

THE CHANGING ROLE OF UNION LEADERS

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## **The Changing Role of Union Leaders**

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## I. INTRODUCTION

The purpose of this monograph is to contribute to a wide ranging discussion concerning the appropriate roles and strategies for union leaders -- at a time when labor and industrial relations have been undergoing fundamental changes. Our approach is both descriptive and prescriptive. We discuss a broad variety of different situations in which labor leaders find themselves, and we identify the range of responses they are adopting, often on a trial and error basis, to cope with their new environment. We also propose some strategies and perspectives which we hope will help labor leaders cope more effectively with the challenges they confront today.

This is clearly a turbulent period for union leaders. To represent their members effectively, many find themselves engaged with management in a dialogue regarding decisions about employee participation, new technology, new forms of work organization, human resource policies, plant locations, and even the very legitimacy of unions. There are few models suggesting how to engage these issues. Yet there is a pressing need for such models. One of the most basic reasons for this is that even union leaders who choose to pursue issues of joint concern with management must also be able to maintain their independence as the representatives of those rank-and-file interests that are in opposition to management.

As union leaders develop new roles and functions to complement and sometimes replace the old, these shifts often produce deep conflicts within unions hierarchies, as well as between union leaders and their members. Nonetheless, one of the central conclusions reached in our research is that if unions are to adapt successfully to today's industrial relations environment, union leaders will need to fashion and to fulfill a variety of the new roles and functions discussed in this report. In turn, we also see successful union adaptation as a necessary condition for the diffusion and institutionalization of the industrial relations innovations analyzed in this research.

The experiences discussed in this report are drawn from a panel of nine companies and more than a dozen associated local and international unions. These parties participated in a two-year study conducted with the support of the U.S. Department of Labor's Bureau of Labor

Management Relations and Cooperative Programs. The purpose of this study was to assess the staying power of important innovations in industrial relations. The cases were selected for the panel because in each we found one or more of the types of innovations that seem to challenge the prevailing principles of the New Deal system of industrial relations. The most fundamental features of that industrial relations system included the centrality of formal and periodic collective bargaining as the proper forum for labor-management relations; the use of formal grievance procedures to resolve disputes concerning the administration of the collective bargaining contract between negotiations; and the tacit agreement that strategic managerial discussions and the organization of work on the shop floor be left exclusively to managers, with little if any involvement (or interference) on the part of workers or union leaders. The cases we examine here all deviate from one or more of these New Deal norms. Though they by no means comprise a random or even a representative sample, they do illustrate some of the different avenues by which the parties can adjust their relationships.

The specific sites studied and the nature of the changes occurring in each are outlined below.

#### **The United Automobile Workers Union (UAW) and General Motors (GM)**

Our focus in this case was on the new Fiero and Lake Orion assembly plants, both of which feature a fundamental reorganization of the work design. The roles of labor and management have also been significantly modified in these plants, affording workers greater autonomy, less supervision, and, in the case of Fiero, union representation in all plant-level strategic and administrative decisions. During our research the union and company also engaged in the joint design and creation of the Saturn Corporation, and the GM plant in Fremont, California, was re-opened (after a two-year shutdown) as a joint venture with Toyota. We followed several aspects of these developments as well.

#### **The Amalgamated Clothing and Textile Workers Union (ACTWU) and Xerox:**

The experiences of the seven plants in Xerox's home manufacturing complex (in Rochester, New York) show how a narrowly focused quality circle initiative can evolve to encompass multiple forms of employee participation which are then reinforced by contractual language assuring a no-layoff guarantee, joint decision making on outsourcing, and gainsharing. The parties have also built on a history of informal consultation about strategic issues with the establishment of joint "horizon" planning committees dealing with human resource management issues, the joint design of a new manufacturing facility, and union involvement in new product development.

**Western Airlines and the Airline Pilots Association (ALPA), the International Association of Machinists (IAM), the Association of Flight Attendants (AFA), and the Air Transport Employees (ATE)**

Economic pressures led Western to demand concessions from all four unions. Though each of the negotiations was different, all four unions ultimately emerged with significant minority stock ownership (initially 33%), a profit sharing plan, seats on the board of directors, and, in one case, an agreement to pursue United employee participation in daily decisions. Of particular interest is the great variation in the strategies pursued by the four unions.

**The International Association of Machinists (IAM) and the Boeing Corporation**

Rapid advances in manufacturing technology led the union to push for joint roles in the exploration, selection, and implementation of new technology. The operation of the joint structure that evolved over the course of two contract cycles in Boeing's Seattle, Washington facility and a parallel quality circle effort were the focus of this research.

**The Aluminum, Brick and Glass Workers Union (ABGWU) and Alcoa**

At rolling mill, operating in a highly competitive portion of the aluminum industry, the parties tried to maintain employee involvement activities and work re-organization during a period of major wage and benefit concessions. The concessions reflect the decentralization of bargaining in the industry. We explore the consequences within the local union.

**The United Automobile Workers (UAW) and the Budd Company:**

The parties have sought to sustain employee involvement initiatives, quality control improvements and limited just-in-time delivery. These changes were prompted by customer pressure in the context of the highly competitive auto supply industry. During the period of our research there were efforts to link plant-level participative activities to cooperation at the corporate/international union level. Also, one local negotiated an agreement to accept significant work rule reforms and the use of a team concept approach to work organization, in return for reinvestment in its facilities.

**The Diesel Workers Unions (DWU) and the Office and Clerical Unit (OCU) and Cummins Engine:**

After nearly a decade of experimentation with the design of non-union facilities based on socio-technical principles, the parties are now in the process of trying to integrate these innovations into the company's unionized, home manufacturing complex. We followed the diffusion of new systems for the organization of work, as well as related changes in collective bargaining, as they evolved throughout a period of layoffs and corporate management turnover.

**The United Paperworkers International Union (UPIU) and Boise Cascade Corporation**

Two decades of low performance in the company's newest and largest facility -- rooted, at least partly, in an increasingly complex set of work rules -- led to company demands

for a sweeping revision of the contract and its hundreds of attached memorandums of agreement. After a lengthy strike, the company prevailed and imposed a contract with only four job classifications, a team-based and flexible work organization, a no lay-off pledge covering current employees and substantial wage increases for those affected by the job classification changes. Critical questions concern the implementation and evolution of such changes when imposed via "hard bargaining".

### **The United Rubber Workers Union (URW) and Goodyear Corporation:**

Gradually, over about ten years, the parties have made a series of incremental changes in the organization of work and the structure of union-management relations in their Lincoln, Nebraska facility. We are particularly interested in the process and results of such plant-level incremental changes.

Longitudinal case studies were conducted for each site by one or more members of our research team. Interviews ranging in number from fifteen to over one hundred were conducted in each case. In some of the cases we were also able to draw on previous case studies or related research from our earlier work. Employee surveys were conducted in three cases (Western, Boeing, and Xerox) and in one case (Boise Cascade) we were able to conduct a formal analysis of the economic effects of the changes introduced.

This study is based on discussions with hundreds of labor leaders at both the local and national levels of the unions involved in our case studies, as well as a wide range of contacts with other labor leaders.

#### **I.1. Analytic Framework**

Our study draws heavily on the analytic framework contained in Kochan, Katz and McKersie's (1986) The Transformation of American Industrial Relations. That study documents and evaluates fundamental changes occurring in all areas of industrial relations. This model, which we also apply in this work, consists of three "tiers" or "levels" of industrial relations activity: the workplace level, the collective bargaining level and the strategic management level. In Transformation, as in this work, great emphasis is placed on the inter-relationship of changes in the nature of labor-management relations -- and thus the roles of union leaders -- at these three levels. At the work place there are strong competitive pressures to increase flexibility, improve quality, increase labor participation, and establish

new patterns of authority and governance. At the collective bargaining level we observe the negotiation of contingent compensation mechanisms, and the polarization of labor-management relations between highly adversarial bargaining, on the one hand, and increased problem solving throughout the term of a contract on the other. At the strategic level, patterns of labor-management interaction are similarly mixed: in some circumstances there are fundamental challenges to the legitimacy of unions, while in others we observe union leaders gaining unprecedented access to management decision making.

