory Boards of the industries:[3]



Labor and owners each nominate seven members; they then must agree on a neutral 15th member. It is impossible for a simple majority of shareholders to nominate any member of the Board of Executive Directors. This represents the highwater mark of enterprise codetermination, all subsequent efforts by labor have been to extend this arrangement to the rest of German industry.

When Konrad Adenauer's Christian Democratic Union took over the administration of West Germany at the end of the occupation, it displayed no intention of transforming this arrangement into law. A very credible threat of a general strike, however, caused the government to retreat and enact a special law in 1951 giving legal effect to this scheme, but only in the coal and steel industries. A desire to maintain the solidarity achieved by Adenauer is probably the reason that conservatives have never challenged the legality of this statute.[4]

To show that enterprise codetermination would not become a general principle, the Adenauer government passed the Enterprise Organization Law of 1952, which regulated the structure of Supervisory Boards outside of the coal and steel industries. According to this law, shareholders retained a two-thirds majority in the 15-member Supervisory Board. Unlike the 1951 law, this legislation does not provide the union or the Works Council with a direct voice in the nomination of the five labor representatives. The owners' wishes clearly prevail in the decisionmaking of the enterprise. Most industrialists regard this arrangement as the optimal solution to the problem of labor participation. They feel that the predominance of stockholders in the Supervisory Board is a fair and equal balance to the predominance of labor outside the Supervisory Board (in the operations of the Works Council).

The history of codetermination since 1952 has been a sort of dialectical struggle. Unions battle for general acceptance of the coal and steel model, while industrialists seek to widen the scope of the 1952 law.

Stalemate

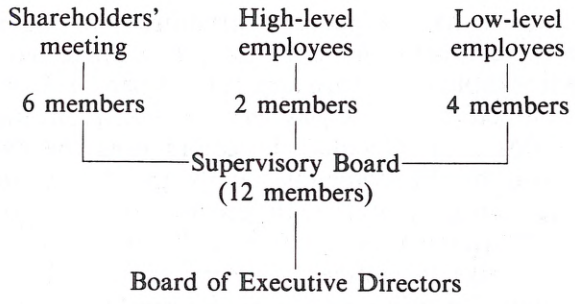
Between 1952 and 1967, labor was unable to make any further progress in the expansion of codetermination. In 1967, the Christian Democratic Union was obliged to form the "Grand Coalition" with the Social Democratic Party, marking the first time that the Socialists had a say in the operation of the Bonn government. To achieve some basis for consensus between the two rather unlikely partners, it was agreed to postpone discussion of codetermination in the German parliament for the duration of that legislative period (until 1969). Instead, a commission of nine university professors headed by Professor Kurt Biedenkopf (later elected Secretary-General of the Christian Democratic Union) was appointed to study the issue. In addition to the nine professors representing several political persuasions, the government appointed three business and three union advisers to assist the commission.

The Biedenkopf Commission presented its report in January 1970 to the newly elected Social Democratic Party Chancellor Willy Brandt. The Biedenkopf Report held that both existing models were unsatisfactory. The coal and steel model was viewed as biased in favor of labor, while the 1952 law gave stockholders too much influence. The Commission recommended a Supervisory Board of 12 members, half of which would be elected by the stockholders and four by the employees. The remaining two would have to be agreed upon by the other members of the Board. The Commission assumed that the final breakdown would be seven stockholder representatives and five employee representatives. Although stockholders would have a slight edge, provisions were included to induce unanimity to decisionmaking. (For example, under certain circumstances the overruled labor representatives would have the option to disclose the conflict to the company's employees or to the public.) By increasing the number of labor representatives, the Commission hoped to generate a larger commitment by labor to the well-being of the enterprise. By maintaining a stockholder majority, however, the principles of consumer sovereignty and profitability would be preserved.

The recommendations of the Biedenkopf Report were never adopted by any of the three major political parties. In fact, all now advocate some form of parity between labor and capital. The importance of the Biedenkopf Report is that the unanimity of the members of the Commission lent great credence to the objectivity of its recommendations. The Commission's guidelines, therefore, remain a yardstick against which alternative proposals are frequently compared.

