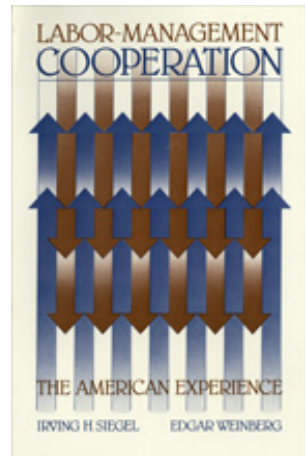

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Beyond Open Hostilities and Collective Bargaining

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Beyond Open Hostilities and Collective Bargaining

Prologue

The experience reported in this book reflects favorably on the creativity, versatility, and flexibility of American industrial relations. The deep differences that underlie the traditional adversarial postures of labor and management have not precluded search for, and invention of, opportunities for cooperation to mutual advantage. The interest of both sides in accommodation has intensified in recent years of unrelenting national economic stress, and it promises to persist in a world setting of continuing ferment.

Preoccupation in this book with collaborative schemes should not be misconstrued, of course, as disparagement of other plausible avenues toward needed improvement in our nation's productivity and in the quality and salability of its products. Effective labor-management cooperation can only complement, rather than substitute for, appropriate private decisions concerning, say, the mix and design of products, techniques of production and distribution, the amount and character of physical capital used, wages, and prices. It can only complement, rather than substitute for, appropriate policies and actions regarding, say, the money supply and interest rates, the size and allocation of public expenditures,

taxation, regulation, incentives for individual saving and business investment, and support for education and research. Government's manifold involvements, moreover, influence the disposition of labor and management to explore and pursue cooperative undertakings—in addition to affecting the national economic performance in other indicated ways.

Due attention must be paid to intercultural differences and to our own indigenous strengths when the applicability of foreign collaborative arrangements is appraised. At a distance, it is easy to overstate the successes achieved abroad, to misidentify the critical factors, and to misjudge their durability. In any case, literal transplantability is out of the question; and selective adaptation entails costs that have to seem justified by expected benefits.

To concede the obstacles to naturalization of foreign models is not to imply, on the other hand, that domestic imitation or diffusion is easy. A cooperative arrangement that works in one company, industry, or community is not routinely transferable to another. The situation is comparable to that experienced in the propagation of technology: "best practices" are identifiable more readily than they can be copied. Leadership, commitment at the top, acceptance below, good will, knowledge, skill, patience, and proper followup are as essential to domestic diffusion as they are to importation; and labor and management must expect benefits to exceed costs.

These remarks should be kept in mind throughout a reading of this book. They are offered in awareness that news accounts, popular literature, and even the writings of scholarly advocates often exaggerate prospects and mute the caveats. The important large truth that ought to be proclaimed is less exciting: *the adversary style of American industrial relations has permitted, rather than forestalled, ventures in cooperation, both home-grown and adapted, and it remains*

*sufficiently plastic to adjust to new parameters.*¹ The contents of this book should provide encouragement, ideas, and guidance to business, labor, government, and civic leaders wishing to realize more fully the potential contribution of cooperation to the quality of the nation's output and worklife, its productivity, and its competitiveness in world trade.

Scope

As the chapter title suggests, this book is concerned with varieties of cooperation that complement or supplement the normal arrangements of labor and management for adversarial interaction in pursuit of predominantly economic objectives. It features American experience, concentrating, in turn, on each of the principal theaters in which significant cooperation has occurred or is expected to occur. It pays special attention to, but does not focus exclusively on, the workplace, the most obvious site of cooperation and the one that is typically emphasized in the literature. Furthermore, it acknowledges that government has become not only a major employer of labor but also a major presence with which labor and management must, or should, reckon.

More specifically, this book examines cooperative arrangements in five theaters:²

1. The national scene, where the federal government usually participates as a third, but indispensable, party—serving, for example, as a catalyst, goad, arbiter, sponsor, intermediary, standard-setter, monitor, guarantor, or co-financier (chapter 2).

2. The industry level, where the perception of a national interest may again accord a key third-party role to the federal government (chapter 3).

3. The subnational—community, area, or regional—level, where state and local governments may have explicit roles and the federal hand may still be visible (chapter 4).

4. The private firm or plant, where labor and management have to take cognizance of parameters set by government policies but generally arrive at agreements without appeal to, or intrusion by, a third party (chapters 5-8).

5. The public agency or a component thereof, where the federal, state, or local government is itself the employer—i.e., “management” (chapter 9).