The plan of this monograph is to start with the middle tier of the industrial relations system -- collective bargaining -- since this is familiar territory for labor leaders. We then examine developments at the two frontiers: the work place and the strategic levels.

## **II. UNION LEADERSHIP AND COLLECTIVE BARGAINING**

The emergence of widespread "concession bargaining" in the early 1980s and the related decentralization of bargaining in many industries struck at the very core of the power and structure of American unions. This is because U.S. unions have traditionally represented their member's interests through collective bargaining (especially through the ability to take wages out of competition) rather than through the exertion of political power or via labor-management collaboration. The implications of these recent changes in collective bargaining go well beyond the substantial decline in the average rate of growth in union wages.

For example, Local 445 of the Aluminum, Brick and Glass Workers Union (ABGWU), was pressured to break away from the national pattern agreement in the aluminum industry in 1983 because the products (aluminum foil and fin stock) made at the Lebanon plant are in one of the most competitive portions of the aluminum industry. The workers ultimately agreed to accept nearly three dollars an hour in wage concessions. Ever since, this issue of concessions has dominated relations between local leaders and the membership, between the local union and the international, and between the union and the company. This experience is typical of

many companies and unions during the early 1980s, when over half of all major agreements included roll-backs in wages and benefits (Mitchell, 1986; Cullen 1985).

In some cases pattern bargaining has even turned into what might be termed pattern concessions or reverse pattern bargaining. Consider, for example, the rounds of concessions that have occurred after deregulation in the airline industry. The whipsaw tactic of playing one employer against another, which had been used by these and other unions in the past, was now being used against the unions, leading to deep and successive cuts in wages and benefits, as well as a loosening of work rules.

The purpose of this section of the paper is to explore the possibilities open to union leaders facing such difficult circumstances. Three themes emerge here. First, management is increasingly aggressive in taking the initiative in negotiations (so as to lower costs and increase flexibility in the utilization of resources). We explore union responses to these initiatives. Second, the nature of collective bargaining has in many cases shifted from primarily zero-sum processes to a mixture of zero-sum and positive-sum (or integrative) processes. (These types of bargaining are called "distributive" and "integrative" by Walton and McKersie (1965); we will use these terms as we proceed.) Third, there is a growing divergence in expectations across different levels within union organizations. It is thus important to explore what kind of modus operandi for unions can embrace this diversity while still proving effective in dealings with management. It will be noted that all three of these thematic developments reflect an overall decline in unions' bargaining leverage vis-a-vis management.

### **II.1. The Shift of Initiative to Management**

It is by now well documented that unionized employers are frequently pressing for smaller increases or even reductions in wages, fringe benefits, and other contract terms (Cappelli, 1985). The old adage that "the union proposes and management disposes" is now being turned on its head. Less visible, but perhaps more significant, is the fact that many managers systematically target investment dollars for non-union facilities and pursue human

resource strategies designed to build employee commitment and keep their facilities non-union (Kochan, McKersie, and Chalykoff 1986; Verma 1983). The growth of non-union human resource strategies and their spill-over into labor-management relations in unionized settings effectively reverses the "shock effect" that unions had on the non-union sector in the 1950s (Slichter, Healy and Livernash, 1960; Kochan, Katz, and McKersie, 1986).

An extreme case of the reverse shock effect occurred in the 1982 negotiations between the Boise Cascade Company and the Paperworkers Union at the company's newest and largest mill in DeRidder, Louisiana. The union had historically resisted company proposals for incremental changes in a complex set of work rules and detailed contract language. In 1982 the company sought to replace these with a highly simplified work organization based on teams and including only four job classifications. These work rule changes were linked to substantial wage increases associated with the combining of classifications. Still, the union opposed the unilateral imposition of such a fundamentally different contract. A seven-month strike ensued after which the employees returned to work to avoid losing their jobs.

Moreover, the workers then elected an entirely new slate of union leaders. This case suggests how employers can change the work system through hard bargaining while simultaneously altering -- fundamentally -- relations with the union. Had the union been strong enough to sustain the strike, the outcome might have been very different.

Certain unions have been able to resist such employer initiatives with lengthy strikes, consumer boycotts, and the application of indirect strategic levers or "corporate campaigns." While these activities have proven important responses to employers bent on violating the law, their utility is limited for three main reasons. First, the prevailing social, legal, and economic climate is not sympathetic to concerted activity by unions. Union leaders therefore turn to these activities only as a last recourse. Second, because these activities are then waged on an "all or nothing" basis, they may polarize a relationship so as to bar integrative relations for years. Third, union leaders facing this kind of threat may well lack the power to be able to counter management in this domain.

## II.2. New Issues at The Table:

Some unions have proposed safeguards against the worst repercussions of wage and work organization changes, along with the institution of various quid pro quos. For example, the political dangers of two-tier wage schedules might be mitigated by insistence on eventual parity. On this issue, the Air Line Pilots Association has made it a matter of policy to insist that all negotiated two-tier scales be "merging scales", and was even willing to sustain a bitter strike at United Airlines mainly in defense of this principle in 1985.

A similar use of safeguards is evident in the approach adopted by the UAW in its 1982 negotiations, when it insisted that its annual three percent improvement factor not be eliminated, but only suspended. Another common quid pro quo for concessions has been profit sharing. Many major airlines have introduced profit sharing programs since the post-deregulation economic crisis in that industry. Finally, unions have often exchanged wage and/or work rule flexibility for employment security guarantees, discussed in greater detail below. What these approaches have in common is an attempt to translate concessions of one sort or another into new kinds of "collective goods" (in the form of guarantees) for members.

Some union leaders are also able to use their leverage at the collective bargaining table to establish new and broader roles at the workplace or at the strategic level of management. During the 1984 concession negotiations at Western Airlines the four main unions were granted, as quid pro quos for concessions, not just profit sharing and stock ownership, but also four seats on the board of directors. One union, the Air Transport Employees (ATE), also negotiated an employee involvement program. Once these potential sources of leverage in managerial decision making are negotiated, the main task facing the union is to see that the potential for enhanced influence is actually realized.

In cases involving work rule changes, fewer workers or workers with different skills may be required. Under such conditions, union leaders may seek employment security guarantees and retaining programs to protect remaining workers. Examples include the no-layoff guarantee negotiated by Xerox and ACTWU; the job banks and joint training programs created by the UAW with Ford and GM; and the lifetime employment security program negotiated by

the International Union of Electrical Workers and the Packard Electric Products Division of General Motors.

In all of these cases union leaders have been driven by a loss of traditional bargaining leverage to expand their activities at the collective bargaining table. They then focus increasing attention on their member's job security, as well as to the roles they might play and the leverage they might gain in strategic management and at the workplace level. Having lost some of their traditional sources of power, these leaders find that collective bargaining alone cannot -- in itself -- protect their members' interests and respond to new management challenges. Collective bargaining, therefore, must be linked to union strategies at these other levels. This is not to say that the importance of collective bargaining is diminishing. Indeed, we find that it actually is proving an essential forum for codifying and institutionalizing developments at other levels. What has occurred, instead, is that the nature of collective bargaining has shifted and the addition of new levels of activity -- both of which have served to make the task of a union leader more complex.

### **II.3. The Increasing Importance of Integrative Bargaining**

For local and international union leaders involved in collective bargaining it is not only bargaining outcomes that have changed, but also how bargaining is conducted. For instance, the negotiation of administrative structures for new programs can be a long, complex, and politically risky process. In such cases bargaining often takes on an almost continuous quality, making a reality of the concept Walter Reuther once called the "living agreement." These cases pose difficult strategic and tactical problems for union leaders.

