"NEW" LABOR-MANAGEMENT RELATIONS: A CAUTIONARY TALE

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When Shakespeare's Henry the V attacked and opened the walls of the city, he cried "once more into the breach dear friends". Beyond the breach lay victory at the battle of Agincourt over a presumptively superior French force. The three part victory was composed of one part technology (the long bow) and two parts the spirit of "we happy few, we little band of brothers." The picture is one of an inspired leader rallying his generals and his troops around a well known and well defined objective. To the leaders it was well understood, to the troops hardly at all.

In this spirit, if not in actual parallel, industrial relations and human resources goals rise once more to the top of the corporate and public agenda. Management, particularly, is rushing through the breach to be first off the mark in the race for increased productivity and increased competitiveness. And in recent weeks we have been assured that the missing leg of the three-legged stool, the government, is once more on board; to correct the faults of our labor laws that restrict collaborative ventures and to promote their usage as a matter of national policy.

A lot of the stirring about is the result of Horvitz's law of the "Urgency of Rising Temperatures." As the temperature rises (the need for change) the rediscovery of employees suddenly appears and monopolizes the screen. Their contribution is the incremental critical contribution and their impact on the rising economic tide will lift all players.

Have we been here before? Of course we have, in many forms and many guises. The new twist we are told is that management not only recognizes the employee contribution as crucial but also understands the need to embrace employees in a new broadened agenda. There will be joint consultation even joint decision-making not only on the shop floor, but on matters of universal interest to the firm; up and down involvement in strategic planning, for example, and perhaps even reaching to the blue sky of Bluestones-pere and fils.

But, in the rush to salvage or improve are we forgetting or misreading our history? There are still many unanswered questions around. We ignore them at our peril.

- What is management's definition of participation and involvement? The view of employees, organized and unorganized?
- What do words like partnership really mean, if anything? Collaboration, cooperation, consultation?
- What must management bring to the new table?
- What must labor, (big L or small l), bring to the new table?
- Is it possible to institutionalize the processes or are we doomed to be victimized by the "great man (person) theory of history?"
- What is the role for unions and for collective bargaining, if any?
- Must there always be a crisis catalyst? In the company, the agency, the industry or the country?
- What can we learn from our industrial relations history that can guide our labor management relations into the new industrial relations age?

I don't believe that even today, in the new rush to put employees and labor-management relations front and center, these questions have been completely or properly discussed in the light of our history. In fact, practitioners and other seers often ignore the hard lessons of experience in the belief that they have found the holy grail. Long term that is a doomsday scenario.

First and foremost, we have not addressed the need for an underlying philosophy, a set of values that underscores our philosophy of employee relations and determines the content of the industrial relations system(s). We have instead substituted very American, short-term "practical" responses to whatever set of conditions temporarily drives the relationship; the demand raised by a huge influx of technology, a sudden downturn in the economy or the business, or the overwhelming competitive need to control cost.

That fact undcerscores as well as explains why the ongoing debate starting with the Taft-Hartley amendments to the Wagner Act has run hot and cold over the years. Normal labor-management dialogue has often erupted into soul stirring debate over the legal protection of rights and the details of level playing fields. The residue of these debates has been bitter. Striker replacement is a recent example.

In fact, the picture of Labor-Management relations today, ranging as it does from hostile and adversarial to consultative and cooperative or collaborative, is illustrative. The new administration no doubt will coin a new term of its own, probably "huggy." We are in danger of being back in the short term fix business.

A Short History Lesson

If we look back over the experience of the last several decades, it seems to me that there are at least four major threads and a number of minor ones that run through the tapestry of labor (big L, little l) management experience, that both provide guidance and raises questions about the prospects for future success.

The four major threads that weave the historical tapestry of the experiments in cooperation and or collaboration between workers and management are the dichotomy between rhetoric and performance, the role of crisis, the use of incentives, both negative and positive, and the current wisdom about the role of the trade union in American industrial life.

Perhaps the leading candidate for misunderstanding, misinterpretation, and general mischief-making is the ongoing dichotomy between rhetoric and performance. The most interesting thing about this phenomenon is that very few of us really have difficulty in agreeing on the rhetoric. Here are some of the things we say today.