In addition to looking beyond the workplace and giving explicit and due recognition to the pervasive government presence, this book has a second distinctive feature: It includes a documentary appendix. This appendix, which should be of practical value as well as have scholarly interest, presents sample agreements between labor and management respecting cooperation and also exhibits pertinent provisions of various legislative proposals, laws, avuncular guides, and policy statements. Two other appendices offer additional information that should appeal to practitioners and students of industrial relations.

Although this book ranges widely, it cannot, and does not, purport to cover the whole eligible domain. The relevant unpublished information is much vaster than the accessible portion reviewed by the authors; and, unsurprisingly, the published information has its gaps and its favorites.³ No attempt, furthermore, has been made to exploit the available literature exhaustively or to survey certain kinds of cooperation that some readers or other writers might deem pertinent or worthy of treatment in depth.

Among the possible additional subtopics of interest, one does receive some attention in a later chapter and also in this one but is not treated in depth: cooperation at the company level *in extremis*, which involves the sharing of economic burdens or losses to avoid shutdowns or severe reductions of the workforce and which may inspire subsequent cooperation of the kind that this book emphasizes.⁴ No detailed consideration is given to employee representation plans, com-

pany unions, cooperative associations, or other configurations established (particularly before 1930) by employers eager to maintain an "open shop."⁵ Also omitted from this book is the discussion of "sweetheart" bargains between labor and management and other deplored or possibly illegal forms of "racketeering." Only passing reference is made to the supply of technical and related consulting services by union leaders and their designees to management (as distinguished from the active participation of the rank and file of workers) in the interest of reducing unit costs and increasing price competitiveness.⁶ Another matter left for other investigators is the engagement of labor and management in joint or parallel activities to protect or advance particular firms, industries, or communities through advertising, political lobbying, possibly illegal collusion against competitors, or litigation.⁷ Finally, we do not treat informal, spontaneous collaboration that is so natural to very small enterprises in which workers and employers have frequent personal contact.

Some Definitions⁸

A few of the terms already used have multiple meanings or may, for other reasons, require commentary. Discussion of them extends our remarks on the scope of this book. It may be gratuitous to dwell on the different connotations of words like "labor," "management," "government," and "state," but it should help the reader to know that "cooperation" and "collaboration" are used interchangeably.

It is difficult, but also unnecessary, to draw a precise boundary between "normal arrangements" for adversarial interaction and the extra-normal modes of collaboration that are of primary interest to this book. In a country like ours, the field of industrial relations as a whole is still open, growing, and evolutionary. What may be considered extra-normal at one time or in one place could well appear normal later or elsewhere.

“Open hostilities,” a term used in the chapter title, refers to the most dramatic, but fortunately not the most prevalent, of the interactions between labor and management. It includes strikes, strikebreaking, “job actions,” “sit-ins,” “sick-outs,” mass picketing, boycotts, injunctions, lockouts, etc. Such hostilities have sometimes involved serious property damage, armed confrontations, and violent “massacres.”⁹

A much more common mode of adversarial interaction is negotiation, best exemplified nowadays by “collective bargaining”—to which the chapter title also refers. Such bargaining has been politely described as “a process of reasoning and persuasion,”¹⁰ and, even more loftily, as the foundation for a system of “industrial jurisprudence.”¹¹ It does not, however, exclude threats of resort to open hostilities and is sometimes reinforced by demonstrations and token work stoppages. Yet, despite its histrionics, bluster, tensions, crises, and frustrations, the bargaining ritual eventuates, as a rule, in temporarily acceptable or tolerable contracts relating to base pay, escalator adjustments, overtime, fringe benefits, hours and conditions of work, criteria for promotion and layoff, pensions and supplementary unemployment benefits, retirement, rights and obligations of employees, and the prerogatives of management. As the Secretary-Treasurer of AFL-CIO remarked at a conference of 1980 on productivity and the quality of worklife, collective bargaining is, indeed, “difficult and untidy at times,” but it has also “proven workable and fair on . . . major issues”; and it could, furthermore, serve as “the logical mechanism for increasing the involvement of workers” in cooperative endeavors.¹²

Negotiation also includes requested third-party intervention for arbitration or mediation to settle contract disputes. Collective bargaining agreements often make provision for such intervention—in addition to provision for the establish-

ment and administration of in-house machinery to deal with worker complaints, grievances, and discipline problems. All such arrangements are interpretable as forms of cooperation, but they are also “normal” enough to be regarded as outside the scope of this book. Certain other contractual provisions for cooperation along specific lines do, however, qualify for attention here; they may either concern matters sufficiently different from the ordinary bargaining issues or represent the culmination of experimental ventures that began outside the bargaining process. Some such ventures start as initiatives of management; others originate with dual blessing of labor and management, sanctioned by letters or memoranda of understanding.