When the Social Democratic Party took over the government in 1969 in coalition with the Free Democratic Party, one of its top priorities was the expansion of codetermination. The Social Democrats chose to ignore the recommendations of the Biedenkopf Commission. In a party congress in Saarbrucken in 1971, they came out clearly on the side of the unions in advocating the extension of the coal and steel model to all sections of the economy. The Young Socialist faction was prepared to go considerably further, along the lines of the Yugoslavian model of workers' self-administration.

The Social Democratic Party, however, was (and is) dependent upon the support of the Free Democrats for the success of its legislative program. In its party congress in Freiburg in the fall of 1971, the Free Democrats considered the issue of codetermination. Most representatives tended toward some type of parity model. After heated debate, the following scheme was adopted in a very close vote:[5]

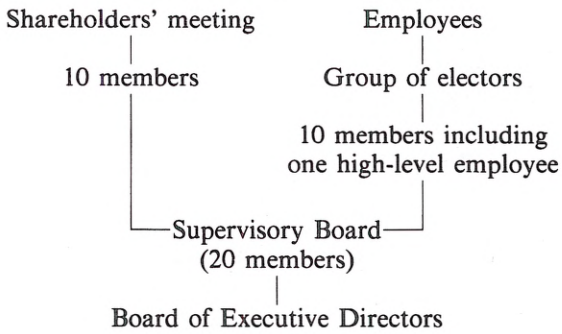


This model makes the distinction for the first time between high- and low-level employees. The idea is that high-level employees will often vote with the stockholders on key issues, thus maintaining the owners' control but at the same time providing for equal representation of labor and capital. However, the problem of accurately and unambiguously defining the group of high-level workers has caused skepticism among labor and capital about the practical effects of this plan.

Compromise

The coalition of the Social Democrats and the Free Democrats was renewed after the elections of 1972. The new government resolved to work out a compromise model and implement it in the 1972–76 legislative period. After a year of secret negotiations, the coalition parties announced their common program in January 1974.

The compromise package worked out by the coalition was the most complicated model that had been suggested. An overview is presented in the following diagram:[6]



Ten of the 20 members of the Supervisory Board would be directly elected at the shareholders' meeting. The labor representatives would be indirectly elected by groups of electors nominated by the employees. The labor representatives must include three union representatives and one high-level employee. A chairman and deputy chairman would be elected from among the members. The model provides for

the following mechanism when a majority decision cannot be reached:[7]

1. If no majority can be achieved to elect the chairman and deputy chairman of the Supervisory Board, each group of representatives nominates one candidate. The two candidates alternate for 2 years each as chairman and deputy chairman. The question of who serves the first 2-year term is decided, if necessary, by lot.

2. If the Supervisory Board fails several times to muster a majority to appoint members of the Executive Board, the chairman or the deputy chairman makes a proposal to the shareholders' meeting, whose decision then becomes binding.

3. Other problems for which a decision of the Supervisory Board is required but cannot be achieved can be decided by a tie-breaking vote of the chairman, but only if the Supervisory Board expressly grants this right to the chairman. If it does not, there is no mechanism to break the deadlock.

This model pleased no one except its political creators. The unions were against it, because of the necessity of including one high-level employee in the labor group and because the stockholders' meeting would have the final say in the appointment of executive directors. Industry representatives also opposed it, seeing a predominance of labor representation that would make it impossible to function according to market imperatives. They feared that the complicated processes would paralyze the decisionmaking capabilities of the Supervisory Board.[8] Because of this opposition from strong and vocal interest groups, the coalition of Social Democrats and Free Democrats was unable to introduce its model—despite its majority in the parliament.

Current situation

After more than 2 additional years of rigorous debate, the Codetermination Act of 1976 was adopted by the German parliament in the spring of 1976 and was formally put into effect on July 1, 1976. The general outlines of the coalition model remained, but they were augmented by a number of provisions designed to dampen the opposition of the various interest groups. The act covers all limited liability companies outside of the coal and steel industries which have more than 2,000 employees; smaller companies continue to be covered by the one-third rule of the 1952 law.

The basic goal of parity in the Supervisory Board remains, but the labor side is now classified into three different groups: workers, salaried employees, and senior executives.

