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What's the Problem?

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Worker Participation and American Unions: Threat or Opportunity

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Chapter 1

What's the Problem?

The growth of quality of working life (QWL) programs, related forms of worker participation processes, and experiments with new forms of work organization in the past decade have posed both new challenges and potential opportunities to the American labor movement. On the one hand, these informal mechanisms require union leaders and managers to modify their traditional roles and relationships in significant ways. On the other hand, they open new channels for direct worker involvement and, possibly, for greater worker and union influence. These developments have generated a vigorous debate among union leaders concerning whether QWL and related participation processes will, in the long run, be good or bad for labor unions and for the workers they represent. Yet, the debate has, to date, largely taken place in a vacuum. While strong rhetorical arguments have been presented by both the supporters and the critics of worker participation processes, little direct examination of union experiences with these processes has informed the discussions.

In early 1982, however, a group of labor leaders meeting under the auspices of the Industrial Union Department of the AFL-CIO agreed to commission an independent study of the experiences of unions with worker participation processes. The processes studied operate under a variety of

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labels in addition to QWL, such as Quality Circles (QC), Employee Involvement (EI), Labor-Management Participation Teams (LMPT), socio-technical work systems, etc. The purpose of this book is to report the results of that study. The common characteristics of the QWL and related forms of worker participation studied are that all these programs involve small groups of union members and/or officers in informal workplace participation processes which supplement the formal collective bargaining procedures. Some of these programs also go on to modify the way jobs and work are structured and organized at the workplace. These shop floor or office level forms of *direct* worker participation stand in contrast to the more long-standing form of *indirect* participation commonly found in U.S. industrial relations: the joint labor-management committee. Indeed, a comparison of these two forms of participation can be instructive since they are likely to focus on different issues and have different effects on workers, unions, and the larger bargaining relationship. For this reason, one of the cases reported in this study is a labor-management committee. We will use that case to highlight the differences in these two forms of participation.

Worker Participation and American Industrial Relations

One might ask, why should representatives of the labor movement even question the benefits to be gained from efforts to increase worker participation in decisionmaking at the workplace? Shouldn't any process that serves to increase the voice workers have in issues that affect them be consistent with the goals of labor unions? An answer to these questions requires a grounding in the history and basic features of the American industrial relations system and the role and status of labor unions in American society.

Since the passage of the National Labor Relations Act in 1935, the American industrial relations system has been designed around the premise that collective bargaining is the preferred channel for worker representation and participation at the workplace. The American system of collective bargaining is based on the concept that a duly certified union is to serve as the exclusive representative of workers. As the exclusive representative, a union has the right to negotiate with management over a clearly defined, but limited, scope of issues pertaining to wages, hours, and working conditions.

This legislation emerged out of a political and social environment that had previously been quite hostile toward the rights of workers to organize to protect their collective interests and to participate in decisions at the workplace. Support for the rights of workers to organize and be represented by national unions (i.e., unions whose membership base extends beyond the boundary and control of the employer) arose only after the collapse of the American Plan in the 1920s. The American Plan consisted of a mix of strategies providing limited participation rights to employees through informal committees or company unions dominated by the employer.¹ The plan and employer resistance to unions were weakened by successful organizing drives by industrial unions in the 1930s. Thus, the power and stability offered by a legally enforceable collective bargaining contract and an independent collective bargaining agent were achievements that American workers and their labor unions fought hard to achieve in the 1930s and have valued ever since.

Since the 1930s, collective bargaining has served as the basic institution by which American workers have enhanced their economic security and expanded their sphere of influence at the workplace. This incremental expansion of collective bargaining contracts was achieved through hard

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bargaining supported by the bargaining power achieved largely through the threat of the strike.

Although collective bargaining has expanded in scope since the 1930s, American unions have never been genuinely accepted by American management as valued partners in industrial relations. The prevailing American managerial strategy continues to be, on the one hand, to avoid unions wherever possible, and on the other hand, to deal constructively with unions wherever they exist or cannot successfully be avoided.² This management strategy, along with a deeply ingrained belief that social and economic gains can only be achieved through struggle and hard bargaining, has produced a sense of insecurity and distrust of employer motivations among many American labor union leaders. While the above statements may overdramatize the conditions under which the American industrial relations system and U.S. labor unions have evolved, they set the context for the reception received by early efforts to introduce QWL concepts to American unions.

