

AMERICAN UNIONS AND THE FUTURE OF WORKER
REPRESENTATION

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American Unions and the Future of Worker Representation

INTRODUCTION

The companion papers in this volume document clearly the crisis facing the American labor movement. The dimensions of the decline in membership, political influence, organization and representation therefore need not be repeated here. Instead, in this paper we only wish briefly to comment on the implications of these developments for American society, and on the prospects and options for the future of worker representation in the economic and political affairs of the nation.

IMPLICATIONS OF LABOR'S DECLINE

Historians will record the accelerated decline of organized labor in the 1980s as perhaps the most visible indicator of a slide in the performance of the traditional American industrial relations system. Moreover, the magnitude of this recent decline and the trajectory it suggests for the future are sufficient to threaten the viability of the labor movement as a significant political voice and economic force for American workers. Not since the end of the 1920s has labor been so threatened.

If we continue to believe that labor's voice in political affairs is a sine quo non of a democratic society, the stakes for the nation as a whole are considerable. But we risk more than just the loss of an important political and social movement. Given the centrality of unions to the collective bargaining process and the exclusive dependence of our industrial relations system on collective bargaining, the decline of

organized labor also implies a weakening of the foundation for democratic worker representation at the workplace. Thus, it is disturbing that there has been very little serious political debate over the consequences of the continued decline of labor. If such a debate is not initiated soon, historians will also record the current period as a time in which we passively witnessed the erosion of one of the crucial democratic institutions of American society, without considering its long term implications.

Like the other authors in this volume, we believe that strong and effective institutions for worker representation are essential not only to a democratic society but also to the nation's economic progress. Organized labor's role has always been to make sure that worker interests are adequately taken into account in the economic and political choices that shape employment practices and outcomes. Labor's role is most critical precisely at times like the present, when fundamental changes in product and labor markets require national policy makers and individual firms to make equally fundamental choices about how to adjust to these dynamics. The absence of a strong labor voice in these choices creates a vacuum that allows employers to focus on other more powerful constraints while worker interests become merely residual considerations. Those advanced industrial nations that have been most successful in international markets are promoting high quality goods and services requiring flexible methods of organizing both production and work. For instance, the last fifteen years have seen a celebration of the so-called "small states" of Western Europe (e.g., Austria, Belgium, Denmark), which are highly dependent on exports and therefore have no choice but to rely

on highly skilled, high wage labor producing high labor-value-added goods and services (Katzenstein, 1985). This choice uses the quality of labor input as a powerful comparative advantage in international markets. Other Western European countries and regions of countries (e.g., the Federal Republic of Germany, parts of northern Italy) have adopted similar strategies. In all these cases, sectoral and/or national competitiveness has been achieved in spite of (or is it because of?) significant participation by the institutions of worker representation in the organization of production, training and adjustment, and work (c.f., Thelen, 1989; Wever, 1990).

We argue that if Americans continue to value a high and growing standard of living and to seek the minimization of income disparities, we too will need to make considerably more concerted efforts to promote such high standard industries, firms and competitive strategies. The evidence from abroad shows that most often extensive worker representation and labor participation in strategic managerial decision making, in organizing skills and training programs (i.e., internal labor markets) and managing flexibility in the allocation of human resources across firms and industries (i.e., external labor markets) play important roles in sustaining these successful economic strategies. To the extent that these experiences are generalizable, this may mean that the decline of the U.S. labor movement is associated not only with a weakening of democracy, but also with a declining standard of living and serious potential constraints on our nation's capacity to regain leadership status in the world economy (c.f., Apel and Kakalick, 1988; Thelen, 1989; Maase et al, 1975; Windolf 1989).

Therefore, this paper starts with the proposition that American society faces an important challenge in this decade. It must rebuild effective institutions for worker representation by supporting a resurgence of the existing labor movement as currently structured, by creating new institutions for employee representation, or by some combination of the two approaches. Our purpose here is to outline the changes needed to restructure institutions of worker representation that can function effectively in a modern economy, the conditions needed to produce these changes and the likelihood of this type of transformation in worker representation.

The argument advanced here can be summarized as follows. It is never wise to extrapolate very far into the future any continuation of past trends in the growth and decline of the labor movement. However, past reversals of trends in the labor movement have been rooted in a confluence of forces, some within and some outside of labor's control. If history is any guide, a significant reversal of labor's decline will require fundamental shifts in: (1) the domestic economic and political environment, (2) labor law, and (3) union strategy. A resurgence of worker representation cannot and will not occur in a vacuum. Just as its decline is tied to changes in international markets that led to a broader collapse of the traditional U.S. industrial relations system, so too must its resurgence be linked to a transformation of overall industrial relations practices and institutions capable of taking on traditional political and unfamiliar social and economic functions. We believe that at least in principle, labor can be a catalyst for change in the social, political, economic and legal arenas, but that such change hinges on the

articulation and representation of interests not currently on labor's agenda, and on the mobilization of constituencies not currently in the domain of the American unions.