The size of the Supervisory Board varies according to the number of employees in the enterprise. The possible configurations are illustrated below:[9]

	Number of employees		
	2,000–10,000	*10,000–20,000*	*Over 20,000*
Representatives of:			
Capital	6	8	10
White- and blue- collar employees	3	5	6
Senior executives	1	1	1
Union	2	2	3

In each case, the members of the Board are elected either directly by the employees or by electors which have been elected by the employees. The law suggests direct election in enterprises with less than 8,000 employees and indirect election through electors in enterprises with more than 8,000 employees. The employees of an enterprise can determine which method they prefer, however, through a direct vote. Union leaders tend to favor the indirect procedure while conservatives prefer the direct method.[10]

The chairman and vice chairman of the Supervisory Board are elected by a two-thirds majority of the Board. If this majority is not obtained, the shareholders elect the chairman and labor elects the vice chairman. The chairman may cast deciding votes in all issues before the Supervisory Board that cannot be resolved in the first round of voting.

As in the other plans, the Supervisory Board appoints the Executive Board; appointment requires a two-thirds majority. If this is not achieved, a mediation committee with parity composition proposes candidates, who can be chosen by a simple majority of the Supervisory Board. Only if this fails can the chairman exercise his tie-breaking right. The Executive Board must include a "labor director" who is responsible for personnel and social affairs. Although the law states that this individual must have the confidence of labor, he is selected by the same procedures as all other Executive Board members.

Companies were given 2 years from July 1, 1976, to adjust to the new law. German law also provides for the possibility of contesting any new law before the Supreme Court in Karlsruhe within 1 year of its passage. This is exactly what the Confederation of German Employers' Associations did in June 1977, just weeks before the deadline expired.[11]

To ascertain what options are available for Germany, it is worth examining the proposal of the opposition Christian Democratic Union, first suggested at its party congress in Hamburg in November 1973. The Christian Democrats also called for equal representation of labor and capital. The main elements of their program are as follows:

1. Shareholders and labor each nominate half of the members of the Supervisory Board.

2. The chairman of the Supervisory Board is elected by a two-thirds majority of the Board. If this cannot be achieved, the chairman is elected by the stockholders.

3. In case of deadlocks, the chairman of the Supervisory Board casts the deciding vote.

Time will tell which—if either—of these models for worker participation will ultimately prevail in West Germany.

——FOOTNOTES——

[1] Dr. Wolfgang Heintzeler, *The Codetermination Problem in Western Germany* (London, Aims of Industry Publications, 1974), p. 2.

[2] Unlike in the United States, German banks are allowed to hold stock directly, and therefore exercise a degree of control and influence over industrial enterprises which might seem excessive to one reared in the American tradition of economic liberalism.

[3] Heintzeler, *Codetermination,* p.6.

[4] It must be stressed that the conservatives never pretended to be in favor of this arrangement. They saw it as the price that had to be paid at the time for an anti-Communist consensus.

[5] Heintzeler, *Codetermination,* p. 15.

[6] Heintzeler, *Codetermination,* p. 16.

[7] Heintzeler, *Codetermination,* p. 17.

[8] For the typical view of German industrialists, see an interview with the late Hanns Martin Schleyer in "Die Spielraeume werden enger," *Der Spiegel,* No. 24, June 6, 1977, p. 40.

[9] "Mit dem Fuss in der Tuer," *Wirtschaftswoche,* No. 3, Jan. 6 1978, p. 18.

[10] For typical views on this issue see "Gefaehrliche Tauschgeschaefte," an interview with Philipp von Bismarck in *Wirtschaftswoche,* No. 3, Jan. 13 1978, p. 19, for the conservative view and "Lueckenhaft und ungereimt" by Karl Hauenschild in the same issue, p. 23, for the union view.

[11] For the impact of this event on German industrial relations see the following articles in *Die Zeit,* No. 29, July 8, 1977: "So verhaelt sich kein Partner," p. 17; "Zankapfel Mitbestimmung," p. 17; "Das dicke Ende kommt noch," p. 18; and "In letzter Minute," p. 18.

Where does participation start?

Beginning at the bottom end of the spectrum, we ask: Is a suggestion box or occasional inquiry by a manager enough to be considered employee participation? On balance, the answer seems negative for the following reasons. Systems which work via a suggestion box or other bureaucratic channel not allowing for adult, face-to-face discussion of the proposal between employee and manager tend to preserve the identification of employee as someone soley managed and ruled. Employees do not become co-managers; there is no regular weekly or monthly consultation between them (or their chosen representatives) and higher level managers who are making decisions. Employees are not even present when the decisions about their proposals are made and so have no way of knowing why it was rejected, altered, or accepted. The motivational effects of such irregular, impersonal, and individual consultations are not conducive to fostering further group self-governent. . . .Taken together, these reasons make it necessary to exclude such forms. They lie, apparently, below the threshold where regular participation can be a self-sustaining system, which was our first criterion. . . .