Consider the 1986 negotiations between Xerox and the ACTWU. Formal negotiations were preceded by frequent formal and informal working sessions. In the actual negotiations, the two bargaining teams divided up into small, joint problem-solving groups to address particularly complex issues, and twice engaged in full brainstorming sessions at the main table. The parties were able by virtue of these processes to reach agreements on the establishment of a pilot gainsharing program, the redesign of an absentee control program and the extension

of a no-layoff guarantee. However, the process also affected how the union and management could exercise leverage at the table. Since both parties highly valued these new programs and their administration, both were constrained in the use of hard bargaining tactics. Consequently, the exercise of power in the resolution of bargaining conflicts became much more subtle.

One political problem with integrative bargaining is that it can be difficult to justify to members, since it is not always clear whether the union has obtained the best possible bargain without exerting traditional power tactics. The process is doubly hard to defend when it encompasses employee involvement, training, and other issues about which members may have divergent views. Local and international union leaders engaged in these new forms of bargaining find it necessary to emphasize the importance of regular two-way communications before, during and after bargaining to keep the members apprised of their efforts and of the merits of the new process. In some cases, this is simply not possible. For instance, the concession negotiations at Western Airlines in 1984 were conducted in such an atmosphere of crisis that the union leaders barely had the time to consult their members about the nature of the participative quid pro quos they negotiated in return for agreeing to wage and work/rule concessions.

The main function of increased information sharing -- both between labor and management and between union leaders and members -- is to ground collective bargaining more on a foundation of objective data. This can be very important in minimizing a return to adversarial posturing, which can be particularly costly once the parties have tried collaboration (Parker 1985; Wever 1986: c.f. Hammer & Stein 1986). Specifically, the purpose of communications and involvement of the rank and file in such decision making is to show that changes in the terms and conditions of employment were really unavoidable, and did not result from the co-optation of union negotiators by management.

#### **II.4. Divergent Expectations Across Levels in the Union**

Further confounding integrative union strategies at the bargaining table are two sorts of

intra-organizational conflict; specifically, tensions between the local union and the central (national or international) organization, and tensions associated with conflicting interests within the local union (Katz and Sabel, 1985).

The local-national tension may arise when local leaders are willing to grant concessions, while national leaders object to the erosion of national standards. For example, the national leadership of the International Association of Machinists and Aerospace Workers (IAM) opposed all concessions by its airline locals in the early 1980s, and even placed its Braniff Airlines local in trusteeship when it agreed to concessions. National leaders may recognize the long term dangers of a downward concession spiral, while local leaders and members (highly vulnerable to the threat of lost jobs) may be reluctant to challenge management demands for concessions. The national Air Line Pilots Association (ALPA) leadership began in 1981 to exhort its locals to reject certain kinds of concessions, and to secure board membership and other channels of access to strategic decisions in return for concessions. Moreover, in 1984 the national organization reasserted its role as the centralized decision-making authority of the union through a provision that no contract be binding unless signed by the national president, and instituting formal policies governing concessions made by its locals.

A somewhat different solution was adopted by the ABGWU. That union allowed the Lebanon, Pennsylvania local to sign a concessionary settlement that departed from the national agreement in 1984. However, it was unwilling to allow the local to establish a local gainsharing program, which would also have departed from the national agreement. In all three of these cases -- the IAM, ALPA and the ABGWU -- intraorganizational tension emerged as a result of a loss of bargaining power at the local level. In all three cases the national leadership intervened to prevent what it saw as the possible further erosion of the union's national power, viz., through management's successive erosion of wage levels across different locals.

Tensions also developed within the IAM over its Technology Bill of Rights, a wide ranging manifesto about what role the union should play in choosing and dealing with the consequences of new technology. In this case, it was the development of a new strategic

approach that engendered intra-organizational conflicts. Specifically, in 1983 the leadership of the 27,000 member IAM lodge representing Boeing workers negotiated provisions that required the company to inform the union periodically of upcoming developments in such areas as flexible machining systems, Computer Aided Design/Computer Aided Manufacturing (CAD/CAM), robotics, and composite materials. The parties also agreed to a joint union-management training committee to help laid-off workers qualify for positions to be created by the new technology. But the IAM national leadership argued that the Boeing settlement did not go far enough in establishing worker's rights vis-a-vis new technology, even though local leaders thought that they had achieved a substantial breakthrough in the face of difficult conditions.

We have also observed conflicts within local unions. Local leaders may have trouble keeping track of changing member expectations, and they may need to modify the perspective of the rank and file concerning new union activities. Under the circumstances, the question becomes what sort of information is properly conveyed by the union, by the management, and by both partners. At the Xerox main manufacturing complex, the ACTWU has decided in some plants to establish a formal role for shop chairmen to play in the bi-weekly performance feedback process for work groups. The union is thus guaranteed some influence over the regular education of its members.

At Alcoa's Lebanon, Pennsylvania plant the ABGWU has chosen to participate in bi-annual briefing sessions, but has not demanded a joint role for stewards in bi-weekly meetings where supervisors provide work groups with feedback on their performance and safety records. In this case, the union has decided that it needs to maintain independence from management's shop floor activities in order to represent members' interests. The decision also reflects sharp tensions between stewards and shop floor management.

In another case the approach of the Air Transport Employees (ATE) at Western Airlines was to provide members with all the information the union could garner, which often conflicted diametrically with information provided to the employees by the company's management. This approach minimized tension within the local but also minimized integrative relations with management. However, the ATE had lost a fair amount of bargaining leverage

as a result of Western's near bankruptcy, and may not have been in a position to insist on integrative relations, given an unwilling management.

Different kinds of tensions can emerge within locals when union members have diverse preferences regarding new quid pro quos. One example concerns the 1984 local negotiations between the UAW and General Motors at the Lake Orion assembly plant. There, in response to diverse preferences among the workforce, the contract allowed employees a choice between working in a single classification at a set pay rate, and working in a flexible classification system with pay increasing as more skills are acquired. While most employees stood to earn more with the flexible pay system (and thus selected that system), a substantial minority of employees chose to stay in the single classification system. In this instance, the union was able to exact the voluntary provision from management as a quid pro quo for its concessions in order to avoid the alienation of one or the other faction within the membership.

In sum, we find union leaders confronted with dramatic changes in both the substance and the process of negotiations. In order to fully understand these challenges, it will be necessary to turn to changes in union leader's roles at the workplace level and at the strategic level.

### **III. UNION LEADERSHIP AT THE WORKPLACE LEVEL.**

Between contract negotiations, union leaders have traditionally represented member interests by enforcing contracts through the grievance procedure and, occasionally, by serving on joint committees. Many local leaders also informally addressed issues not dealt with by the contract in what is sometimes referred to as "fractional bargaining" (Kuhn, 1961). In general, however, the traditional mode has been captured by the expression "management acts and the union reacts."

We divide this section into three parts. The first discusses the challenges and options posed by the widespread reorganization of work and simplification of work rules at the work place. The second concerns the various kinds of joint activity unions and management may

chose to establish on the shop floor. Here, we pay particular attention to the potential benefits to unions of such programs, and the ways in which unions sometimes use them as sources of leverage to achieve gains in unrelated areas. The third part of this section examines the concrete effects such activities have on elected and appointed union leaders. Here, we distinguish among local officers, stewards and appointees.

### **III.1. Work Rules and Work Organization**

Highly simplified work rules and substantial changes in work organization characterize both union and non-union facilities engaged in employee involvement, flexible production, improved product or service quality, computer aided design and manufacturing, and just-in-time delivery arrangements. For local union leaders the associated changes in work rules and work organization substantially complicate the representation of member's interests.