SYSTEMIC SOURCES OF UNION DECLINE

The previous chapters have discussed a variety of common explanations for the decline of unions in the U.S. The usual suspects, thoroughly examined here, include: structural changes in the economy; shifts in employer strategies, which deter organizing or reduce worker incentives to organize; the erosion of labor laws and of their enforcement; and shifting worker demographics, values, and attitudes toward collective representation. Numerous empirical studies have documented the specific effects of each of these factors. But while these causes of union membership decline are often marshalled as independent explanations, we and our colleagues have argued in earlier work (Kochan, Katz, and McKersie, 1986) that all of these are highly interdependent components of a broader transformation of the environment and institutional features of American industrial relations. Consider, for example, the following interdependencies.

Between the end of World War II and about the first oil crisis of the early 1970's, American unions in many key sectors were able to "take wages out of competition", thus removing the incentive for any individual employer to lower labor costs. But in traditional unionized sectors, environmental changes have increased price competition and created the need for greater flexibility in the allocation of resources, including human resources. Traditional U.S. collective bargaining contracts, however, far from allowing for flexible work organization, in fact

rigidify internal labor markets. Consequently, employers have reduced employment in their highest labor cost units and shifted investments to low wage facilities both in the U.S. and abroad. The decentralized nature of collective bargaining in the U.S. had two critical negative effects on the labor movement. First, it limited union leaders' access to the decision making forums in which these resource allocation strategies are developed. As a result, American firms could reallocate resources and jobs to nonunion environments, in which major conflicts with unions can be avoided. Second, it meant that union and nonunion enterprises competed in the same markets and often the same regions, placing economic strains due to high union labor costs on unionized employers, and granting a powerful competitive advantage to nonunion employers who also were more free to allocate labor flexibly. That is, decentralized, firm-by-firm bargaining made it impossible for labor to take wages out of competition under the changed international economic circumstances. This provided even greater incentives for employers to shift resources to nonunion operations. Both of these factors contributed to the loss of union jobs.

As workers lost union jobs, their unions were no longer functional to them, union membership no longer appeared instrumental, and they had little reason to carry any commitment or loyalty to the union over into their new jobs. For essentially three reasons, those workers who obtained the jobs created in this reallocation showed little interest in unionizing. First, the "demonstration effect" of declining job security for current union members reduced the perceived instrumentality of joining a union. Because American unions generally lack the power to

protect members against layoffs in severe economic crises, and lack the capacity to help workers find new jobs on the (external) labor market, they often become identified with particular employment insecurity and uncertainty. Second, because of American unions' economic or "bread and butter" focus, workers had no other basis on which to maintain union membership once out of work or working at a nonunion enterprise. Until very recently, unions offered no membership status outside of a collective bargaining relationship. Moreover, American unions have traditionally shied away from claims to represent members' political or social interests. Third, some employers poured substantial resources into designing their new facilities to both maximize flexibility and avoid unionization, so that many workers found these new job environments quite responsive to their job related interests. Therefore, the conditions for unionization—job dissatisfaction and instrumentality perceptions that previously might have interested a majority of workers in joining a union—were often absent in these new settings. As a result of these three factors, workers who lost union jobs had neither any social, economic or political incentives actively to seek continued union membership, nor any practical option to do so.

A similar dynamic severely constrained union penetration into white collar jobs and the service industries. White collar workers have historically been less interested in unions than blue collar workers, and have reported higher levels of job satisfaction than blue collar workers. Employers have traditionally been even more resistant to white collar unionization than to blue collar unionization, and new employers are typically more resistant to unionization than partially or highly

unionized employers. Moreover, many service sector employees are far more loyal to their careers than to the companies they work for. As a result, the fact that union membership is generally tied to individual firms (except in some craft unions; i.e., does not "travel" across jobs in different firms, as it does in most other advanced industrial countries) means that even if they can organize more people in this sector, unions will continue to lose many of their members when they change employers (which particularly these kinds of employees frequently do).

In summary, these occupational and sectoral shifts, combined with the emergence within manufacturing sectors of new high technology industries that employ high percentages of white collar and technical workers, greatly contributed to union membership declines. Contributing to the labor movement's inability to stem this decline were unions' association with rigid internal labor markets, their lack of any significant institutional presence in external labor markets, their inability to influence decisions in strategic management or to take wages out of competition, and the instrumental and workplace-specific nature of union membership in the U.S.