A second problem occurs at what we have identified as the threshold of democratic participation. Below that line employees and managers do consult on certain decisions, but it is usually the manager who determines which issues are discussed in the first place, and ultimately the decisions are determined by the managers' preferences. Above this threshold, by contrast, many topics are initiated by the workers themselves and more of the decisions made together by workers and managers tend to go in the direction workers prefer.

——PAUL BERNSTEIN

Workplace Democratization: Its Internal Dynamics (Kent, Ohio, Kent State University, 1976), pp. 48–49.

Industrial democracy in the Netherlands

ARTHUR S. WEINBERG

The question of whether or not workers should participate in management is not debated in the Netherlands; rather, the debate is over what will be the form and shape of that participation. Legally, workers, through the Works Council Act of 1970, are guaranteed control of the workplace through elected representatives, while the Law on the Right of Inquiry affords the Works Council, and also the trade unions, the right to challenge managerial methods.

Works councils and trade unions

The distinction between the function of the unions and that of the Works Council is heatedly debated between these two. The 1970 law gives the Council a dominant position in the determination of working conditions. Unions have been left with the residual: wage bargaining. In the Netherlands, it is assumed that managers possess the expertise to decide the means, but that the right to define broad objectives belongs to the Works Council; the Works Council establishes goals and objectives which management is legally obligated to implement. If a problem arises, a Federal judge determines whether management has adequately implemented the policies formulated by the Council; although this practice is rare, the decision is binding on managerial personnel.

In many companies, workers committees (*werkoverleg*) have been established to discuss job-related problems. In some companies, the committees are in direct contact with members of the Works Council, who themselves are elected by all employees of the company. The stockholders, Board of Commissars (an appointed public interest group), and the trade union all have an equal right to place names in nomination for Council positions.

Unions represent about 40 percent of the labor force and the percentage is relatively stable. The union is attempting to maintain its strength and its influence through their *bedrijvenwerk* (trade union committees and officials within the enterprise); it is an effort to make the union presence felt on the shop floor. Trade union officials claim that the workers' committees are not adequate to deal with daily problems.

It should be obvious that there is a conflict implied in the situation; the policies of the trade union will often conflict with the policies of the Works Council. Compounding this problem is the fact that many of the members of the Works Council are also union officials or members. The resolution of this conflict of dual loyalties is one of the most pressing in the Dutch labor movement.

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From the *Review* of July 1976

Job design experiments

On the management side, many companies have attempted to alter the traditional assembly line and eliminate repetitive work tasks. The reasons are threefold: To increase productivity, to improve job satisfaction, and to mitigate the problems of recruitment and turnover. Gains have been made in the alteration of traditional approaches to work by International Business Machines (IBM) in typewriter assembly, Philips in electronics assembly, Bamshoeve in textiles, and by Centraal Beheer, an insurance company.

IBM. In what is termed a "simple business unit," IBM allows 16 to 20 workers to rotate tasks and also to move from complex to simple work tasks. The product manager explains that this allows a desirable variation of workload; workers need to relieve the strain imposed by a complex task and, at times, enjoy a simple and routine task. The IBM concept has been implemented through the use of a "mini, midi, and maxi" assembly line in the production process. The size of the line varies with the needs and abilities of each worker.

Philips. Another effort to redesign almost all areas of manufacture has been made by the Philips organization. The most successful and most prominent changes have been accomplished in the production of television sets, in lamp assembly, and in defense industries.