Early Responses to QWL

QWL theory in its simplest form is based on the proposition that through collaboration and cooperation of workers and employers the quality of working life experiences of individual workers and the goals of employers can be simultaneously enhanced.³ While this is a laudable objective that would be difficult for anyone to oppose, more careful examination of the way it was introduced to American unions helps us to understand why it was viewed with considerable skepticism by the majority of labor leaders.

In order to understand the initial response of the American labor movement to early proponents of QWL theories and strategies, we need to look at the origins of those theories and their mode of introduction to American

unions. While the theoretical underpinnings for QWL strategies can be traced back to early human relations theory,⁴ for our purposes we need only look back to the late 1960s and early 1970s when the term QWL first became part of the American vocabulary.

Furthermore, early proponents of QWL largely ignored the history of industrial relations and collective bargaining outlined above. While industrial relations recognizes the need for *both* hard bargaining and mutual cooperation,⁵ the behavioral science theories upon which the QWL advocates derived their strategies ignored the conflict side of the employment relationship and stressed only the need for and value of cooperation. In their crudest form, the behavioral science theories were really theories of *management* developed for *managers* rather than theories of the employment relationship from which policies and practices could be derived for balancing the diversity and maximizing the commonality of interests at the workplace.

Labor union representatives were quick to point out that these behavioral science theories left no significant role for labor unions as representatives of workers. Indeed, most behavioral science and QWL applications found their homes in nonunion companies and were used as part of the union avoidance strategies of these firms.⁶ Thus, many observers within the labor movement saw the QWL strategies as simply another in the long list of efforts of American employers to weaken the labor movement.⁷ In essence, QWL was perceived as simply the American Plan revisited. The values of openness, high trust, extensive communications and participation of individuals which the behavioral scientists emphasized were seen as simply another way of avoiding the need to deal with collective bargaining.

Consequently, QWL started off in the U.S. with a poor image among labor unions. It did not help that the early pro-

ponents of QWL experiments also tended to oversell the concept as a solution to the "Lordstown" syndrome. That is, in the minds of the QWL advocates, the problems facing American workers in the late 1960s and the early 1970s were that workers were alienated from their work because they were closed off from meaningful opportunities to influence their working environment. This alienation allegedly was the cause of excessive levels of absenteeism, wildcat strikes, and the blue-collar blues. In addition to diagnosing the problem in this way, the QWL advocates also had a ready-made solution, namely, to experiment with a predesigned QWL program and thereby begin to address the "real" needs of American workers.⁸ Little thought was given to how these new strategies for participation would relate to existing collective bargaining and industrial relations systems. Nor were systematic efforts made to assess the extent to which unions, through collective bargaining, were in fact effectively responding to the priorities of their members. Correspondingly, the reception given to the early QWL efforts was quite cool from union, and even from many management, representatives.

But despite this rocky start, some highly visible experimentation did take place in the early 1970s under the auspices of the National Commission on Productivity and Quality of Working Life with the support of research and consulting expenses provided by the Ford Foundation. These government- and foundation-sponsored experiments were complemented by a variety of private initiatives in both nonunion and union plants. The early experimental sites have now become household names within quality of working life circles. The most frequently discussed experiments occurred in the Rushton Mining Company, General Motors Tarrytown plant (and subsequently many other plants of General Motors), the Bolivar, Tennessee plant of Harmon Manufac-