The backdrop against which all these labor and product market developments took place was an increasingly conservative political environment and the decreasing effectiveness of labor laws designed to deter employer resistance to unions in organizing campaigns. Labor was unable to counter these political and legal developments with legislative or administrative reforms. The probability of being punished for using illegal union avoidance tactics diminished as the political and social

environment became more tolerant of open employer opposition to unions, and as the legal system became less effective in countering employer resistance to unions. The lack of any broadly shared public commitment to labor as an important social and political movement further compounded labor's loss of influence in national politics. When unions tried to regain their influence or to reform labor laws, they were labeled "special interests" concerned only with their institutional security, rather than being seen as a broad socio-political movement protecting fundamental worker rights. This confluence of social, political and legal developments also contributed to the unions' inability to recoup membership losses through traditional union organizing strategies (c.f., Weiler, 1990).

The central implication of these dynamics is that no single strategy and no incremental environmental change is likely to produce a resurgence for the American union movement. Instead, any significant increase in the proportion of the workforce represented by labor organizations must be based on fundamental transformations in the environment, in the institutional structures of industrial relations, and in the strategies used to represent workers.

Other historical turning points in the history of the American labor movement support this notion. In the 1930s a decade-long decline of union membership was reversed only after transformations in the political environment, labor law and the strategies and the structures of the labor movement. First, liberal political forces took power out of the hands of conservatives. Second, a new collective bargaining law established and protected workers' rights to organize and thereby provided a higher

degree of stability to union membership. And third, the advent of industrial unionism ushered in a new strategy for organizing and representing the interests of blue collar production workers regardless of their skill levels. The surge of unionization was accepted (albeit only grudgingly and tacitly) by most employers, who gained from the new "system" in that unions minimized production disruptions by channeling labor unrest, and enhanced productivity by structuring internal labor markets.

The 1960s saw a similar sea change in the political and legal environment and in union strategies in the public sector. President Kennedy issued an executive order in 1962 that for the first time endorsed the right of federal workers to organize and be represented by a union in dealing with their governmental employers. This was followed by the gradual enactment of laws in over two thirds of the states which provided collective bargaining rights to employees of local and state governments. The political and social climate changed as we saw urban turmoil sparked by the civil rights and Vietnam War protests, and both public and private sector unions began organizing public sector workers for the purpose of collective bargaining (though in most cases workers lacked the right to strike or to bargain according to the mechanisms of the private sector model). Employer resistance to unions was minimized by the fact that the employers in this case were governmental agencies who were not as insulated as private sector employers from the force of liberal public opinion. Thus, as in the 1930s, it was the confluence of a variety of social, economic and political forces that allowed for a reversal in union membership trends.

We now turn to a discussion of the alternative strategies currently being debated and applied in the interest of rebuilding American worker representation. We break this segment into three parts, focusing first on the challenges implied by industrial shifts and demographic changes, second on the imperatives of new management strategies and organizational structures, and finally on the values and expectations of the workforce.

ALTERNATIVE STRATEGIES FOR WORKER REPRESENTATION

Industrial Shifts and the Changing Employment Mix:

Any strategy for a resurgence in worker representation must start by addressing the shift of jobs from traditional manufacturing and blue collar occupations to white collar and service sector jobs. In the U.S., ninety percent of the new jobs and 67% percent of all jobs are now in the service economy. Yet until recently unions have continued to focus their organizing efforts on the more familiar but shrinking manufacturing workforce. Between 1974 and 1985, for example, only 22% of union representation elections were held in the service sector (McDonald, 1985). Data from 1986-88 show that approximately 45% of all representation elections occurred in manufacturing—twice its proportion of the labor force. Efforts to organize manufacturing persist despite the higher election win rates in service industries, especially health services. For example, between 1986 and 1988 unions won only 41% of elections held in manufacturing compared to 53% in services and health care. Thus, while there has been some shift toward organizing services, there remains a tendency to concentrate on familiar but less fertile territory.

In any case, the number of organizing efforts overall is still too

small, and the approach too conventional to yield significant gains among service sector employees. Union leaders commonly estimate the cost of signing up one new union member to at the very least \$1,000. Currently, 12% of private sector workers are organized in the U.S. Based on their estimates of future labor force growth and union job loss, Chaison and Dhavale (1990) estimate that the labor movement would have to organize about 320,000 new members every year, at a total annual cost of over \$300 million, just in order to stay even at 12% representation in the private sector. This represents more than six times the number of people currently being organized through NLRB elections. These numbers are well beyond the labor movement's organizing capabilities and financial resources.

Even if this task were financially feasible, other major obstacles would remain. One of the difficulties in organizing service sector employees is that their jobs are highly diverse, and therefore require equally diverse organizing and representational strategies. Rapid growth has occurred (and will continue) in both relatively high paying and relatively low paying service jobs (Osterman, 1988; Loveman and Tilly, 1987). The educational and skill requirements of future jobs are expected to rise. However, if current patterns continue, the distribution of income will become more unequal as high paying blue collar jobs disappear to be replaced by both higher paying professional and technical jobs and lower paying unskilled service jobs (Johnston and Packer, 1987). Only about thirty percent of blue collar workers displaced from manufacturing jobs possess the skills and training they need in order to obtain the newly created high skill jobs. Thus, they

are likely to suffer significant income losses as sectoral shifts continue (Cyert and Mowery, 1987; c.f., Mishel and Teixeira, 1990).