The United States is up against a new interrelated and interdependent world-a-world in which we are rapidly losing influence and competitive advantage: a world where we regularly suffer from huge trade deficits and where we are a debtor nation. Our most hallowed economic institutions are at risk.

Many changes are needed and high on the list of priorities is the need to harness the best efforts of a "partnership" between labor, management and government. Some of us are careful not to talk about labor with a big "L" and some talk only about employees.

Human resource policy rises once more to the top of the agenda. People at all levels properly managed can contribute to a revival of a competitive edge at home and aboard.

Therefore, it's time to end the traditional adversarial relationships that have been the hallmark of our industrial history. It may have been a lot of fun for the negotiators and the mediators but the eastern bazaar bargaining and the five A.M. deals do not address the real long term problems of the firm or its people. These must be addressed in non-adversarial forums characterized by collaborative problem solving that leads to win-win solutions. There can be no "we and they." Employees are a rich untapped source of job knowledge; untapped because we have no acceptable organizational ways to mesh the skills and knowledge of our employees with the goals of the enterprise.

If that is the case, trade unions cannot continue to lag behind the power curve of rapid change. And in return management will accept unions' legitimate right to exist and perform its traditional functions. High on that list is the protection of the rights guaranteed by the Agreement. Low on that list should be the insistence by the union of prserving outmoded and costly work practices which impede the firms competitive progress.

Labor and management in concert with government must jointly address fundamental problems of job security. Simply laying off thousands of workers in outmoded and/or noncompetitive enterprises as well as those who are the victims of technological change is not an acceptable long run policy for the country. Employees who remain are entitled to share in the fruits of positive change, but labor and management alone cannot ignore or totally absorb negative shocks to the work force. Government must assist.

The agenda of problems for joint action must be broadened. It can no longer be the limited agenda that gladdens the hearts and lines the pockets of NRLB lawyers whose job it is to keep allowable discussion in the narrowest of frameworks. The agenda should be whatever the participants wish to make it.

There is nothing wrong with this agenda. The question is: Does the performance match the rhetoric? Is what we hear what we get?

Unfortunately, and not unexpectedly, life gets complicated when we go beyond the generalizations. In many, if not most, instances parties in collective bargaining have gone through many years of, at best, adversarial and, at worst, confrontational relations. The parties, grasping for change, find rhetoric can quickly turn to doubt and disbelief. Take for example the following:

“Our Company is its people. With this Compact we must move toward a clear vision of employees as human assets in our Company. It recognizes the need for continual employee participation in the institutions which manage change. By focusing on ever improving personal performance, both the Union and the Company benefit.

Our methods for constant improvement must build on the partnership values of mutual respect, open communication, shared success, mutual aid and innovative problem-solving which have led our transition to competitive excellence. To these we must now add our heightened personal commitment. The intent of our Company continues to be that each employee becomes daily a more capable, confident, committed and secure person."

This language, the compact is only twelve pages in length, was underscored by a job guarantee for all those presently on the payroll and, as a substitute for the standard grievance procedure, an "Issue Resolution Procedure". The procedure stated that employees had the right to bring up <u>any</u> issue for discussion and resolution. The process included a "grievance mediation" step prior to arbitration. Discipline and discharge cases were exempted from the process and are handled under a standard grievance and arbitration procedure. The parties are presently experimenting with a short time frame mediation-arbitration procedure.

The company -- a large utility in Ohio -- and the union -- a local of the International Union of Utility Workers -- have made many attempts to bridge the gap between each parties' understanding of terms. This ongoing dialogue has increased rather than decreased the level of suspicion and delayed constructive implementation of the new framework for this relationship for some years. For every step forward the parties take one or two back. How could such a thing happen? How could that much time be spent on clarification, with negative results.

Much had to do with the euphoria that surrounded the initial negotiation of what came to be known as a compact rather than a contract and the rhetoric that was part of the change. Fundamental to the rewriting of the contract which was 163 pages in length was the underpinning of the new document which included the statement quoted above, a statement of general principles, a listing of employee's rights and a statement of guiding principles which would overlay the ongoing relationship of the parties. Elaborate joint and separate training exercises were a part of the implementation of the New Agreement.