The seniority principle has long been central to the operation of union work rules and the job-control nature of traditional collective bargaining. This principle is now threatened in a variety of settings. There have always been tensions between the relative importance of seniority and ability in promotions, transfers, and layoffs. Today, in determining membership in employee involvement teams and participation in training programs and other new activities, a third decision rule has become intertwined with these principles. This is the "voluntary principle" where the solicitation of volunteers for an activity precedes the application of seniority versus merit.

The voluntary principle is important where there is significant divergence of opinion within the membership about the new approaches. Consider the example of work teams, often formed with volunteers. Problems may arise, if there is a reduction in force, and senior workers are forced to bid into teams in order to avoid layoff. This is exactly what has occurred at Xerox. Voluntary team members with specific skills and working relationships feel that their initiative should be rewarded with some protection of team integrity. Management agrees. Labor leaders thus find themselves caught between the norm of seniority and the stability of team structures. Case-by-case solutions, often informally arranged with

management, have enabled union leaders to ease political tensions within the membership. However, such solutions depend on both parties being willing to tolerate some variability in how employees are utilized.

A vivid example of a debate around the voluntary nature of team forms of work organization surfaced at General Motor's Lake Orion assembly plant. This was resolved by a collective bargaining agreement under which workers were allowed to choose between work teams and traditional job structures. The individuals who chose the team structure were required to learn approximately seven jobs and received a pay premium; the individuals in traditional classifications had only to learn two jobs. This solution has proven stable in this case, though perhaps because a substantial majority of the workers have chosen one system (in this case the team system).

The voluntary principle may also complicate internal promotions and transfers, since many of the programs for which employees volunteer will improve their skills. Ford and General Motors have both joined with the UAW to create extensive joint training programs. The Communication Workers of America (CWA), the United Steelworkers of America (USA) and the IAM have all also pursued large-scale initiatives of this sort with various firms. Where low seniority employees volunteer for training programs and take active roles in employee problem-solving groups, they may develop expectations that their efforts will be rewarded. Then, when uninvolved high seniority employees are given preference for job moves, these lower seniority members may question the local union's standards of equity.

For stewards, as was noted above, the short-term solution can be to do what has always been done -- to negotiate informal arrangements with supervisors. Thus, as one employee who works in an autonomous work group at Xerox noted: "The floor union representatives are behind this; they back us behind the scenes, but they can't do it publicly." Sometimes the informal approach can even be officially sanctioned. This has been the case at GM's Lake Orion plant where, for example, the transfer of workers between the hard trim and the more desirable soft trim areas has been officially handled by informal discussion rather than by written work rules. Nonetheless, such informal arrangements may not be possible in cases

where shop floor relations are fairly conflictual or when upper levels of management fail to sanction this approach.

Moreover, these arrangements may leave union leaders politically vulnerable. As one local union leader noted:

One of the hardest parts of all this is that sometimes we agree to do things that are different than in the contract. Then you get variation. The problem is that we need these changes in order to be competitive, but we can only hold to them so long as the company continues to see us as an equal partner.

These problems might be resolved in part by the creation of standards about when to allow and when not to allow variation in work practices. As one union leader put it: "If a decision involves my folks and doesn't affect anyone in their promotion track, then we will do anything that's smarter -- but that involves lots of up-front research." Among other things, such decisions rarely affect only small group of workers unless they are fairly unimportant. Indeed, the scale or scope of variation can even preclude informal arrangements. Witness the wire harness case at Xerox. The work in this production area was on the verge of being contracted out, when the union insisted on playing a joint role in this decision, as they had earlier with the employee involvement programs. As a result, the parties established a joint study team, and then implemented substantial changes in work organization and a reduction in management overhead. At the next negotiations, they agreed to language providing for a similar study team process in all future situations involving the potential for outsourcing. Thus, in this case the union agreed to new and different practices in certain areas of the plant, in exchange for a significant extension of its influence over strategic (plant-level) decisions. This case is unusual insofar as the union was powerful enough to insist on extended joint relations at a time when its traditional bargaining leverage was weakened.

### **III.2. Joint Labor-Management Activities**

Many local and international union leaders today are finding themselves engaged in the joint governance of new industrial relations activities, in ways that go well beyond traditional rule making and rule enforcement. Each one of our panel sites involved at least some form of

joint labor-management programs, including long-standing health and safety or apprenticeship committees; the administration of newer initiatives around Employee Involvement (EI), Statistical Process Control (SPC), training, and Employee Alcohol and Drug Assistance (EAP); and formal joint roles in strategic decisions about product sourcing, new technology, human resource planning and even plant and product design. In some cases, as at Western Airlines and its four major unions, these new activities were initiated by management in order to elicit concessions. Unions such as the UAW and the CWA however have taken the initiative in creating such processes or programs themselves. In general both union and management leaders still remain largely ambivalent about the cooperative implications of their joint activities. For example, one union leader at Teamsters local 2707 (representing Western mechanics) called the quid pro quos "snake oil;" another at ATE said they "rammed the concessions through, so they served [the company's] purpose". Other interviews at Western's Unions, all reveal the same predominantly functional and short- or medium-term interest in labor-management collaboration. Thus, for union leaders, cooperation is unlikely to ever be an end itself, but rather a means for achieving goals that are important to their members, to the union as an organization, or to management.

For union leaders, therefore, the decision to venture into this domain can reflect an affirmative interest in increasing the scope of union influence, a defensive response to management efforts to build deeper employee commitment to the goals of the firm, and/or an effort to respond to the competitive needs of the enterprise. For instance, certain ACTWU shop chairmen at Xerox have explicitly viewed the EI program as a method for enhancing their leverage. A similar view is taken by the leadership of the ATE at Western. Other shop chairmen at Xerox have emphasized the joint gains from EI. Most also state that the program has afforded the union an opportunity to increase the loyalty of many of its members. This is a testament to the success of the EI at Xerox.

On the defensive side of the ledger union leaders can be motivated to get involved in joint activities by management successes with participative programs in non-union settings. These programs can fulfill many traditional union functions, ranging from the provision of due

process to the assessment of worker preferences. One possible indication of such an indirect "non-union threat" can be inferred from the fact that over 10% of a sample of 156 flight attendants at Western Airlines mentioned the attractive qualities of Delta's (largely non-union) human resource management strategy in a completely open-ended survey section. However, the Association of Flight Attendants (which represented these people) lacked the bargaining leverage (and, indeed the interest) necessary to establish a joint participatory scheme. The management in fact instituted its own limited EI program without consulting the union.

Joint activities are typically structured around some form of top-level steering or executive committee. For issues such as health and safety, employee alcohol and drug assistance programs and training programs there is usually one or more appointees who ensure that the mandate of the joint committee is carried out. These oversight activities are rarely problematic for union leaders. They however require an active, rather than a merely reactive approach. In most locations this begins with joint offsite planning sessions in which union leaders are called upon to join in program design. Subsequently, the task of program administration and evaluation involves activities that encompass marketing, finance, accounting, staffing, and service delivery. Difficulties can emerge at this stage when programs fail. Members may attribute such failure to the union, since active endorsement of joint activities can be interpreted as an assumption of some degree of managerial responsibility.

For example, one member of the ATE at Western stated out-right that the union should have made more concessions earlier to help the company survive, and that it should not have insisted on costly and ineffective EI training processes during a time when the company was near bankruptcy and over 10,000 jobs were at stake. The dilemma posed by such a position may be impossible to resolve. On the one hand, the EI could only have been negotiated as a quid pro quo for concessions, when management was hard-pressed for cash. On the other hand, the programs were costly at a time when cost savings, not EI, were viewed as saving members' jobs. Once more, this story illustrates the ways in which the relative power positions of the parties can shape union leaders' ability to fashion new types of labor-management relations. The most straight forward lesson is simply that union leaders

require a large measure of control over any joint programs with which they are closely identified.