The briefest glance at the characteristics of new entrants into the labor force over the next decade also indicates that old representational strategies will be inadequate to meet their needs and interests. While the number of new entrants will slow compared to the rate of the 1970s, over four-fifths of the new entrants between now and the year 2000 will be female and/or minority and/or immigrant (Johnston and Packer, 1987). These groups have traditionally had difficulty achieving access to career ladders and high status/high pay jobs, and therefore will need labor organizations and strategies that help them get into these jobs and careers.

Moreover, the latest evidence suggests that mid-80's predictions of a coming shortage of labor for a coming abundance of high-skill jobs were extremely optimistic (Mishel and Teixeira, 1990). Thus, effective strategies representing service sector workers must include the upgrading of the quality of jobs open to women, minorities, immigrants, and other workers who in the past would have taken lower skilled jobs in the manufacturing sector. Specifically, this challenges worker representatives to play a significantly larger and more visible role in training and further development mechanisms that allow for upward and lateral mobility within firms. In other words, labor organizations must find ways to minimize the dislocation that typically accompanies American-style flexibility at the workplace in which workers are more likely than in northern Europe to be hired and fired rather than retrained and redeployed. Promoting and helping to deliver educational

and training programs and skills upgrading on the job must be critical components of any effective representational strategy for employees in this sector.

In many respects, the challenge of organizing these workers is comparable to that faced by the emerging industrial unions in the 1930s. Then, as now, the task was to improve low wage jobs held by people with little labor market power who are outside the realm of traditional union constituencies. There was then no natural economic law that preordained manufacturing jobs to be low paying or lacking in career opportunities; similarly, there is no preordained reason for this to be the case for service sector jobs today. Now, as then, a productivity enhancing strategy on the part of labor and management will be necessary to increase the quality of these jobs and to ease new entrants' access to them.

At the same time, the shift in jobs to the service sector will continue to challenge the ability of unions to represent highly skilled professionals and technical employees. These groups will not be as attracted by traditional forms of collective bargaining, but will need continuous labor market information, education and training services. That is, just as the lower skilled service workers will have an increasing stake in better organized and more stable internal labor markets, so will the higher skilled employees need better organized (and more information about) external labor markets. In Germany the Metalworkers Union has recently embarked on a strategic campaign to attract more professional employees by providing such consulting and

information services, e.g., among computer professionals.¹

Alternatively, something like a professional association model may provide the best mechanism for representing these employees' interests in the U.S. At least in the short run, professionals will need organizations that provide individualized career development services that assure mobility across firms, rather than traditional firm-specific collective bargaining mechanisms. (As Zax and Ichniowski (1990) have shown, the public sector experience illustrates that employee associations existing before the enactment of collective bargaining rights were relatively quickly transformed into bargaining organizations, while it took employees who had not been members of such associations much longer to gain collective representation. That is, the association model could eventually translate into a collective bargaining model, as it did for teachers, nurses, police, firefighters, etc. in New York and elsewhere.

In summary, in order to address the changes in the structure of the economy and the workforce, unions will have to broaden their constituencies by developing strategies that organize internal and external labor markets in the interests of more continuous and high quality employment for both high and low skilled service sector workers. Certainly collective bargaining must continue to play a significant role in upgrading the status of low paying service jobs. However, to be successful in upgrading these jobs without significantly reducing aggregate job growth, unions will need to help enhance employee skills

¹ Based on a conversation between Kirsten Wever and Witich Rossmann, Igmetail, Koeln, September 1990.

(or human capital). To organize highly paid professionals in the service and goods producing sectors unions must go beyond collective bargaining, addressing the career and labor market information needs of these workers on a more individualized and occupational or professional basis. Put differently, these challenges imply both a more decentralized and a more centralized approach to interest representation, placing more emphasis both on skills development, administered decentrally on a workplace- or even worker-specific basis, and on career development and human resource adjustment policies, administered at higher (state or regional) levels by more centralized bodies. Unions must become the leading voice in advocating a skills intensive competitive strategies at the firm and industry levels and a human capital intensive economic policy at the local, state, and national policy making levels. In both instances, this means that labor organizations will have to anticipate and influence management strategies for organizing work and new organizational structures (and therefore also new technologies), rather than simply reacting to management initiatives.