It was only to be expected that both sides would begin to give its own spin to the Compact Language as it applied to day to day relationships. They got bogged down over what they thought they "bought." One of the most troubling hurdles has been "parnerhip."

Reduced to its fundamentals, management believed that in guaranteeing jobs and opening up limitless discussion on issues between individuals and the company, and the union and the company, they had “bought” the right to manage the business as they saw fit, rather than engaging in joint decision making or joint consultation. Management believed that the limit of its partnership obligation was: keeping the union and the employees informed in general and communicating their plans fully before implementing. There has been and still is one major exception to this scenario. There has been more consultation on the specifics of creating new jobs, new rates, and new incentives, as the company has gone through restructuring of its service centers over the life of the compact. That consultation and joint discussion/action has been well beyond any of the requirements of the prior Agreement.

Management, as a group, however, did not focus on any active ongoing consultative role for the union other than as the prime mover of "issues." The perception of many top and middle level managers was and still is that the creation of the issue resolution procedure and the job guarantees would make the union a passive "partner" rather than an active participant in decision making. The process (extensive training programs and communication programs) would produce intelligent and caring managers. The issue resolution procedure which gave employees and the union wide latitude in defining "what is an issue" would substitute problem solving for an adversarial classic grievance procedure. That would leave the management free to run the rest of the business.

The union had a different view. They believed that by trading a large rule book (163 pages) that governed every possible occurrence in the managing of the shop, the employees had truly bought into a consultation if not veto arrangement at the highest levels of the enterprise. It was always understood that certain decisions would remain the sole province of management but others would involve maximum consultation prior to implementation.

It is easy to say in retrospect, that we are talking about a matter, on the one hand, so simple and on the other of such overwhelming importance that it must have been fully covered in the discussions that led up to such a ground breaking Agreement. And the answer, of course, is that it was - ad nauseam.

As it turns out, however, each side was talking, or not listening because they had, a priori, firmly fixed notions of what they were buying into. Different concepts floated around clothed in the same rhetoric.

Subsequent attempts to redefine the terms of the understanding and move from misunderstood partnership to reasonably understood consultation have only been mildly successful. There are three reasons for this. Distrust has mushroomed as a result of the up-front misconceptions. Changes in management have taken original players from the scene. The parties have put too much emphasis on experimenting with changes in process as a substitute for a fundamental commitment to the commitments of the compact and to the implementation of those commitments on a day to day basis throughout the organization.

It has not worked. These folks get double A for effort, but the underlying question of why they are still floundering after six years of effort raises questions that I will return to. One explanation may be that there has not been any real crisis although there have been plenty of problems.

Whatever the changes in the relationship that have or have not contributed to the steady increase in productivity and profitability for the firm, and increased earnings for many employees, the impetus has not come from a real threat to survival that demands the most creative efforts of all. Historically, utilities have been stable organizations and although the industry has undergone some deregulation in recent years it hardly compares with deregulation of airlines and telecommunications or shooting the rapids that the automobile industry has been trying to avoid.

I have not covered one aspect of this series of events which should be noted. The role of the third party in these situations is a discussion in and of itself. In the instant case I, as a third party did not participate in the table discussions that led to the Agreement. I have, however, particpated in all the subsequent discussions since that time including mediation of the final rounds of the last negotiation and the ongoing implementation of the issue resolution procedure.

The Role of Crises The Second Thread

Economic, fiscal, and regulatory crises have played important roles in all aspects of employee relations, as I mentioned earlier. These crises always seem to bring employee relations to the forefront of policy. Nothing quite focuses the mind as the threat of bankruptcy or liquidation. In the last few decades, there have been numerous examples where thoughtful and/or desperate employers, with or without unions, have considered the three C's (cooperation, collaboration and consultation) with a heavy dose of participation and involvement as part of a new employee relations agenda.

Crises will definitely bring about change in the relationship between workers and their managers and between companys and unions. What has often happened in the past, unfortunately, comes under the heading of Quick Fix Public Relations. Rhetoric oozes from both sides but the relationships do not undergo fundamental or lasting change. In fact, there is often a "reversion to type" on both sides. It is easy to slip into old habits given half an excuse and in some cases backsliding becomes worse than backsliding. The participants perceive that the temporary illusion has been destroyed. Each side blames the other. This phenomenon is quite common when there have been important changes in leadership on one or both sides.