The degree of extra-normal cooperation sought by the two (or three) parties varies according to the problem and the circumstances. Cooperation may be limited to discussion or consultation on specific matters of mutual interest (e.g., productivity, product quality, or industrial peace); or it could also involve the adoption of agreeable procedures and action in accord therewith (as in the cases of safety, health, and alcoholism). At first, a need may be perceived for opening and maintaining two-way channels of communication to assure the effective implementation of contracts or arrangements already in force; but, having achieved functional rapport and looking to the future, labor and management may wish to make joint exploration of additional complex or technical issues (e.g., adjustment to technological change) in an atmosphere of calm without the pressure of tight deadlines. The aim of such an endeavor may be the formulation of a timely acceptable program; or it may also envisage installation and administration (as in the cases of pensions and Scanlon plans).

The disposition to collaborate and the choice of appropriate joint undertakings depend not only on the spectrum of visible mutual concerns but also on less evident con-

siderations. These considerations may be “philosophical,” strategic, economic, or political. Labor and management both have traditional reservations regarding a semblance of open courtship. They could also have sharply different evaluations of the costs and benefits of particular cooperative programs. They may, furthermore, be subject to unequal influence by such external factors as the business cycle, legislated standards and regulations, and earlier judicial rulings.

Among the vehicles of extra-normal collaboration are boards, commissions, councils, committees, and less formal study groups, work teams, and task forces. As has already been implied, *ad hoc* entities may first be set up experimentally; if they prove constructive and viable, they may acquire permanence and recognition as “normal.” Where the nature of the cooperation does not require active rank-and-file participation, no explicit and identifiable joint structure may need to be set up.

Cooperation in the Adversarial Context

Familiar connotations of the adjective “adversarial” tend to obscure the place of cooperation in human affairs in general and in American industrial relations in particular. Since the opening sentence of a preceding section says that “this book is concerned with varieties of cooperation that complement or supplement the normal arrangements of labor and management for adversarial interaction in pursuit of predominantly economic objectives,” some discussion of cooperation in an adversarial context is appropriate.

We start with a universal truism that, once stated, appears self-evident: Any protracted relationship among people is bound to exhibit elements of *conflict*, *competition*, and *cooperation*.¹³ The mix of elements varies, of course, from case to case; and, for each case, the mix varies through time also. When we call behavior “adversarial,” we really mean

that conflict and competition are conspicuously present or even are dominant, rather than that cooperation is completely absent. Thus, whatever opinions labor and management may hold of each other, they agree more often than not to function as “factors of production”—to cooperate sufficiently for the generation of the output and income that both want. When they bargain or otherwise negotiate over income shares and other matters, they tacitly or explicitly agree to follow various rules prescribed by custom, law, or common sense for arrival at mutually (if only temporarily) tolerable results. Even during strikes and other open hostilities, aggression and violence usually are controlled, directed, or sublimated to avoid irreversible harm to the “production function”—to avoid either extreme damage to plant and equipment or the “annihilation” of either party.

Another truism requires statement here, even though it too may seem gratuitous once it has been expressed: The inevitability of some degree of cooperation in any human enterprise does not assure either a full constructive realization of the potential benefits of cooperation or a fair sharing of them. In the absence of complete mutual trust (the usual situation), even a genuine offer of extra-normal cooperation by a stronger adversary may be perceived by the weaker party as coercive, patronizing, or debilitating; and a similar gambit by a weaker adversary could in turn be perceived by the stronger one as a bid for change in the power balance. Again, in the absence of trust, the two parties may resign themselves to a life of barren circumstantial tangency instead of seeking more positive mutual fulfillment. This familiar dismal equilibrium itself inspires many observers to preach the remedy of cooperation.