New Management Strategies and Organizational Structures:

We have argued elsewhere that to address changes in employer strategies and human resource policies unions must significantly broaden their own involvement at levels "above" and "below" the level of collective bargaining (Kochan et al, 1986). Let us briefly illustrate what we mean by this, first at the "higher" strategic level and then at the "lower" workplace level. In large organizations that can easily move capital around, key decisions affecting worker interests are made by top executives far removed from (above) the level of bargaining. This

development was reinforced in the 1980s by the growing influence of financial markets on corporate strategies and industrial relations. For instance, takeover threats can lead firms to borrow heavily, which increases their debt repayments and pressures them to cut jobs and wages and to sacrifice long term investments in human resources. But the arenas in which these decisions are made cannot be influenced by the collective bargaining process or by other traditional methods of union influence. To represent worker interests in these matters, unions must try new ways to shape strategic corporate policies. They must also develop leverage in these arenas at an earlier point in the decision making process than is typically possible in traditional collective bargaining (in which forum managements have already reached these decisions and seek only labor acceptance of them).

A variety of unions have attempted to influence corporate strategies and governance arrangements. The airline industry has served as an especially visible and active laboratory for such efforts. For instance, experimentation with union representation on airline boards of directors occurred at most of the major carriers. The unions at Eastern Airlines have recently played a major role in constraining the CEO of Eastern's parent corporation (Frank Lorenzo of Texas Air) from shifting further assets to the airline's sister carrier, Continental. In the mid 1980s, the unions at United Airlines were able to use financial and strategic leverage to reverse the diversification strategy of that carrier's parent corporation. The auto industry has also produced a number of important experiments with union participation in strategic decision-making. For example, in the early 1980s the United Auto Workers union used its

leverage with General Motors to insist that the GM-Toyota joint venture (New United Motors Manufacturing Inc., or NUMMI) be unionized and hire back former GM workers. More recently, the UAW worked with GM to plan, design, and manage the newly formed Saturn Corporation.

These are just some of the more visible examples of increasing union willingness to experiment with strategies that involve them directly in the strategic decision-making processes heretofore left to management. But two powerful factors continue to limit their scope and potential for diffusion. First, such experiments are only possible where unions are already strong, and collective bargaining is highly centralized so that the firm's strategic decision makers are not too far removed from the influence of top union leaders. The UAW could exert great leverage over GM, for example, because it already represented all of GM's U.S. production workers and bargained centrally with GM executives. Few other U.S. unions boast such leverage and structural advantages. Second, U.S. labor leaders are still quite divided as to the merits of this approach, and thus they have made no concerted call for an expansion of labor's role or influence in corporate decision-making and governance. Therefore, while these examples illustrate the wide potential scope of union influence above the level of collective bargaining (over basic management strategies and organizational structures) they also point up the enormity of the task of turning these experiments into standard practice.

Managements have also begun to place increasing emphasis on gaining flexibility and engaging in direct communication with workers at the workplace. This suggests the need for greater union influence at the

point of production, below the level of collective bargaining (Kochan, et al, 1984; Thomas, 1990). Union leaders have now had at least a decade of experiences with participation in work reform and new technology introduction (among other things) and appear to be more open than in the past to these and other new ideas (Wever, 1989). But there is still no consensus within the labor movement on how aggressive or supportive they should be regarding such efforts. Yet where participation has been implemented it has usually been well received by employees. In nonunion cases, traditional organizing drives have tended to fail in unionizing workers who have been exposed to these efforts. Once more, this suggests that workplace innovations pose both challenges and opportunities for union leaders interested in finding new ways to represent workers.

New management strategies and production imperatives often require employee sacrifices in the form of wage cuts or freezes, contingent compensation schemes or productivity enhancements. As a result, managements have become more willing to share financial information justifying these measures, and eager to communicate directly with workers in order to explain and gain acceptance for these changes. These direct links have edged the unions out of a central mediating role they have traditionally played. To avoid superficiality at this level, unions need to play a more active role in designing and implementing changes in the organization of production and work, and articulating and representing new short-term and long-term employee interests in these matters. As noted above, one central component of this strategy will be anticipating the further training programs appropriate to changing skills needs. This approach has become increasingly popular in Germany over the past few

years, and indeed has been under discussion in the union movement and research communities since the mid-1970s (Maase et al, 1975).

Experimentation in the auto, aerospace and telecommunications industries illustrate that some unions have begun to recognize the vital importance of developing new roles at this level of employment relations. Unions in these industries have negotiated jointly administered training and career development funds that are supplements to the specific training efforts provided by employers.

In any case, while these innovations are all useful first steps toward expanding labor's role in corporate affairs, a much more fundamental redesign of governance structures within corporations is called for. The economic pressures noted above suggest the need for far more consultation with and participation of workers and their representatives at all levels of the organization, around a broader set of issues than are generally covered in traditional collective bargaining relationships. They also imply the breakdown of traditional lines of demarcation between different bargaining units, between blue and white collar workers, and among workers, supervisors, and middle managers. That is, employee representative organizations will be called on to represent more diverse interests than they have traditionally been able to do (in large part because of the constraints of labor law) in the U.S.