Even where there have been relative successes in changing relationships for the short term, the party's inability to instituionalize the positive processes they have created has not been encouraging. Whatever the justifications and rationalizations that the parties give for recanting, one need look no further than the recent experiences at Caterpillar and its prior history to be astounded by the rapidity with which change takes place.

In the past few decades the transportation and communication industries; airlines, trucking, maritime, railroads and telephone are prime examples of varied respones to external change. They have been on the cutting edge of the impact of new technology and the added burdens of deregulation. External market and government forces have opened new and closed old ways of doing business, all at the same time.

Transportation has been an outstanding example of industrial trauma. The deregulation of the mid seventies and the impact in the late seventies and eighties was overwhelming to traditional operators. These industries were also highly organized by International unions of considerable strength. Their management structures were, for the most part, vertical, bureaucratic, military and layered. The union contracts reflected the practices and agreements of a highly regulated industry.

After deregulation, the fate of many of these companies and their employees lay in immediately reforming their labor agreements, to achieve lower costs, if that could be done. What many people had known for a long time and others came to learn was that wage bargaining can often respond quickly to changes in a firm's ability to pay. Health and other benefit provisions are more stubborn and work rules are the most stubborn of all. The latter, however, produces the most important long term savings in cost.

Under deregulation the ability of new firms to enter the traditional markets of airlines, truckers, etc. with lower often non-union cost structures focused everyone's attention on the need to develop new competitive structures through negotiation or other means. Labor lawyers even became bankruptcy specialists and financial consultants.

The search for higher productivity and fundamental change, in cost or culture, was not of course limited to the deregulated industries. Foreign competition enlisted many new entrants in the sweepstakes. In industries trying to survive in their own domestic markets, particularly unionized companies competing with an increasing number of firms with a union-free environment, it was clearly an era of cost competition in which labor cost became the medium of competitive advantage.

A whole new cottage industry was born. Lawyers and consultants who would insure you against the high cost of union contracts or union organizing, at one end, and, at the other, doctors of various licenses and human resource change agents who guaranteed to improve your culture, win over your employees, increase productivity and, miracle, reduce cost. Buy the program and you will compete successfully against the less fortunate unhappy work forces of your competitors.

It is a tribute to the pragmatic streak that runs through the managers of American business that most of the advice given and almost all of the advice taken was based on the proposition that the goal and the solution was labor cost reduction. One could argue about the method but the solution would be the same. Human Resource Management, Quality Circles, Labor Management Committees, Employee Involvement, Gainsharing, ESOPs have entered the permanent lexicon of Industrial Relations. Inject 1000 cc's (competitiveness and cooperation) into the industrial bloodstream and you will achieve the American Miracle.

Incentives. The third thread.

Crises were joined by incentives. Imaginative financial and innovative schemes were developed, not all of them original, as offsets for concessions on wages and work rules which substantially lowered labor costs. As a result, collective bargaining put American workers on the Boards of large companies for the first time, gave employees substantial investments in the companies they worked for, spread profit sharing and other gainsharing schemes into enterprises that had never entertained such ideas, and in general spawned much creativity at the table in order to avoid disaster now or in the future.

Quite surprisingly, in airlines for examples, high cost unionized carriers bargained reduced cost structures and survived although merger mania hit the industry -- not always for the better. Peoples Express, Frontier, Eastern and others are gone or merged, but on the whole, the performance of the collective bargaining system in the face of these adversities was admirable when one thinks of other examples of deregulation such as banks and savings and loans.

What has troubled me for a long time, however, is that in the enthusiasm with which we embrace the need for change we assign attributes to the results that sound wonderful but may not reflect the reality of what has happened. The role of crisis bargaining, although its impact can hardly be exaggerated, has also been misrepresented and misunderstood.

In the 1950s and 1960s, for example, one of the major "crises" for labor management relations was dealing with the introduction of technological change and the first whispers of foreign competition. In industries like basic steel, auto, communications and maritime the winds of change were moving with gale force although not everyone woke up at the same time.