Historians, political leaders, and elder statesmen of the business world and the labor movement often think of “progress” as a succession of social states dominated by single behavioral elements. Thus, they often see the arrow of

human evolution or “civilization” pointing away from a “primitive” stage of conflict toward a more “advanced” stage of competition, and thence toward a “mature,” and possibly “ideal,” order of cooperation. In the realm of industrial relations, some such motion has actually occurred. The exigencies of two World Wars and the “laboristic”¹⁴ legislation of the New Deal (especially the Norris-LaGuardia Act of 1932, the National Industrial Recovery Act of 1933, and the Wagner Act of 1935) helped to replace an era characterized by labor-management conflict by an era featuring competition. These developments helped to shrink and to bound the vast original domain of “management prerogatives” that had been as sacrosanct as the overlapping domain of property rights; to confer legitimacy and respectability on unionization; to establish collective bargaining as a national norm; and to diminish the violent potential of labor-management disputes.¹⁵

The “progress” toward competition, however, is hardly complete. The strike weapon, for example, does not yet hang on a wall to rust. It is used with discomfiting frequency by street cleaners, transport workers, teachers, police officers, firefighters, and other local public servants. It is still used occasionally in major industries, such as coal mining, that follow the rule of “no contract, no work”; and “wildcat” walkouts may occur almost anywhere. Especially remarkable was the illegal strike of air traffic controllers, a group of federal employees, as recently as August 1981. “Progress” toward competition, furthermore, has not meant economywide establishment of unionization on a firm foundation of collective bargaining. Witness, for example, the enactment of “right-to-work” laws in many states under the umbrella of Section 14b of the Taft-Hartley Act of 1947; the declining proportion of the workforce enrolled in unions; and the frequency with which government has acted as “first” party, rather than third, to promulgate work-related standards and guidelines.

The time appears right for a more determined exploration than ever of the benefits derivable from labor-management cooperation, even if the 1980 elections portend a contraction of the federal role as third party. Visions of entry into a new era of collaboration, however, should be discounted in view of the preceding paragraph; the potentials of our own era of competition have been only partly realized, and vestiges of the era of conflict have not been exorcised. While welcoming new opportunities for joint action to mutual advantage, labor and management have good reason to cling to the adversary system and to continue circling each other in wary competition. The authenticity of the agreements emerging from their future interaction depends on the preservation of their individualities, which have been shaped by function, history, and memory. Their identities should not now be casually shed; cooperation should not become a synonym of co-option, nor should it become a euphemism for irrevocable transfer of economic decisionmaking power from the two parties to government in an unequal triple “partnership.”

The remarks just made probably still represent the majority sentiment in business and labor ranks. Even if elder statesmen fail to mention reservations, limits, and cautions in their calls for attenuation of the adversarial spirit, the silent qualifications need to be kept in mind. After all, this spirit has served us well over the years—if the payoff is reckoned in terms of material well-being, leisure, the amenities and the “democracy” of the workplace,¹⁶ and the vigor, diversity, and openness of our society. Under “capitalism” with a human face, American workers have been able to strive successfully for the “more” that Gompers envisaged; they did not have to organize into a permanent “class” party and resign themselves to grim collective struggle for problematic personal economic improvement under the banner of Marxism, socialism, or syndicalism.¹⁷ Furthermore, workers remain free to seek union representation

where it does not exist (e.g., in various “sunbelt” areas and in new Japanese-owned plants); and they also are free to petition and vote for decertification of unions already established. Management, too, is active in its own behalf, legally discouraging unionization and filing complaints, as required, against secondary boycotts and unfair picketing.¹⁸

Cooperation in Industrial Relations Literature

Students of industrial relations have, of course, recognized the element of cooperation in both the statics and dynamics of the adversarial interaction of labor and management. In one well-regarded book, this interaction is called an “armed truce.”¹⁹ Another prominent author has called it “antagonistic cooperation,” borrowing a phrase from W. G. Sumner, the pioneer American sociologist; and he spoke of the goal of “mutual survival,” rather than victory by annihilation.²⁰ A leading economist and systems theorist has observed that labor and management are bound together in a workable, though untranquil, marriage of convenience and necessity:

Industrial conflict is . . . a curiously ambivalent affair, closer to the domestic battle of the sexes than to the clash of armies. Consequently, it is not difficult to build on the positive-sum or cooperative aspects of the game and to develop institutions that express this aspect. This is perhaps why the union, which may have been originally devised to prosecute conflict in many instances becomes an instrument to resolve it in a way . . . that an army never does.²¹