As proposed by Adams (1985), Kochan and McKersie (1988), Weiler (1990) and others, these changes may require forms of representation and participation that resemble European works councils more than American-style collective bargaining. There is an active and lively debate underway, both within the union movement and among managers and other

industrial relations professionals and researchers, concerning the wisdom and viability of these new forms of participation, roles for unions, and models of organizational governance (Wever, 1990). Over time, more national union leaders voice cautious support for these innovations. Lynn Williams, president of the United Steelworkers, for example, has actively argued in favor of trying any or all of these new approaches if the circumstances warrant. Others (Ephlin, 1989; Shanker, 1990) have also argued that the future will require use of more flexible forms of worker participation and representation. In the context of the AFL-CIO's strategy development forum, the Committee on the Evolution of Work (CEW), the unions' top leaders have been consulting with experts on works councils and other new forms of workplace-specific representation, as well as Employee Stock Ownership Plans and other mechanisms for gaining greater influence in strategic corporate decision making. That is, the movement is indeed considering new roles both "below" and "above" the level of collective bargaining. The CEW has also begun to consider a variety of economic justifications (as well as ethical and socio-political reasons) for playing a more substantial role in workplace, strategic and national economic planning (Wever 1989).²

Yet these exceptions point up the prevalence of the cautious, case-by-case approach that still dominates among most national union leaders. No union has so far placed support for alternative forms of participation

² This monograph considers a broader range of causes of union decline and of alternative interest representation mechanisms and strategies than the AFL-CIO has been willing to identify itself with in the past. It was commissioned of the AFL-CIO by the International Labor Organization, and written while the author was Special Assistant to the Federation's Secretary-Treasurer, Thomas R. Donahue.

and representation in the center of its agenda for the future. Meanwhile, pressures on unions to adopt these new roles will continue to intensify. The management community already exhibits a consensus that greater flexibility and greater employee involvement in enterprise decision making are necessary and desirable features of the "new industrial relations." As a result, those unions that resist these new roles (or that are too slow in adopting them) will probably suffer more rapid membership declines than those that take the lead in facilitating the development of new forms of organizational governance.

American Workers' Values and Expectations:

Finally, we come to the question of how unions can best respond to the values and expectations of contemporary workers. A strong faction within the labor movement, represented by the Industrial Union Department at the AFL-CIO, believes that unions must attempt to overcome the cultural and political constraints that have historically kept workers from developing a deeper solidarity and ideological attachment to collective representation. Indeed, the IUD's celebrated "Jobs with Justice" campaign is premised on such ideas.³ The evidence suggests, however, that the search for an overarching working class identity is likely to be no more successful in the future than it has been in the past. Historians and theorists of different political orientations will doubtless continue to debate precisely why it is that American workers lack European-style class consciousness or some other strong collective ideology. But in any case the increasing diversity in the workforce

³ Based on a conversation between Brian Turner, IUD, February, 1988, Washington, D.C., and Kirsten Wever.

makes it even less likely that a single ideology can be found to bind large numbers of workers together in the future.

It is true that labor has in the past shown itself to be a social movement capable of integrating and organizing specific groups, such as immigrants on the East Coast and farmworkers on the West Coast. A current program organized by the AFL-CIO seems to be successfully signing up associate members (more will be said below about this membership category) among hispanic workers in the Los Angeles area. Other homogeneous groups of workers could provide similar opportunities. But any such potential for deepening workers' ideological commitment and loyalty to unions is most likely to appear in localized occupational, ethnic and community-based organizations, and not in any unified national movement.

More than in other countries, American workers have always evaluated unions on instrumental grounds—on their ability to address workers' key job-related concerns. This underlines the importance of Piore's argument in Chapter twelve that local union leaders must improve their performance in delivering traditional union services and benefits. But changing workers' perceptions of union instrumentality on traditional dimensions will not be enough. An even bigger challenge is to develop an organizing agenda that does not rely on deep-seated job dissatisfaction as the primary (or sole) rallying cry for worker mobilization.

Perhaps a model for going beyond job dissatisfaction in appealing to new members can be found in the interesting motto used by the Harvard Union of Clerical Workers in its recent organizing drive: "It's not anti-Harvard to be pro-union." After a long struggle and an aggressive

campaign against the union's organizing effort by Harvard management, the HUCW built a campaign theme around Harvard clerical and technical employees' right to have a voice in the decisions affecting them and to be treated as valued members of the university community and part of its governance structure. By taking this approach the union captured the support of workers who did not necessarily dislike their immediate supervisors and are proud of their identification with Harvard as an institution, but who also saw the value in collective representation regarding issues of immediate job-related concern. Future efforts to organize service and professional employees must capture the support of workers with similarly mixed feelings and concerns. As noted above, they must also articulate and represent workers' (in part still latent) interests on non-traditional dimensions, such as skills requirements and career development structures.