Collective bargaining attempted to meet those challenges and productivity bargaining and productivity agreements arrived on the scene but much of it was hardly noticed. The most publicized were: The Armour Automation Fund, (1959) the Kaiser Steel Long Range Sharing Plan (1960) and the Mechanization and Modernization Agreement (1960) in the West Coast longshore industry. During and following that same period we heard much and some of us saw some of the innovations of Scanlon and Rucker and the schemes they devised for employees to share information and expertise and to enjoy the economic rewards through various kinds of group and plant incentives. All of these innovative collective bargaining agreements were responses to various types of crises in the plant, the company, or the industry and some succeeded in "solving the problem" survived the moment and enabled the parties to live, to fight, or talk on another day. Most did not and only a few survived with the basic concepts of those agreements intact. The steel industry for example had its long range sharing plan and GM had developed an innovative long term agreement to bring stability to its operations which incorporated COLA and an improvement factor (productivity) to settle the basic contract for a fixed period of time. One of the speakers on this program, John Hoerr, has written an excellent book about steel, aptly entitled, "The Wolf Finally Came."

All of these innovations were stand alone examples of the willingness of labor and management in a particularly difficult situation to use their resources and the collective bargaining process to try new approaches to their common set of problems. And in most cases there was mutual concern about the stability of the firm and/or the industry and the need to accomodate to changed technology or increased competition. No doubt there were changed attitudes from these experiences as people moved from confrontation to problem solving but it is well to remember that the changes were made within the existing framework of historic collective bargaining.

The more interesting question, however, is what happened to the models, if models they were, and I for one believe they were. For those of us who were part of some of these changes it seemed that there was little or no real interest in the world of industrial relations either from labor or management. Ironically, you could always get an audience for someone to make a speech, you could always get on a conference program and occassionally someone would make contact to explore the deeper parts of what had been accomplished. But on the whole most of the models were praised and quickly dismissed as not applicable except to the specific situations for which they were designed and that, of course, was not transferable. Audiences seemed more intrigued by the mechanics designed by the parties to meet specific situations. Few seemed interested in the underlying changes of philosophy on both sides that released the creativity that resulted in innovative mechanics. As someone once remarked at the annual

MIT clambake on the Scanlon Plan, "The Scanlon Plan is more talked about than used." I suspect one might say something of the same kind about'win-win'.

Perhaps the distant past is not a reliable guide. In the seventies and in the rolicking eighties, I have watched labor management changes on a number of fronts; as a meditor, as chairman of two joint labor management efforts, as a consultant and negotiator for a major airline trying to survive the impact of deregulation, as a board member, designated under a ESOP agreement, of a mid-size trucking company and as a consultant to a major railroad. Not all at the same time but some at the same time.

During this period and continuing to the present day there was and is much constructive work going on at the plant level, and the company level. The much publicized work at Ford motor-(quality is job one). AT&T, GM-Toyota and Saturn, Hewlett Packard, and Xerox, to name some. These examples are a major and continuing part of the story of restructuring employee relations for the nineties and beyond. And there is a great deal of constructive diffusion of these experiences in conferences and through the activity of the Work in

America Institute and the former activities of the Labor Dept. under Steve Schlossberg and his group. It is interesting as a footnote to this history that the activities of the latter group in the Department of Labor was restored to health in the Reagan administration and downgraded to oblivion in the Bush administration while the country was crying over the Japanese invasion.

One should survey this period with care. It was also the era of the Air Traffic Controllers debacle, the time when discussion of the union free environment was on many lips, and when many companies, facing the ever increasing pressure on costs, focused on labor cost not only as the problem but as the solution. I suggest to you that a thorough analysis of much of the activity in the late seventies and through most of the eighties, despite a number of excellent pioneer efforts, will show a picture of hard often contentious bargaining in the labor management arena. The combination of external competitive forces, the impact of deregulation and the visceral commitment of the Reagan and Bush administrations to the unfettered free market created an impact on the bargaining table that was not conducive to establishing long term labor management cooperation.

None the less, many varieties of labor management cooperation schemes reached the pages of the newspapers, numerous conferences, and settled firmly in the hearts and minds of their creators. Some of the responsibility for that must fall on the change agents, the academics, the consultants and private and government researchers who had a heady desire to usher in the new era of industrial relations.