These tensions can be compounded by the political complexity of having a significant percentage of union members serving in permanent or ad hoc groups. Suddenly, leadership must not only maintain the proper involvement/distance from management, it must also maintain appropriate ties with informal group leaders involved when a process of joint activities is launched and expanded, as well as monitor the changing view of the rank and file concerning these developments. At Budd, GM and other organizations newly established group leaders were quick to forge close relations with stewards or committeemen. This was particularly the case where the unions were strong to begin with. As a result, informal groups were more successful in addressing union and workers, as well as management priorities. Where shop-floor union leadership was weak, such ties were not forged and the groups either became ineffective or strongly management-oriented.

Rank and file members may perceive the union to be responsible for foisting on them joint activities they dislike or don't care about. For example, while many workers at Xerox were willing to volunteer for EI, a substantial percentage chose not to do so. But when local union leaders endorsed mandatory training in EI principles they merely exacerbated tensions between the two groups. A survey revealed that 88% of the employees valued the idea of employee participation, but only about 40% wanted to participate via an EI problem-solving group. At Western, an attitude survey taken a year after the negotiation of EI program revealed that over 90% of the workers in question did not feel the programs increased their control over their day-to-day worklives (Wever, 1986), and (consequently) there was no indication that the union leadership gained in popularity as a result of the negotiation of the programs. As noted above, the union was more committed to the EI than the management, but it lacked the bargaining leverage to force the rapid and thorough implementation of the programs.

### **III.2.1. Advantages of Joint Activities:**

Why would any local union leaders ever choose to engage in joint activities? A handful

will do so for ideological reasons. But, given the risks, the initial choice is more often made for defensive reasons; that is, if the union does not join in the activity, management may attempt it independently, as with Western's flight attendants. However, joint activities are unlikely to be successful or sustained over the long run unless both parties perceive continuing gains. Further, in some instances union leaders have found in joint processes access to resources that would otherwise have been unavailable. These include regular vehicles for communication with the membership during work hours -- e.g. newsletters, focus group meetings, and presentations to the entire workforce -- all of which may become far easier to arrange. We have observed this at Xerox, Alcoa, General Motors and Goodyear.

In order to maintain independence, local officers have stressed the importance of separate communications with the membership before they take on new, joint responsibilities, as well as regular and continuing communications. This kind of information sharing can be used to help the union gain credit for its involvement and influence. Irving Bluestone, who serves as a union representative on the board of directors of Weirton Steel, briefs union stewards after every board meeting so they in turn can brief the membership. Bluestone and other union leaders have also used such briefings to make it clear that confidential decisions will arise in such forums, and that some decisions and outcomes are beyond the control of union representatives.

Through increased information sharing and joint activities, some local union leaders claim, as one individual put it, that they can "serve the majority of the membership between negotiations, rather than just the five percent of individuals that typically file grievances." Indeed, there are some aspects of the joint services for which the union is better suited than is management. These include conferring legitimacy on the program (which is critical, for example, in a program such as alcohol assistance), being able to speak for the membership, and insuring that members benefit from the program. To the extent that these and other union roles help ensure the success of joint programs, participation may even afford the local union with a new source of leverage -- which is the ability to hold the particular program "hostage," a subject to which we now turn.

### **III.2.2. Participation and Union Power:**

Sometimes, unions can exert power in joint activities simply by withholding support for a decision in a joint committee, or by withdrawing from joint activities altogether. The ACTWU at Xerox was able to exercise the latter kind of leverage when it felt that management had violated the joint program's basic principles. The union's leadership learned of unilateral management plans to subcontract union jobs after participative efforts had been underway for about two years. The local union leadership felt compelled to threaten to withdraw from the QWL process, thereby halting the subcontracting. Shortly afterwards, a second protest of a management subcontracting decision -- this time involving 180 jobs -- was met with a unique response, which was an agreement to establish a joint study team to examine the issue.

The Xerox/ACTWU study team did in fact find cost savings sufficient to keep the work in house. Moreover, in the next negotiations the parties formally agreed to extend, in the future, the principle of joint decision making to all potential outsourcing decisions. Since then, there have been five additional study teams created. All but one of these has been able to keep the bulk of the work in question in house.

In another of our sites, the union withdrew from joint activities over a dispute concerning health benefits. In this case, the union's linkage of EI with the health benefits issue angered members who valued the EI. This case then illustrates the limits to the leverage union leaders can gain through such linkage.

The threat to withdraw from joint activities can also undermine the trust that is often critical to the success of joint efforts. In the case of Alcoa, management understood the political pressures that forced union leaders to withdraw from the employee participation steering committee after deep labor concessions were granted. But while both parties saw the reason behind the program failure, they still found it necessary to restructure it and begin new activities only gradually, in order to restore the necessary trust among the joint partners. In any case, the leverage that may be gained from linking some joint program to other issue areas is limited to issues that are clearly of importance to a majority of the membership. Similarly, the negative repercussions of injecting such power plays into joint arrangement may

not be worth it. The most effective use of such leverage is probably the affirmative type which can expand the agenda of joint activities. As illustrated in the Xerox-ACTWU case, the union can in this way gain control over issues formerly in the purview of management.

### **III.3. The Effects on the Grievance Process**

For local leaders who traditionally handle grievances joint activities present a special challenge because issues that might previously have been channelled through the grievance procedure now arise in the joint structure. Where QWL facilitators, groups leaders, and others associated with the joint activities are sensitive to this shift (after all, stewards are elected to their posts), some of the difficulties can be minimized -- but not eliminated.

There are also problems associated with the reduction in the number of grievances and changes in the nature of grievances that accompany work place participation efforts. While grievances are still filed, typically, more are resolved verbally and informally at early stages in the resolution process. Those that are filed tend to concern issues that are particularly difficult to resolve. As the grievance procedure becomes more limited in scope, the result is a potentially more contentious system. Union stewards often run for office, in part, out of a commitment to handling members' grievances. But the circumscribing of their function by other forums can cast doubt on their *raison d'être*.

Different problems face the rapidly growing number of appointees. In one of the plants we studied we interviewed a group of stewards and a group of appointees. The stewards identified the following ten major barriers to fulfilling their responsibilities (in priority order): "concessions", "negative floor attitudes", "low trust", "misinformation", "lies", "shut down threat", "limited time for union business (for part-time stewards)", "sidetracking from real issues", "management's combining of jobs", and "anti-union and anti-company sentiments among employees". When asked what made it possible for them to fulfill their responsibilities, given these barriers, they could only identify three factors: "belief in what we are doing (i.e. we don't want to see the union any weaker)", "ability to pressure supervisors", and "having time to process grievances". In other words, very little beyond their own personal commitment

sustained them in their work. The consequence (in this location and in many others in this study) was a high degree of "burn-out" among these individuals. The decision of one union leader to not run for re-election was explained as follows: "He is just tired of trying to fight the good fight."

The experiences of the union appointees serving as facilitators for the same plant's joint employee involvement/communications groups were quite different. These EI appointees identified well over a dozen factors sustaining them in their work, ranging from "support by the union leadership", to "shared concern over the plant's survival", "changes in leadership style among some managers", and "changes in employee attitudes". This divergence in role orientation suggests that stewards may become increasingly isolated, and may resent joint efforts associated with changes in management, the involvement of employees, and the organization of work. All of these changes de-emphasize their traditional role of contract enforcement.

In some UAW-GM plants, as well as elsewhere, the role of committeemen (a combination of steward and bargaining committee member) has been officially redefined. These individuals serve as facilitators to help groups of employees solve problems informally. In these plants committeemen can still write grievances, at least in theory. In practice, they rarely do, especially since the contract in these settings is usually fairly simple. In other settings, such as Xerox and ACTWU, where the role of the shop chairman has generally not been redefined formally, these individuals are given the latitude to develop new representational roles on their own.