In the manufacture of television, efforts have been directed at determining the optimal size of autonomous groups to be engaged in the assembly process. The current effort has as many as 20 people working together and as few as one skilled worker completing the entire assembly operation. Philips has studied all of its approaches by keeping in close contact with experimental groups. The following distribution of answers was obtained from two autonomous groups of workers, and from workers on a long assembly line, when asked about their feelings toward work:

Question	*Answer*	*Autonomous groups (percent)*	*Traditional line (percent)*
Do you get bored at work?	No	92	73
Can you use your talents and capacities in the work you are doing?	Yes	68	48
Do you feel nervous and hurried at work?.....	Seldom	53	31
Do you like your work?.....	Yes	77	54
Are people helping each other in your group?	Yes	86	56

The author of this study concluded that an overwhelming majority of workers did not wish to return to the assembly line. "They have learned to see the assembly process as a whole, to learn from their mistakes, and to work together with others and the group. They have become more aware of their own situation."[1]

In 1969, an experiment was made in the manufacture of light bulbs, where the traditional assembly line was replaced by a "miniline" of 12–14 workers assembling the product at three worktables. This "miniline" did not include any mechanical conveyor, but did fix a repetitive work task and confined operatives to one work station. According to company reports, these initial efforts resulted in a substantial reduction in quality and led to disharmony in work attitudes at the factory.

In view of the failure of the "miniline," Philips moved toward small "autonomous" groups with responsibility for quality, job-task distribution, and, in theory, unlimited freedom for job rotation. Early results, according to management officials, have shown quality improvements and a reduction of absenteeism and turnover.

Bamshoeve Textile. This small spinning-mill in Enschede has implemented workers committees and a Works Council which exceed the average Dutch program; consultations with workers have led to new personnel policies and a complete organizational change within managerial ranks. Departments have been reorganized according to the principle of establishing "natural boundaries" within a department which will facilitate better work relationships and more extensive communication.

One change in job design has recently been implemented. Two self-selected partners operate approximately 10 machines and rotate tasks at will; each two-man team coordinates efforts with similar teams in order to complete a final product. The director of the experiment commented that the most important result of this experiment has been more cooperative attitudes in the factory.

Centraal Beheer. This large insurance company in Apeldoorn is found in an office building created by the famous architect, Professor Ir H. Hertzberger. The interior of the building is a mosaic of "islands," each a separate and distinct part of the building. The "office sculpture" consists of many floor levels with each level existing in an open-area atmosphere in an effort to promote a feeling of social integration.

The office landscaping, what the Dutch call *Kantoorin,* contains an autonomous work group in each

"island." The work groups have been established, but the integration of work tasks (job enlargement) is just beginning. At this time, the working environment is unique, but the job tasks and organizational structure are still traditional. The project at Centraal Beheer (subsidized by the Dutch Government) is to develop integrated work tasks and initiate organizational changes to accommodate autonomous groups.

Job design experiments and refinements in industrial democracy are continuing throughout the Netherlands. At the time of this writing, the socialist trade union, the largest in the country, and the Catholic trade union were expected to call for an end to new work experiments. This has been viewed as an effort by the unions to gain control of existing work experiments. With the works councils remaining academically critical of this experimentation, this move by the trade unions may alter the future of the Dutch effort at job redesign.

——*FOOTNOTE*——

[1]Friso J. den Hertog, *Work Structuring*, Philips' Gloeilampenfabrieken, Industrial Psychology Department, unpublished manuscript, e.d.

Mutual growth forums

UAW members employed at the Ford Motor Co. will get new input into the management decisionmaking process through a framework of joint union-management bodies called Mutual Growth Forums, which will operate at both the local and national levels.

Scope

The Mutual Growth Forums will be empowered to undertake "advance discussion of certain business developments that are of material interest and significance to the union, the employees, and the company."

National level

An equal number of union and company representatives will comprise the national Forum which will be empowered, among other things, to discuss the company's general operations and certain business developments, examine government relations matters, and take other actions. The Director of the UAW National Ford Dept. may address the company's board of directors twice yearly.

Local level

At the plant level, it is suggested that the Forums meet at least quarterly to discuss such things as "the plant's general operation and certain business developments." The local Forums will get periodic financial and business presentations from management and the union.

——Excerpt from summary of United Auto Workers—
Ford Motor Co. national agreement, 1982

Six American workers assess job redesign at Saab-Scania

ARTHUR S. WEINBERG

ARE THERE LESSONS for Detroit carmakers in the way work is organized in a Swedish factory? Six American workers recently participated in the experiment at the Saab-Scania plant in Södertälje. Their reactions serve as a basis for a case study on job satisfaction.