My own sense of what was going on and still goes on is that the collective bargaining game between labor and management in most cases has expanded a little, (voluntary bargainable subject matter for example) but with rare exception continues to be a power and leverage game when the winds of change blow. That fact, constant change, is the surprise that sends the parties reeling and grasping for survival; all the claims about win-win solutions notwithstanding.

The reality is that participants in collective bargaining in most of the crises, not all, of the recent past have behaved well but there is little or no acknowledgement of this. Trade union membership declines except in the public sector and most managements view unions as irrelevant to the needs for flexibility and creativity that the new employee will have to possess. Trade unions have been and still are viewed as impediments to industrial progress. Today that means that they are seen as the guardians of high unnecessary wages and costly and unproductive work rules.

Some of that is true but it does not explain the constant singing of the theme. The implication seems clear to me. In the new industrial relations there may soon be no room for collective bargaining or even for trade unions, changes in our labor laws notwithstanding. Whatever faults may be assigned to both sides in that debate, there is an underlying recurrent theme that threatens the propsects for creating a new industrial relations agenda The very make up of this conference implies the existence of Labor with a big L, collective bargaining expanded and made more meaningful for today's agenda, and government particpation to develop support for labor managment cooperation in the years ahead and to protect workers whose lives may be ravaged by the results of international competition.

I submit that there is a ghost in the meeting room when management sets its industrial relations agenda. I fear that management's view, historically, and particularly under the competitive short run pressures of today is distorted and often driven by a deeply ingrained animus toward the role of unions in our private and public enterprsies. This fact limits management's ability to assess, objectively, any role for unions in planning their agenda.

Unhappily what we see again and again throughout our industrial history is that management has resisted first, the existence and secondly, the expansion of unions and therefore of the collective bargaining process as an institution for joint decision-making in the industrial society. The inability or unwillingness to recognize and accept unions as full participants in decision-making in the enterprise has been a hallmark of that history. Although the history has been cyclical, the cycles continue to this very day. The intensity of the opposition has varied over time but even in the most genial of times it is just below the surface of good will and accommodation. The evidence is clear that we are not past the present cycle.

There is, as we all know, a mushrooming of support for the belief that nonunion operations are preferable and always achievable through good management. Those industries already organized that eschew the open-warfare approach have increasingly gone "double-breasted." Others openly employ consultants and attorneys who specialize in resisting union organizations and/or provide counsel on how to get rid of existing unions. The plethora of seminars that is offered on appropriate subjects these days is a good index of the fact that this group is enjoying success.

The centrists remain, but this group is declining in membership as the first group grows. The centrists are already organized. They are continuing, at least for now, a traditional policy characterized by open and robust adversarial relationship, containing elements of shared power and shared poverty, and they have historically achieved positive results through problem-solving within that relationship. Whether or not they secretly envy group one is an open question. Suffice to say unions now represent 12% of our private work force down from around 33% in the fifties..

There is a third and, by far, the smallest of the managerial group that espouses new approaches to industrial relations. This group, many of whom are in this room, argues that labor and management should reevaluate the adversarial relationship. It suggests that labor and management open discussions on common problems that can be attacked cooperatively, while not abandoning the positive aspects of adversarial bargaining on traditional issues. A substantial number of negotiated labor agreements (perhaps 20 percent) contain written commitments to cooperative arrangements, I would doubt that more than 5 percent are constructively active despite shouts that the U.S. industrial system is in trouble. The size and influence of this group is, in my opinion, unhappily over-rated by the supporters and particularly by the messiahs of labor management cooperation and innovation.

We are, in fact, once more at a hot point in the cycle, reinforced by the supporting cast of hit teams: a host of consultants and attorneys, and a generation of young, tough-minded management insiders, products of the nation's business schools whose academic leaders in most cases appear to be riding the wave in anticipation, or perhaps in response to their clients' wishes.

In many cases they have downgraded their offerings in labor history, labor economics, and collective bargaining. They have instead upgraded courses in human resource management, in the behavioral sciences, finance, strategic planning economic analysis, and marketing. All important, all necessary, but suggesting that if there is a void to fill, it can be filled by today's management. All types of management training reflects this trend and some of it is sold under the rubric of labor management innovation.

Inevitably we return to some of the questions asked at the beginning of this paper. What must management bring to the new table? What must Labor bring? A few suggestions are in order.