The labor leaders who appear to be coping most effectively with these diverse new challenges did not start out with a clear vision about their new roles. Rather, they have allowed their basic values about joint processes to guide their behavior at various critical junctures when it became necessary to make some form of unfamiliar adaptation. At every such point, union leaders must make decisions about whether and how to develop new roles and functions. Those who agree to joint activities and are willing to contemplate changes in work organization have come to discover the complexities and risks of proactive, mixed

(formal and informal) approaches to their jobs. The alternative may be simply to cede the initiative to management, though perhaps ruling out the possibility that the union might benefit from new joint activities. All of these trade-offs force appointees into a continuous balancing act, requiring considerable internal organizational restructuring and the redefinition of their respective roles.

#### IV. UNION LEADERSHIP AT THE STRATEGIC LEVEL

Although strategic business decisions often have important implications for unions and their members, they have traditionally been beyond the reach of union leaders. Indeed, current labor law limits the ability of unions to exert influence in such decisions. There have been instances of collaboration at this level in the past. For example, many companies and unions in the textile and garment industries in the 1930s jointly engaged in product development and marketing (Cutcher-Gershenfeld, 1985; Jacoby, 1982). Another example is the modernization and mechanization agreement in the West Coast longshoring industry is (Hartman, 1969). Still, such cases have been rare. More typically, union involvement at this level has been a matter of informal information sharing.

For many years, for example, Xerox and ACTWU have engaged in informal, top-level discussions of the firm's business plans. Both sides agree this arrangement has ensured that the human resource implications of strategic management decisions have been considered earlier than might otherwise have been the case. The arrangement rested, of course, on a clear understanding that the union would keep the information confidential and would not use it against the company in collective bargaining. It also hinged on a combination of management's unusual degree of willingness to let the union in at this level, and the union's capacity to convince management that doing so would benefit both parties.

With the re-emergence of concession bargaining, financial information sharing has become much more common. Unions have also been granted various forms of stock ownership, seats on boards of directors, and other formal and informal roles at the strategic level. At one

extreme are cases like the UAW-GM Saturn agreement, where the union is involved in strategic decisions about new technology, work organization, and ongoing plant operations. At the other extreme are cases like the relationship between the Association of Flight Attendant and Western Airlines, where board membership, stock ownership, profit-sharing, a wide-ranging Health Services Program and informal information sharing all reflected purely formal, rather than substantive union involvement in strategic management. In this section we consider the factors underlying these different patterns.

#### **IV.1. Uncharted Terrain**

While, increased union involvement at the worksite level can be complex, at least it takes place in a context familiar to union leaders. By contrast, the strategic level is generally unfamiliar territory. Consequently, the last half-dozen years have seen a remarkable diversity of approaches to relations at this level. For example, at Western Airlines, the four unions that acquired seats on the board of directors made very different choices in how to fill those seats. The Teamsters chose an "outsider" with extensive experience in the international labor movement and on other boards of directors. The rationale for this choice, as articulated by the IBT's Chief Economist, is that in the board room the members' interests are best served by someone with the experience to increase the company's competitive position. Local Teamster officials at Western valued this board member's standing and reputation, which they said allowed him to bring that experience to bear on the board's policies and decisions. Such an approach also has the political benefit of protecting union leaders from being identified with business decisions that may be unpopular with members.

The Air Line Pilots Association, on the other hand, chose a rank-and-file pilot to sit on Western's board. Local union officials explain their choice in terms of this individual's more than twenty years of on-line experience at Western. The board member himself argued that boards of directors typically lack the kind of "hands on" knowledge of airline operations that a pilot can bring to strategic decision making. One of his early contributions was to suggest how Western could increase charter operations to utilize aircraft on the "back side of the

clock" (when planes would normally be grounded). This was adopted, and raised revenues substantially while also allowing the company to call back furloughed pilots.

Both the ATE and the AFA board members at Western were the top leaders of their unions. While the AFA Master Executive Council Chain remained largely aloof from this role, the ATE's president viewed his directorship as critical to protecting his members' interests. He argued that since the members had made substantial financial and work rule concessions, it was important for him as a union leader to ensure that the board not undertake any actions that might impose further hardships on the rank-and-file. This ATE position reflected the view that if union members were to make material sacrifices for the sake of the company's financial standing, then the members should receive direct quid pro quos. For instance, the ATE also insisted on the parallel development of workplace participation programs -- in addition to a board seat, profit sharing and stock ownership.

The advocacy of worker involvement carries considerable political risk. Because the ATE president openly proclaimed that he had to force the programs on management, their failure to meet members' expectations might have endangered his leadership. This political quandary is double-edged: if union leaders with access at the strategic level do not urge worksite level programs, this chances of making a real contribution at either level is diminished; but if the two levels are linked, then a problem in one forum can disrupt progress in the other.

Involvement at the strategic level raises critical questions concerning how to structure these new roles and what further leverage they might bring to union leaders. The experience at Western suggests that these choices reflect different conceptions of the appropriate role of the union. It is not clear what the long term implications of these different choices might be. In any case, Western has in the mean time been acquired by Delta. What is clear is that these four unions dealt quite differently with a complex set of dilemmas at the strategic level.

Relations at the strategic level are not only unknown terrain for union leaders, they are also quite distant from the daily experiences of the membership. For example, where union members have been polled on their priorities, immediate economic benefits are consistently much more valued than board membership (Wever 1986). Yet member's demands and preferences

may not give sufficient weight to the union's long-term institutional security. Consequently, union leaders may have to choose between acting on members' immediate interests, on the one hand, and taking the political risk of pursuing unpopular (and unfamiliar) courses of action, on the other. Dealing with this type of situation will require union leaders to spend considerable time and energy informing the membership of the reasons for pursuing this approach.

This dilemma is not new. For example, the first UAW contracts to include pension benefits were rejected in some of the initial balloting in favor of short-term pay increases (Howe and Widick, 1949). Today, however, it is not just a matter of selling an alternative benefit, but of building support for new union roles whose effects are highly uncertain. But because union leaders must attend to the institutional security of the union, involvement in the strategic realm should not occur simply in reaction to management's initiatives in collective bargaining. Rather, the circumstances call for an active strategy.

#### **IV.2. Union Leaders Operating at the Strategic Level**

The lack of an effective plan of action at the strategic level can render a union quite vulnerable. The Diesel Workers Union learned this lesson when Cummins Engine management, in an effort to forestall a hostile take-over, imposed an across the board layoff of about ten percent of the workforce. The union had come to expect that there would be no layoffs, and this expectation had been important in sustaining various plant-level collaborative efforts. The leadership therefore saw no alternative but to withdraw from the joint programs. In this case, the lack of union access to top management, not only cost jobs, but also may have diminished the ability of both parties to deal with each other effectively in areas of common concern.

The strategic roles of the four unions Western Airlines were created primarily because the carrier was in crisis and granted these roles as quid pro quos for concessions. Only one of the unions (ATE) had made such involvement a part of its bargaining agenda. Once they had such access, only the ATE turned its role at the strategic level into a key part of its overall program. The ATE, however, lacked the strategic leverage to implement its workplace

level participation programs effectively. Therefore, it is not surprising that on the whole the accomplishments of these unions at the strategic level have been fairly limited.

By contrast, the IAM at Boeing identified one strategy area -- investment in new technology -- in which it did actively and successfully pursue access to information and decision making. In this way the union was able to garner membership support, since the outcomes of the introduction of new technologies are highly visible. This is especially true when (as in this case) laid off workers are brought back to work as a result of the union's involvement in a program providing additional training. In other words, the union was able to demonstrate tangibly the value of its new efforts to the members, and to help equip workers with the tools necessary in their changing jobs. One important determinant of the IAM's success in this regard was the fact that it possessed the leverage vis-a-vis management to carve out an effective role in the strategic domain. In this respect the IAM's situation clearly differs from that of the ATE at Western Airlines.