turing Company, the Topeka General Foods pet food plant, and several others.⁹

While many of these highly visible programs faded away by the latter part of the 1970s (especially those sponsored by the government), they were succeeded by a much broader array of private experiments that emerged near the end of the decade and in the early 1980s. This second generation of experimentation was fueled by the deepening economic crisis affecting American industry, the growing awareness of the stagnant productivity trends experienced in the American economy in the 1970s, and the increasing attention given to Japanese management practices by the American mass media. Indeed, according to one set of estimates, in early 1982 approximately 1,000 companies had Quality Circles under way, 100 companies had more advanced forms of work reorganization experiments involving autonomous work groups and another 500 or so companies were engaged in Scanlon Plan type (productivity gains sharing) projects.¹⁰ In recent years, interest in various forms of participation has clearly diffused to a wider spectrum of firms and unions. Perhaps most significantly, a number of international unions have negotiated clauses into their agreements that launched joint union-management participation experiments. The most notable examples are found in the contracts between the United Automobile Workers and the major auto firms, the United Steelworkers of America (USW) and eight major steel producers, and the Communication Workers of America (CWA) and AT&T.

The Current Context For Worker Participation

This brings us to the current debate within labor union circles. Clearly, there is now a much wider diversity of views within the American labor movement concerning the viabili-

ty of quality of working life processes than was the case in the previous decade.

At the same time, fear and suspicion still exist among many unions and workers regarding QWL programs. The basic fear expressed by opponents or critics of worker participation programs is that their ultimate effect will be to undermine the strength and effectiveness of the local union and the collective bargaining process. Specifically, critics have argued that: (1) workers and/or employers may see these processes as substitutes for, rather than as supplements to, the collective bargaining process and established grievance procedures; (2) workers may begin to question the need for a union if they see employers listening to and solving their problems through QWL or other direct worker participation processes; (3) union leaders may become too closely identified with management or get co-opted into managerial decisions, lose touch with their members, or experience heightened internal political instability or conflict; and (4) informal participation processes may turn out to be simply another short-lived strategy for employers to gain greater control over and effort from workers without providing them with any real power to influence important decisions within the firm. Finally, since these efforts are often used by nonunion employers as part of their union avoidance strategy, some labor leaders see these processes as inherently antiunion in design.

Supporters of worker participation processes generally argue that the negative consequences outlined above can be avoided by proper union involvement in the design and implementation of participation programs. Supporters also stress that many employers will be experimenting with these processes regardless of whether or not the union is involved. Remaining outside of the process or being involved in only a minimal way will further erode the status of the union at the workplace. Others argue that support for worker participa-

tion should be more than a defensive reaction to employer initiatives. They believe unions should embrace worker participation processes as strategies for extending industrial democracy to individual workers. Finally, some union advocates believe that, by making worker participation processes an important part of the broad agenda of the labor movement, unions will enhance their attractiveness to new workers in future organizing campaigns.

Theoretical and Analytical Issues

The central theoretical argument running through our analysis of these issues is that worker participation processes move through several stages of evolution as they unfold. It is only by understanding the dynamics of these processes through time that we can hope to understand their effects on local unions and on the larger collective bargaining relationship and assess the arguments of the QWL advocates and critics.

It is particularly important to follow workplace experiments through at least one complete contract cycle, i.e., from the initiation of the experiment to at least one follow-up negotiation of the collective bargaining agreement. This allows us to observe how the participation process affects and is integrated into the larger collective bargaining relationship. In addition, to test the stability or survival power of these experiments, it is necessary to watch what happens to them over time as business conditions change, key management and/or union supporters turn over or hand over responsibility for the project to others, union leaders who support the process stand for reelection, and other problems or conflicts in the bargaining relationship arise. Then, exploring how union member and officer views and experiences change over the cycle of collective bargaining, we can better understand whether these experiments are temporary fads which have a natural but rather limited "half-

life," or represent changes in the workplace industrial relations system that have lasting effects. The organization of the chapters follows this approach. We first present case study descriptions of the evolution of worker participation processes over the course of at least one contract cycle and often through changes in the economic circumstances of the parties. In chapter 3 we explore the especially complex issues that arise in sustaining worker participation processes operating under centralized collective bargaining structures. In centralized structures, many more interests and decision-makers within both management and union can influence the course of a participation process thus taking the control over the process partly out of the hands of local officials. We are fortunate to have two well known cases to draw on for this analysis, the United Auto Workers and General Motors and Ford, and the United Steel Workers and the major steel producers. Then, we examine through survey and interview data the views that rank and file members, and local labor leaders hold toward worker participation.