Management must accept the existence of the union not only as an organization authorized to bargain for some or all employees, but as a consultative partner as well as an occassional adversary. This involves the recognition that the firms, as well as the employee's best interests are served by rendering to the adversarial procedure those matters that suit it best while at the same time developing a more humane, cooperative approach to the demands of the work place at all levels. Improving productivity qualtitatively and quantitatively results from a new industrial combination, perhaps uniquely American. Workers receive respect though participation and protection through bargaining. Management gets results.

Management must recognize that very few matters will remain its sole perogative once the union and its members are urged to share the burdens of success and failure. The span of control is widened and diversified. Traditional management structures disappear. This is the advice that appears in all versions of Total Quality Control, Network Management, etc. It is seldom expressed in the context of collective bargaining.

Union leadership has to bring its own willingness to run the gamut of political risk in joining the decision-making process. The alternatives of layoff, unemployment, loss of job security, etc. are worse. It is understandable that elected union officials have more difficulty than management over making any kind of book with the traditional enemy. But elected union leaders, if they are really going to lead, have to be concerned about the long-term interests of their constituents.

And both have to commit to each other the need to inolve government in the solution to problems they alone can't solve. This goes to the heart of the matter of insuring management flexibility with maximum job security. The safety net alone is not a satisfactory answer.

I think that many of us who worked on the frontiers of labor-management cooperation were convinced that the future demands of automation, new technology and increased competitiveness could not be met without the support of the three-legged stool with the third completing the support system.

We believed in the rhetoric of that earlier time that productivity bargaining would be an increasingly important ingredient to throw into the competitive stew. Revoloutionary developments in communication would be at the forefront affecting the way jobs would be structured and organizations shaped. Bargaining, therefore, would center on issues of job security, worker in-put into job design and organization structure. Complicated economic, financial and marketing issues would be equally important as time went on. All of these issues would be 'on the table.' The collective bargaining agreement would be the underpinning.

More and more Labor and Management would come to recognize that better employee performance and better product quality are tied to a humane work environment. Problem solving would become the modus operandi of the interaction between all members of the workforce. In organized plants, the collective bargaining table would be a major forum for managing all or part of this process.

An important part of this earlier prediction was that a younger, more highly educated workforce would demand a new work environment and in turn would provide an enormous resource for improving performance and product quality. Managers of the future would not be able to treat the introduction of equipment and process technology as separate from the development of a quality environment if they wished to be competitive. Collective bargaining, with good leadership on both sides, could provide a unique arena for addressing technological and human need in concert.

Finally, I think many of us believed, and some still believe, that the inevitability of the competitive crisis in world markets would drive us there sooner rather than later.

Hindsight might make us appear polyannish. Yet much of what we predicted has come true. But it has not taken the shape we had hoped and predicted. The early models did not survive the test of time. The later models of the seventies and eighties have, in many instances, been examples of problem solving under collective bargaining within the structures of classic contracts and present labor laws. I have tried to explain some of the realities of that experience and why we must be cautious in the future. The penalty for misreading is rapid retrogression.

The present economic portrait nationally and internationally could not have been forecast in the sixties or even the seventies. We are becoming a nation of smaller not larger businesses. The employment engine is so geared. Large companies are becoming more efficient but, as they restructure, their need for large numbers of employees decreases. Competitive pressures, new technology and communication that smaller businesses can utilize as effectively as their larger brethren will increase that trend.

Smaller more entreprenurial units are not a good sign for union organizers or for traditional labor management structures. Smaller businesses will resist labor organizations, if for no other reason than they have watched the 'big boys.' There is an incredible challenge here for both sides. For years, I have argued that since management is the moving party in almost all labor relations matters that it was up to management to abandon its traditional anti union animus and to invite Labor into the house. I am not so sure anymore. There will have to be alot of creativity on the labor side as well if there is to be "new" industrial relations. There is not alot of this around.

The importance of this conference is that we may hear the beginning of what we would like to believe may be the new models for the 90s and beyond. It is not my purpose to discourage such efforts but to urge empoloyers and employees alike to look carefully at what they are doing. G.K. Chesterton once said," A little hot water is good for you, it keeps you clean." He didn't say what alot of hot water will do for you.