Single-issue approaches like that of the IAM have also been successfully employed by the ACTWU and Xerox. The procedure for establishing a six-month study team to investigate alternatives to outsourcing discussed above ensured union influence over this set of investment decisions. Similarly, when the company was considering the construction of a new plant for the manufacture of toner (a black talc-like substance used in copiers), a joint design team ensured union input at an early stage of this process. Ultimately, the plant was built in a location preferred by the union, and incorporated design improvements suggested by hourly workers. Beyond this, the parties have been staffing joint teams engaged in new product development. A special joint horizon team has also been established to anticipate future human resource planning. All of these joint, strategic-level activities have provided returns that are of value to the members. The benefits are also highly visible, especially because membership on the joint teams is not limited to top-level union leaders. Success in this instance, as with the IAM at Boeing, hinged on the union's ability to isolate a substantively linked series of issues and develop a plan to deal with precisely the issues. In both cases, then, it was a combination of sufficient leverage vis-a-vis management and a clear and

pro-active strategy that sustained meaningful union participation in high-level business decisions.

Yet a half-dozen years ago the ACTWU local at Xerox did not have a comprehensive organizational strategy encompassing its current full range of activities. The union's roles at this level have evolved substantially over time. Initially, the union hoped the EI program would meet member interests and help improve the competitive posture of Xerox, but the assumption was that the program would remain a narrowly focused adjunct to collective bargaining. As the number of new volunteers for employee involvement dwindled, the parties started considering ways to preserve and enhance employment security, information sharing at all levels, ways to shift management styles, extensions of cooperative problem solving and long-range planning. Some of these explorations took place in the context of collective bargaining; others occurred in discussions entirely separate from traditional labor-management processes. In all instances, regular communication with management and monitoring of members' views were important elements of the union's approach.

Even today the union has not embraced all forms of activity at the strategic level. For example, the General Secretary of the local union is still reluctant to join the plant management team on a formal basis, for fear that his members might perceive him to be supporting business decisions that may have short run negative effects on the members. What is important about the ACTWU experience is not just the new strategic agenda, but the gradual learning which has accompanied and supported the realization of that agenda. Both sides have gradually come to trust each other, and the union has established the areas in which it has a distinctive competence. Each step has also involved internal struggles within the company and the union, as well as between the two.

Certainly not all managers favor broadening the roles and influence of union leaders, and not all union stewards or officers favor expansion of such integrative interaction with management. Thus, union access to the strategic level will always depend on a willingness to experiment continuously, and to learn from experience. The experiences of the UAW and GM illustrate this process. GM had historically framed a strong management rights policy and

opposed union involvement at the strategic level. Then, in the 1970's, the union successfully pressured the company to abandon its "Southern Strategy" of opening new non-union plants in the South. The UAW thereby established the principle that it can influence such decisions, in part by threatening to withdraw from QWL. The parties then began to gradually expand the range of joint strategic level initiatives.

The Fiero plant is one of a number of facilities where UAW workers have been involved in important design decisions about how best to configure the plant. This plant has only half the typical complement of supervisors. Its work design uses many team principles. Most importantly, key local union leaders are included on the plant manager's administrative team. Today, there are few management decisions that do not involve the local union. In return, the plant manager can attend local union meetings.

One reason why the parties have been able to fashion this new governance system is that the union had been shocked by the closure of the Pontiac assembly plant. The workers at Fiero were self-selected; they took their jobs only after undergoing a detailed orientation explaining the new work arrangements. Ultimately, the system works because over time it has allowed both labor and management gains from the system by pursuing the common interests and resolving their various differences. That is, the arrangement has benefitted not only the company -- through its flexibility -- but also the union -- by giving it greater control over the environment in which the rank-and-file work and over the long term direction of the plant.

To the extent that union involvement at the strategic level does empower the union and its members, it may then be possible to build on that experience and to expand such involvement. However, success may hinge on the union's application of various forms of power even as it demonstrates commitment to collaborate relations. Long term success also appears to require that both parties have an adaptive, learning approach to their shifting relation. Successes must also be translated into visible and tangible benefits for rank-and-file members, and accompanied by continuous communications about the value of union involvement at this level of management decision making.

## **V. SUMMARY AND CONCLUSIONS**

We believe that today's labor leaders have little choice but to take on new roles. The very survival of American unions requires that they adapt. There are clearly many possible routes to such adaptation, however, as we have tried to illustrate here. Different circumstances require different adjustments in how union leaders represent their members' interests. We have also sought to highlight the fact that most of the experiences cited here show union leaders in a reactive, rather than a proactive posture. It is our hope that the experiences herein described provide the outlines of a more active strategy.

In this section we briefly summarize the data discussed above, and we propose some general features of such a new and proactive model of union leadership. The presentation will be highly prescriptive, though each piece of this model derives from the adaptive response of one or more of the union leaders involved in this study. As such, the composite picture we sketch pulls together different adaptive mechanisms that have already been forged by a variety of contemporary U.S. union leaders. We believe these adaptive responses can help with the transformation of American industrial relations so as to serve the interests not only of union members, but also of the firms and industries in which they work.

### **V.1. General Themes**

Any period of social and institutional transition is associated with a great deal of uncertainty, internal debate, conflict and resistance to change. This is the world of today's union leader who is often confronted with changing markets, new technologies, shifting management and industrial relations practices, and a membership that is uncertain, often divided, and fearful of the consequences of change. In this environment the political cohesion and organizational solidarity of unions requires union leaders to apply considerable skill in strategic thinking and planning, communicating with and educating the membership, and extending participation principles to the process of internal union administration. To manage

a period of internal debate and conflict, union leaders must articulate the long run interests of the union and its membership and actively communicate that strategic vision to members. The principles of participation and communication will have to engage the entire spectrum of union members and activists. Without such broad-based involvement, internal union politics are likely to focus on the demands of a small but vocal (and probably unrepresentative) constituency that forms around narrow and short term problems with adjustments to the labor-management relationship.

In the past the agenda and frequency of union leaders' interactions with management have generally been highly programmed by the timetable for contract negotiations, grievance meetings and joint committee meetings initiated by management. This pattern has cast union leaders in a reactive mode. The cases examined here suggest that this pattern has been carried over into the current period. Management has initiated most of the changes occurring in contemporary industrial relations. Union leaders have been brought into the change process only some of the time. This reactive posture no longer suits the long run interests of unions or their members. For today's union leaders to have a significant impact on the management policies and practices that influence the short and long run interests of workers, they must actively pursue and achieve a broader and more continuous pattern of interaction with key management decision-makers. For unions to influence the issues of the day rather than react to an agenda shaped solely by management, their leaders must be proactive. To illustrate these points more concretely we now summarize the changes in leadership roles occurring at each of the three tiers of industrial activity introduced earlier.

#### **V.1.1. Collective Bargaining:**

Kochan, Katz, and McKersie's (1986) Transformation presents clear evidence that union members have generally evaluated their unions and union leaders favorably with respect to their ability to achieve gains on material "bread and butter" issues in collective bargaining. Indeed this has generally been one of the primary performance criteria to which members hold their leaders accountable. Union leaders are therefore confronted with a serious problem in an environment in which it is difficult to achieve significant short run economic gains at

the bargaining table. The challenge is to achieve those material gains that are still possible in the short run, while repositioning the wage and benefit bargaining strategy to promote income security and gains in the longer run. To do this, union leaders are increasingly focusing on new ways to promote employment security and introducing various forms of contingent compensation and arrangements to share the benefits of increased productivity, and/or profitability over the longer run.