The AFL-CIO and some of its member unions have developed pilot programs to test non-exclusive representation and non-majority (or associate) membership models. These programs provide membership options for individuals who are not part of a bargaining unit where a union has exclusive representation rights. Thus, members in this category would not necessarily leave the union if they changed jobs. Various unions and the Federation now provide associate members services such as labor market, legal, and consumer information and other forms of assistance tailored to their individual and family needs. Other unions have developed programs to provide health insurance coverage, individual retirement accounts, credit cards, consumer discounts, career counseling and training and educational programs, among other things.

These efforts represent the attempt to break out of the reactive model in which unionization represents something like a strategy of last resort, appropriate only for workers who are deeply dissatisfied with the conditions of their employment. But ultimately they can only be a part of a larger strategy that moves toward a more concerted, more centralized mechanism for meeting employees' needs outside the context of their immediate places of work (c.f. Heckscher, 1988).

FUTURE PROSPECTS

Even taken together, the experiments alluded to above cannot in and of themselves produce a resurgence of the labor movement. In this section we outline a set of propositions concerning the conditions for change in industrial relations and American society that we see as the necessary foundation for a coherent vision and strategy that could produce a notable revitalization of worker representation in the U.S. We offer these ideas both as generalizable hypotheses on which to base future research (including comparative research) and as a call to debate and, importantly, action among those who share our concern over the disarray of the contemporary American industrial relations system.⁴

1. The possibilities for successful union response to the environmental pressures of the day are positively related to the existence of a strong political party that views the labor movement as one of its primary constituencies.

In the U.S., the lack of a strong political alliance between labor and a major political party and/or other major political interest groups will

⁴ These hypotheses are cast broadly enough to be applied across the advanced industrial world. However, it would be beyond the scope of our argument in this paper to try to do so here.

continue to limit the possibilities of a resurgence in worker representation. Even while the New Democratic Party has helped sustain labor's influence in Canada (Bruce, 1989), the declining role of the U.S. labor movement in the Democratic Party (and, indeed, the weakening of the Democratic Party itself) continues to constrain American labor union power and influence.

To be successful, the U.S. labor movement will have to become more overtly political. In the 1990s labor and/or other interest groups are likely to return worker interests to the national agenda and try to shift the "competitiveness" debates of the 1980s to public discourse about our society's overall values, corporate governance, living standards and income inequalities, and human resource development. There already exists a broad potential coalition among various groups in American society who share deep concerns about educational and training deficits, environmental and occupational health and safety issues, work/family issues, growing economic inequities, and abrupt social dislocation and job losses resulting from corporate restructuring, takeovers and takeover threats and other new strategies of finance capital. Whether labor leaders can articulate and mobilize the latent support for addressing these concerns, and whether the unions can mobilize political action around these and other issues remains to be seen.

We think it likely that the first group to seize and forcefully articulate this agenda will be able to play an important role in marshalling political interest and support from large blocs of the American workforce and voting population. If unions take the lead in articulating these new interests, and do so in a fashion that presents a

clear vision and a role for workers in the governance of the American corporation and in the future economic strategies of the nation, employees may see new and compelling reasons to join unions.

2. The less unions or other institutions of worker representation are able to influence business strategies, the greater will be union membership decline.

This proposition goes to the limited reach of traditional American forms of collective bargaining. Worker representation in the U.S. will continue to suffer from the failure of our industrial relations system to provide forms of worker representation such as codetermination, informal consultation and information sharing (where business strategies can be influenced), training and labor market information clearing houses and individualized career development services (which help organize external labor markets) and works councils or similar institutions (which can shape the reorganization of production and work). As long as our legal doctrines and our customary practices continue to center on traditional forms of collective bargaining that enforce a strict separation of management prerogatives and union functions, unions will be poorly positioned to cope with the forces that drive events in contemporary organizations and employment relationships.

Any moves in this direction, however, must be supported by fundamental changes in labor law, (Weiler, 1990) in the American conception of the corporation, and in the legal doctrines that underlie corporate governance. Long term shareholder interests in corporate governance and management behavior must be understood to depend on an elevated role for human resource interests and policies.

3. Labor movements that are organized around exclusive representation and decentralized collective bargaining aimed primarily at raising wages and minimizing job dissatisfaction will continue to experience significant declines in union membership.