In the experiment, three-member groups assemble the combustion engine for the Saab Model 99. Each worker in the group completes part or all of the engine as determined by the decisions of the three-member assembly team. The Americans worked in these autonomous groups and also in engine preassembly.[1] Their 1-month tour of duty was sponsored by the New York State School of Industrial and Labor Relations at Cornell University with the cooperation of the Ford Foundation.

In engine preassembly, the traditional assembly line method is used and job tasks are rotated on a weekly basis. Skilled mechanics, foundry workers, and white-collar workers have work assignments that are little different from that of an American firm.

The Americans also participated in works councils and consultation groups, which were created in an effort to increase worker participation in managerial decisions. The works councils represent management, white-collar employees, foremen, and production workers and meet on a monthly basis to resolve plantwide issues. Consultation groups (production and development groups) are composed of technicians, foremen, and production workers. Smaller groups of these workers meet on a monthly or biweekly basis to solve grievances and shop floor problems. Decisions of the production and development groups are not binding on company management; however, information obtained from these meetings is used by management in implementing corporate decisions.

The goal of the experimental job redesign, initiated in 1969, was to optimize the potential for human satisfaction in every aspect of the job environment by (1) increasing the possibilities for employees to influence their own work task; (2) rendering production tasks more meaningful and stimulating; and (3) increasing productive efficiency by improving flexibility and minimizing the possibility of disruption.

The Detroit auto workers were selected based on their ability to articulate their work experiences and how their work related to their lives. Efforts were made to choose individuals who were representative in terms of age, race, and sex. Conceptually, it was felt that the only person who could evaluate the work environment was the individual actually performing the task.

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From the *Review* of September 1975

The six were involved in a 3-day orientation program at Cornell University in New York City to acquaint them with the concepts of job design; job enrichment and enlargement; industrial democracy; Swedish life and culture; and to prepare them for what they might expect at Saab-Scania. This was followed by a 2-day orientation program by Scania in Sweden. They worked first in engine preassembly and then in the assembly of the Model 99 engine.

Reactions of American workers

There was general agreement by the American participants that physical environment, noise levels, lighting, and the quality of the air in the plant was better at Saab-Scania than in their plant at home. Each commented favorably on the leisurely pace of the preassembly line and expressed favorable responses to the idea of rotating tasks on the line. The only general question posed was how the company could function economically at this slow pace, particularly when coupled with what seemed to be frequent production breakdowns. They felt that this frequency of work stoppages would not be tolerated in Detroit.

In the area of engine group assembly, the American reactions were negative. The majority felt that the rapid pace and complexity of the work task on group assembly imposed psychological pressures which outweighed benefits of variety in work tasks. Only one worker felt that the Saab approach was superior to Detroit. Two workers had mixed reactions to group assembly: they liked the complex work task, but questioned how interesting it would be in the longrun. They felt the assembly line method allowed more freedom of thought and action, in that it required less concentration. The remaining three workers had more serious reservations about group assembly, citing pressures of stress and concentration to maintain the pace of the group, a continuing isolation, and lack of social contact.

The American reaction was indifferent or negative to the worker participation schemes. They observed that the work council meeting seemed more like a mixture of a shareholders and general sales meeting, and that the members of the works council did not seem to be a representative sample of workers throughout the plant. The production and development group meetings seemed an adjunct of the works council meeting. There were discussions of problems with little attention directed at possible solutions. In general, all six workers viewed the production and development groups as inadequate in handling disputes at the workplace.

Reactions of indigenous workers

The consensus of the indigenous workers interviewed was that group engine assembly was an undesirable job; they felt the only advantage was the flexible 4-day workweek allowed under this system. Almost all workers interviewed preferred the casual working pace of the assembly line in contrast to group engine assembly. They felt no identification with the production and development groups and none expressed any feeling of participation in union activities or in the works councils.

Scania workers and the Americans worked both day and night shifts alternating on a weekly basis. Both groups reacted negatively to mandatory shift changing. This procedure is a tradition in Swedish industry. Scania workers had frequently expressed dissatisfaction over this issue.

There have been no attitudinal studies at Saab-Scania to determine if the group assembly approach is more satisfactory than an assembly line method. There is no evidence to indicate that employees feel an increase in their influence over work tasks or that their job is more meaningful and stimulating. However, the production flexibility intended by utilizing group assembly methods seems to have been successful.

———*FOOTNOTE*———

[1] Preassembly consists of a square production line on which the main components of the engine such as crankshafts, connecting rods, and pistons are machined and assembled together.