However, given the expected rapid pace of technological change and organizational restructuring, union leaders also need to bring to the bargaining table proposals that lessen the vulnerability of their members to future changes and developments. Central to this task is the expansion of training opportunities for workers. For example, the UAW negotiated for human resource centers with GM and Ford in 1982, when the auto industry was experiencing its worst economic performance since the 1930s. New contract language on technological change negotiated by the IAM and the Professional Engineers' Union with Boeing, illustrates another unconventional and future-oriented collective bargaining. More generally new ways of funding and delivering training opportunities and dealing with technology can allow unions to deliver valued collective goods to their members.

In addition to broadening the substantive agenda in bargaining, union leaders must press for continued, on-going communications with management, rather than simply communicating during a crisis. In general, management responded to the severe economic pressures of the early 1980s by proposing early negotiations and the opening of contracts, sharing information on financial performance, and encouraging more open communications with rank and file workers. Management also moved to decentralize the structure of bargaining to bring it closer to the problems of specific workplaces. If these features are sustained and institutionalized as part of the standard approach to negotiations, union leaders will then gain ongoing access to both the necessary information and the management decision-makers that can help solve problems affecting their members. What management initiated as a short-run response to crisis should be transformed into ongoing practices to raise issues affecting members' interests in a timely fashion in ways that are directly visible to rank and file

members, and that involve those workers, union leaders, and management representatives who are directly affected. We can expect this institutionalization of "new industrial relations" particularly where natural opportunities for change arise during the life of an agreement. These include the introduction of new technology, the retrofitting of a work unit or entire plant, and the design of new work systems in new facilities. If union leaders can insist on maintaining the principles management introduced to cope with crisis, Walter Reuther's goal of making the collective bargaining agreement a "living document" will be attained.

#### **V.1.2. Workplace:**

Union members generally think their leaders are effective at handling grievances. This high level of performance must remain a high priority. However, given the range of activities involving employee participation, work redesign, the introduction of new technology and quality control and improvement, the roles played by many union leaders at the workplace have recently expanded enormously. Surveys of both union and nonunion workers consistently show them to be very concerned with these workplace activities, since they have direct and visible effects on employees' immediate worklives. Therefore, union members are likely to hold leaders accountable for responding to members' interests in these areas.

Most of these new workplace initiatives have been introduced as discreet and distinct management experiments, only in some cases with union support or participation. As some of the cases discussed above show, and as we argue in our companion report on the institutionalization of industrial relations innovations, the long-term success of these efforts requires that such participative principles be integrated into standard practices at the workplace. These experiments must be transformed into standard operating procedures. Union leadership will be critical in encouraging and even insisting that the principles of meaningful participation and problem solving be applied to the full range of issues affecting workers' job experience. The risk of failing to do so is that management will maintain control over the agenda and scope of participatory activities. Under these circumstances such activities are not very likely to be institutionalized into everyday practice, and union leaders will be forced to share the blame with management for the demise of yet another passing fad.

In short, as noted in the companion report, we expect that we will see continued expansion of joint union-management activities at the workplace level. As this occurs, union leaders will need to insure that the joint activities not only address worker interests, but also produce tangible benefits for workers. In sum, the job of the union leader will be to ensure effective worker input and participation in such areas as the introduction of new technology, new investments and a range of other changes being introduced at the workplace.

#### **V.1.3. Strategic Level:**

It is clearly true that rank and file workers do not generally place a high priority on union involvement at the strategic level. Nor do they give union leaders high marks for performance in this arena. We think this will change. Strategic-level interactions are extremely important to the long-run interests of workers, since they are critical to the viability of the enterprise itself. Union leaders will need to have access to strategic decisions concerning plant location, investment and general business strategy in order to represent members' interests effectively. But workers cannot be expected simply to recognize the importance of union involvement at this level. Consequently this is one of the areas in which we hope to see greater experimentation and worker education.

Considerably more experience is needed (and if present trends are any indication this experience will be forthcoming), before it will be possible to prescribe the new roles to be played here. We can cite examples where unions have had access to some decisions, only to be cut out when some really major issue (such as a merger or corporate takeover) develops. Over the long run, this pattern will be fatal to union leaders' credibility. It will reinforce traditional arguments against unions making any effort to gain a stronger role at this level of managerial decision-making. We hope, therefore, that out of the current and future experiments with various forms of information sharing, consultation, and formal representation will emerge a set of accepted principles for guiding union leaders in their strategic interactions with management. More than in other areas, however, management will resist union leaders' involvement in this realm and members will at best be apathetic.

In some cases management will reject union involvement in this area. In some cases,

like that of the UAW in the auto industry, unions will be powerful enough to compel recognition of their role at the strategic level. Ultimately, the relationship at the strategic level must be open and trusting, or union leaders will find themselves left out of important strategic decisions that affect them and their members.

## **V.2. Beyond the Firm's Boundaries**

So far the focus has been on union leadership roles within a given firm or establishment. But unions derive part of their power and their collective influence over individual firms through their roles at the industry, occupation, and national policy making levels. However, the means used to achieve influence at these levels may need to change in several important respects.

American unions have traditionally had their greatest influence at the industry or occupation level by stabilizing wages and other conditions of employment among competing firms through centralized or pattern bargaining structures, and by organizing a high percentage of the industry's or occupation's workforce. These sources of power have become severely limited in many industries. In these cases unions need to find new ways to avoid the erosion of wages and other labor standards, as individual firms seek to gain competitive advantages through low labor costs. No clear strategies for replacing these traditional mechanisms have yet emerged among the unions we have studied. However, ALPA's renewed efforts to centralize approval of new contract terms suggests a starting point. Centralized coordinating and policy making activities will undoubtedly grow in importance within and among unions in order to cope with these problems (Katz and Sabel, 1985).

Unions will not be able to unilaterally stabilize and improve labor standards within industries. The strengthening of internal coordination and policy making is only a first step. New institutions for interacting with employers (both union and nonunion) at an industry level are called for. Unions must now engage employers at the industry level in discussions of basic industry policies that affect investments, the development and use of new technology, competitive strategies, and employee training and adjustment policies. Unions in the garment

and textile industries provide models for this type of activity. A contemporary example is the Taylored Clothing Technology Corporation, a joint union-management technology development project that designs and manufactures new machinery for use in the industry (see Kochan, Katz, and McKersie, 1986; pp. 187-89). Two other contemporary examples are the Joint Labor-Management Committee in the retail food industry and the International Masonry Institute, a joint union management organization that promotes research and development and other activities to strengthen this industry. Unions have just as large a stake in these activities as employers. Yet unless more unions take the initiative in creating and promoting such joint industry-level programs, decisions will continue to be made by employers without a strong voice representing worker interests.

At the national level, unions will continue to play their historic roles of coordinating labor's role in political affairs. Unions' effectiveness at the firm and industry levels will be even more dependent in the future on labor's influence in political affairs. Standing alone, collective bargaining will often be incapable of coping with the intensified pressures of international and domestic competition, and with rapid changes in technology and industry structures. This heightens the importance of gaining a voice in the political processes that shape national and state economic, trade, human resource, and labor policies. Labor must articulate its own vision of strategies for strengthening the competitiveness of the American economy so as to enhance the employment opportunities and the standard of living of American workers.

### **V.3. The Fundamental Need For Independence**

Much of the foregoing analysis has described and advocated labor's closer identification with the management agenda. This implies substantially more integrative bargaining. By contrast, most of the post-war period has been characterized by a dominance of distributive bargaining. Integrative bargaining has been present only in special, time-bound situations.

Unions' stake in the viability of the firms whose workers they represent cannot in any way undermine the independence of workers' organizations. Success will depend on the ability

to balance adjustments to competitive pressures with the need to maintain active and separate representation of rank and file interests. Many conflicts of interests will continue to arise between workers, management, and stockholders. For this reason, and for the many others suggested throughout this monograph, union leaders' success in dealing with their new and changing roles will depend in the first instance on their proactive approach to the issues of the day.

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