This is an extension of the previous proposition, suggesting that the further removed union influence is from the locus of power at the top of the enterprise, the less able unions will be to constrain managerial choices. The American labor movement faces a peculiar structural dilemma: it is at the same time too centralized and too decentralized (Katz and Sabel, 1985). As noted throughout this paper, the interests of American employees (especially in the expanding service sectors) call for better organization of labor markets. Decentralized bargaining generally represents only incumbent workers' interests in the status quo. It addresses neither the dysfunctions in labor markets nor in skills delivery mechanisms (that is, workers' needs when they lose or change jobs). As long as U.S. collective bargaining remains essentially decentralized, this institution will be unable to influence structural dislocations, and will therefore be further buffeted by their effects. At the same time, American unions' dependence on contractual rather than constitutional rights makes it politically difficult for them to allow for diverse local structures and processes of negotiation with management which might make it easier to re-organize work or production and/or to upgrade and stabilize low-skill, low-wage jobs (Wever, 1990; Thelen, 1987).

Moreover, as long as American unions are unable to take labor costs out of competition, they will continue to lose members because their

members will continue to lose jobs at a faster rate than otherwise comparable but lower paid nonunion workers. As noted above, workers tend to withdraw commitment to unions once they lose their union jobs or perceive unions as having lost the bargaining power necessary to improve their immediate job conditions. Growing diversity in the U.S. workforce is likely to weaken the effects of traditional appeals to working class consciousness or solidarity. Human resource management strategies that diminish job dissatisfaction will weaken traditional organizing appeals. Both of these effects will be particularly visible among the growing number of white collar and technical workers. This suggests the pressing need for alternate sources of membership commitment which are capable of meeting those employee interests that cannot be met by decentralized bargaining.

CONCLUDING COMMENTS

In this paper we have argued that labor's decline stems from dynamics set in motion by intensified international competition; growing conservatism in domestic politics and the administration of labor law; employer strategies that are beyond the reach of American union influence; and workers' perception of organized labor as an institution that can do little more than help them address some aspects of job dissatisfaction. Effective worker representation in the future will require a combination of greater attentiveness to employees' diverse job- and career-related interests; new bargaining strategies that seek to advance workers' earnings and living standards through productivity increases; strategies that emphasize training and human resource development; and labor involvement in management policy making so as to

influence the very premises of business strategies in their formative stages. This is a tall order, and it is unlikely to be filled in the current economic and political environment.

In the language of interest group theory, labor appears to be clinging to the representation of obsolescent interests rather than articulating the emergent interests of American working people. Lacking a coherent vision of these emergent interests, and how they fit into the economic and political interests of the nation as a whole, and insisting on loudly defending old interests, organized labor consistently fails to mobilize public support and/or to capitalize on its legitimate victories. (We hasten to add that these "old" interests must certainly play a role in any modern labor strategy, but that they cannot form its centerpiece.) But we believe that labor's recent reforms and experiments are not likely to reap significant returns until accompanied by a clearly articulated alternative strategy for labor.

The AFL-CIO has attempted to enhance its public image through the formation of the Labor Institute for Public Affairs, and individual unions have attempted to ally their organizing and bargaining campaigns with popular public figures (like Jesse Jackson). Yet over the course of the 1980s, from the 1981 air traffic controllers strike to the 1989-90 Eastern Airlines strike, the labor movement has consistently failed to develop and publicize any convincing analysis of the problems they confronted. As a result, the unions could not mobilize support around the representation of the new interests spawned by these problems. The Democratic Party's failure along the same dimension surely contributed to the inevitable result, viz., that economic conservatism went virtually

unchallenged in the past decade.

Once again, a more hopeful historical analogy comes to mind. In the past, labor has been able to first experiment with innovative strategies and later, when the environment was more supportive, rally the public support that provides the impetus for major institutional change. In the early part of this century, for example, Sidney Hillman and the Amalgamated Clothing Workers experimented with innovations in collective bargaining and introduced a form of industrial unionism that, as Steve Fraser (1983) put it, served as the "dress rehearsal" for the New Deal industrial relations system. But it was not until the environment changed in the 1930s, that John L. Lewis and colleagues were able to mobilize the social and political resources necessary to achieve resurgence for labor by articulating the limits of the AFL's traditional interest representation mechanisms. In the 1960s, the American Federation of Teachers built an extremely successful public sector organizing campaign by openly challenging the cautious approach to public sector labor associations taken by its rival, the National Education Association. Then, with the help of new labor laws at the state level, the American Federation of State, County and Municipal Employees and other public sector unions took the public sector by storm when they seized the possibilities for bargaining with public sector employers, even without the right to strike.

But we find among the current slate of U.S. labor leaders no individual (or union) willing or able openly and consistently to criticize the limits of old forms of employee interest representation, and to offer a coherent alternative. We do not believe that such

leadership can emerge in a vacuum, or that it can single-handedly produce a turn-around in the fortunes of the American labor movement. But neither can we envision the emergence of such a transformation in its absence. Without a clear agenda for the future, however, labor will neither be ready to react appropriately to a changed environment — if and when it may emerge — or to play any significant role in spawning its emergence. Instead, workers and their unions will continue to be buffeted by changing economic and social events. As such, they can only play a reactive, increasingly invisible role.

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