U.S. longshoremen evaluate work conditions in Rotterdam

HERBERT A. PERRY

Six members of the International Longshoremen's and Warehousemen's Union spent a month working on the piers in Rotterdam (Holland) in the spring of 1975. This work study experience, sponsored by the Labor Center of the Institute of Industrial Relations, University of California at Berkeley, in cooperation with the Ford Foundation, was designed to obtain reactions of American workers to working conditions in other countries, particularly in terms of job satisfaction issues. Before leaving for Rotterdam, the participants received approximately 25 hours of orientation. In addition, the Port of Rotterdam Transport College, which educates and trains port workers, conducted a 4-day orientation for the group which included lectures on the history of the port, its facilities and the work force. The longshoremen were assigned in pairs to work for three cooperating employers. Despite cultural and language differences, the workplace and organization of work were familiar, and the Americans adapted to their new assignments with little trouble. Eight factors which contribute to job satisfaction were evaluated.

Job security. Longshoremen in Rotterdam have job security and earnings guarantees provided by state regulation of private firms' layoff and termination actions. The American workers felt that this, along with the strong sense of community among Rotterdam dockworkers, was an important factor in providing job satisfaction. They felt the Dutch system provides greater job security than the American.

Wages and benefits. Weekly wages for dockworkers in Rotterdam were generally lower than longshoremen wages in San Francisco. A higher proportion of the Dutch workers' pay is deducted for social security and income taxes. However, provision of certain amenities (such as subsidized cafeterias, medical clinics, and sports and other recreational facilities) by both the State and employers tends to narrow the gap between San Francisco and Rotterdam earnings patterns. In addition, most fringe benefits (that is, health insurance plans, family allowances, pensions, and paid vacations) are provided for all workers by the State. The U.S. longshoremen felt that wages for the Dutch longshoremen were adequate, and given their sense of job security and social security protection, savings did not seem necessary to Dutch dockworkers.

Participation in day-to-day decisions of the workplace. The American workers found little difference in this area although the union played a greater role in San Francisco than in Rotterdam. Arrangements whereby as soon as a particular job is finished workers are allowed to go home and still get a full shift's pay are found in both ports but are probably more widespread in Rotterdam. This arrangement,

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which requires a more intensive work pace in turn for a short workday, is favored by young workers and opposed by older workers, management, and union officials. Project participants felt that regardless of the faster work pace, those involved get considerable satisfaction out of negotiating a shorter workday.

Variety of work and promotion opportunities. The San Francisco group found less variety and choice in jobs and work schedules in Rotterdam because the majority of dockworkers are hired directly by the employer. They felt the union-controlled hiring hall in San Francisco gave them greater choice in jobs and work schedules—a very important source of job satisfaction for 95 percent of the 30 longshoremen interviewed by the project selection committee. As for training and promotion opportunities, they noted that the Dutch have more options because of their Transport College, which offers courses in improving longshore skills and training in managerial and administrative skills with opportunity to move up in the industry. While the group expressed some concern about employer influence in the Transport College and their role in selecting workers for upgrading, they felt it was a desirable arrangement and contributed to job satisfaction.

Supervision and grievance handling. On the Rotterdam docks where the Americans worked, supervisors seemed to be generally well qualified, in close communication with the workers, unobtrusive, and more respectful towards employees than is the case in the San Francisco area. On the other hand, Dutch dockworkers seem to accept authority more readily and are able to communicate fairly high up the management ladder. Most of the participants indicated they had never met management people in a cooperative relationship in the manner they observed in Holland. As for grievance handling, they felt that the union did not have a strong presence on the piers in Rotterdam and that their union did a much better job. Grievances in Rotterdam were handled informally with management by *bondskontaktmen* appointed by the national union, paid from a special employer fund, and not answerable to the local membership. Few Dutch workers and union officials who discussed this matter with the group were happy with the system.

Safety regulations and enforcement. The American longshoremen were appalled at the dangerous work practices and lack of enforcement of safety rules and regulations. Dutch dockworkers seemed to take a perverse pride in risks. This was particularly true under the arrangements whereby they were allowed to go home as soon as a particular job was finished. They overloaded slings, swung loads directly over groups of workers, operated lift trucks at high speeds, and cluttered up the docks with loaded pallets. Union officials, employers, and Transport College staff all agreed safety regulations were often ignored but inferred that the workers were at fault.