Models of the dynamics of a joint union-management change process have been presented elsewhere and need not be repeated in detail here.¹¹ It may be useful, however, to summarize the general points of consensus found in these models since we use them to structure the analysis that follows. As noted above, the common argument in models of organizational change, and particularly in models of joint union-management change, is that once a change is started, the process takes on a dynamic character. Thus, it is important to trace the effects of worker participation processes from the initial stimulus to change, through the early stages of implementation, and on to the stage at which the informal participation experiments are "institutionalized" or once again integrated into the larger collective bargaining relationship. The basic propositions in these models are as follows.

(1) Introducing a worker participation process generally involves considerable political and economic risks to both management and union officials. Normally, therefore, both parties will only begin to explore the idea of starting a worker participation process if they feel intense pressures to do so. These pressures may come from external markets, legal, social, or political sources, or from internal sources such as from the expectations and preferences of workers or top managers. Furthermore, the parties can expect to encounter considerable skepticism and some resistance to these changes from workers and managers alike.

(2) To generate a joint initial commitment to proceed, both parties must perceive the process as being useful for achieving goals that are important to *their respective organizations or constituencies*. That is, management must see the process as having the potential to improve organizational effectiveness and union leaders must see the process as enhancing economic or psychological goals or needs to which workers assign high priorities. Broad appeals to the general, long-run or mutual welfare of the parties will not provide sufficient incentive to diffuse the process to large numbers of workers.

(3) Maintaining commitment to the process over time will be difficult. It will require overcoming the internal political opposition which is likely to arise from some workers, union leaders, and/or managers. It will require successful attainment of the initial goals of the process, and will require continuation of the pressures that initially stimulated the change. In short, like all forms of labor-management cooperation, worker participation processes are fragile instruments.

(4) Ultimately, continuation of the process over time will require: (a) attainment of tangible goals valued by the workers and the employer, and (b) "institutionalizing" the changes into the ongoing collective bargaining relationship.

NOTES

1. For a discussion of the American Plan see David Brody, *Workers in Industrial America* (New York: Oxford University Press, 1980).
2. Thomas A. Kochan and Robert B. McKersie, "Collective Bargaining: Pressures for Change," *Sloan Management Review* 24 (Summer 1983).
3. Elton Mayo, *The Human Problems of an Industrial Civilization* (New York: Macmillan, 1933).
4. For a clear statement of this purpose see Paul S. Goodman, *Assessing Organizational Change* (New York: Wiley, 1979), pp. 7-8.
5. Jack Barbash, "The Elements of Industrial Relations," *British Journal of Industrial Relations*, 2 (1964), pp. 66-78. See also Thomas A. Kochan, *Collective Bargaining and Industrial Relations* (Homewood, IL: Irwin, 1980), pp. 1-23.
6. Fred Foulkes, *Personnel Policies in Large Non-Union Companies* (Englewood Cliffs, NJ: Prentice Hall, 1980).
7. See, for example, William Winpisinger, "Job Enrichment: A Union View," *Monthly Labor Review* 96 (April 1973), pp. 54-56.
8. One book that was perceived by many to have adopted this theme was *Work in America* (Cambridge: MIT Press, 1972), a report of a Special Task Force to the Secretary of Health, Education, and Welfare.
9. For a recent review of most of these key experiments see Robert Zager and Michael P. Rosow, eds., *The Innovative Organization: Productivity Programs in Action* (New York: Pergamon Press, 1982).
10. Jerome M. Rosow and Robert Zager, eds., *Productivity Through Work Organizations* (New York: Pergamon Press, 1982).
11. See, for example, Thomas A. Kochan and Lee Dyer, "A Model of Organizational Change in the Context of Union-Management Relations," *Journal of Applied Behavioral Science* 12 (1976), pp. 59-78. See also Michael Schuster, *Union-Management Cooperation: Structure, Process, and Impact* (Kalamazoo, MI: W. E. Upjohn Institute for Employment Research), forthcoming.