Role of unions, employers, and Government. Exposure to this area was mainly through formal contact with union officials, management representatives, and Transport College staff. Members of the group were impressed by the social consciousness imposed on employers by the Government and were aware of the role the national union and federation had in negotiating the extensive social security system. However, the Americans expressed reservations about the unions' open shop policy and lack of interest in direct job control and contract enforcement on the piers. Belonging to a strong union seemed to be a source of job satisfaction for all of the American participants; union membership did not seem as important to the Dutch longshoremen.

Status of longshoremen in society. As the San Francisco longshoremen saw it, the Rotterdam dockworker enjoys considerable status, better wages, and a greater variety of work than factory workers and a sense of being more essential to the well-being of the economy than most other workers. Dockworkers are the most important segment of Rotterdam's work force and they take pride in their occupation and derive more status from this than do longshoremen in the San Francisco Bay area.

Generally, the longshoreman in Rotterdam feels his job is a good one with a relatively high level of satisfaction. Greater job security and overall economic security combined with a strong sense of community with the whole of Dutch society seems to be important. However, the San Francisco longshoreman also feels he has a good job, greater freedom of choice in his work than most jobs provide, and considerable job security and independence from the employer because of a strong union. Although the Americans felt that the Dutch dockworkers were well satisfied with their working conditions, they felt that the same working conditions on the San Francisco waterfront would not give them [Americans] as much satisfaction.

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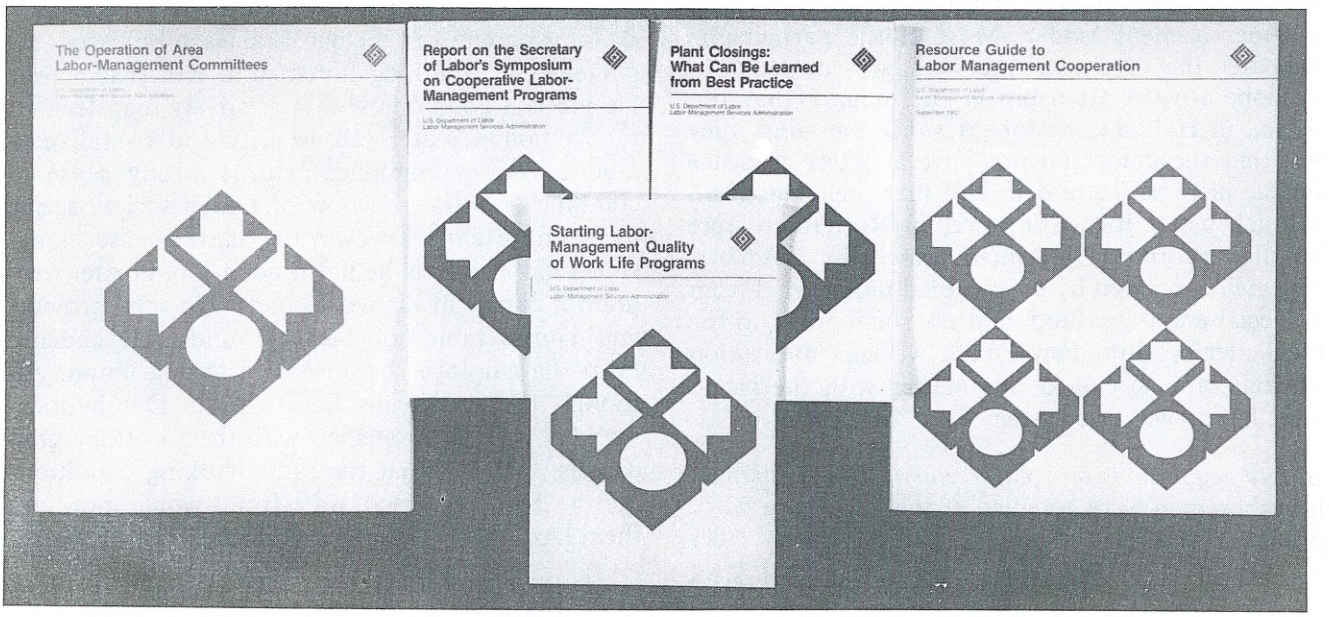

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