The “positive sum” mentioned in the preceding quotation is a desideratum commended by many thoughtful commentators on industrial relations. In other terminological guises, it is esteemed in the classical writings of such fields as scientific management, industrial psychology, personnel ad-

ministration, organization theory, and group dynamics.²² A designer of quality of worklife committees, writing in 1980, was surely thinking of the the difference between a positive-sum game and a zero-sum game when he observed that labor and management must be taught the existence of cooperative modes of interaction having “win-win options” as alternatives to more familiar modes having “win-lose outcomes.”²³ A major textbook of the 1960s concluded with the proposal that the two parties should progress from mere “conjunctive bargaining” to “cooperative bargaining,” which is “at least a stage higher in the industrial relations evolutionary hierarchy.” In the first of these two varieties of bargaining, excessive emphasis is said to be placed on “competition,” with possibly adverse spillovers for the general public; the second seeks “fuller exploitation of the special contribution which each party can make to an improved performance,” and without collusion at the expense of others.²⁴ Another book of the same decade contrasted “distributive” bargaining, which focuses on relative shares of the common output, with “integrative” bargaining, which features (as in the Scanlon plan, discussed in chapter 8) cooperative problem solving in the interest of enlarging the common output.²⁵

Experience gained on the production front during World War I increased awareness of the potentials of cooperation in the workplace. In 1918, the year in which he was elevated to the Supreme Court, Brandeis lent his legal prestige to the proposition that the participation and “consent” of employees in the formulation of work rules and policies were more conducive to “efficiency” than was the usual management practice of dictation.²⁶ Elton Mayo was saying similar things at the same time.²⁷ Mary Parker Follett, an influential business philosopher and consultant of the 1920s—a period in which advanced management adroitly fought the inroads of unionism by more imaginatively addressing the wants of labor—noted that disputes could be settled by three means: domination, compromise, and “integration.” She advocated

cultivation of the third approach, which requires no fundamental concession by either party yet yields ponderable benefits to both.²⁸ A business professor seconded the motion, referring to this constructive win-win outcome as the “double plus.”²⁹

Seasoned labor leaders have also looked forward to peaceable times in which workers, management, and the public could realize the fruits of cooperation. In 1925, William Green, head of AFL, proposed that “the antagonistic and hostile attitude, so characteristic of the old order in industry, must be supplanted by a friendly relationship and a sense of obligation and responsibility.” Indeed, through good faith on both sides, he ventured, “the common problems of industry can be solved, efficiency in service promoted, and economies in production introduced.”³⁰ He was surely mindful of the contrast between labor’s positive acceptance during World War I and the anti-union reaction of the aftermath. In 1940, when World War II had already engulfed Europe, Philip Murray, the head of CIO, envisaged that true acceptance of collective bargaining would lead to greater cooperation, with the union instrumental “in achieving efficient plant operation.” Clinton Golden, an associate of Murray’s in organizing the steelworkers, expressed a similar sentiment more strongly in a book published in 1942: “union-management cooperation tends to make management more efficient and unions more cost-conscious, thereby improving the competitive position of a business enterprise and increasing the earnings of both workers and owners.”³¹ In 1973, I. W. Abel, president of the United Steelworkers, recalled Murray’s view of 1940 that labor and management could cooperate to meet threats to their common interests; he was writing in favor of the Experimental Negotiating Agreement (of which more will be said later), a “revolutionary new bargaining procedure” eliminating the possibility of a nationwide strike or lockout and providing for voluntary arbitration of unresolved issues. This new approach was

motivated by recognition of the ravages of the 1959 strike and of the encouragement given to stockpiling and to imports by uncertainties as to the outcome of subsequent rounds of contract talks.³²

In the 1979 address of the president-elect of the Industrial Relations Research Association (IRRA), the “adversary” and “voluntary” principles were hailed as the twin pillars of the “American Ideology.” According to this assessment, the two principles have served well historically, the tension between them keeping the tension between labor and management generally within bounds. As a rule, the two parties have proved “practical” and “pragmatic,” disposed to seek and accept compromise and incremental change. They have tacitly agreed to “institutionalization” of the “bargaining game,” with increasing reliance on “professional” players for attainment of “some equitable combination” of wages and profits. Furthermore, they have probed opportunities for “more direct collaboration,” for establishment of “more constructive, integrative, cooperative, problem-solving, and trusting relationships—to use the terms that have been variously applied to the ‘higher’ stage of industrial relations development.”

But, according to the same IRRA observer, something has been happening along the way to “voluntarism”—the principle that requires private parties to try to adjust their opposing interests with “maximum freedom” from outside interference. He sees this principle “subjected to attrition by increased doses of state intervention” as the complementary adversary principle proves unable, or too slow, to meet certain new and important challenges. Among the egregious failures are: the peaceful and fair resolution of wage and other issues in the public sector, the acknowledgment and just disposition of the claims of women and minorities in company agreements, a proper recognition of the social concern to halt inflation, and the satisfaction of many non-monetary needs or wants of workers (such as improvement

of worklife quality and of measures for occupational health and safety). Consequently, the IRRA observer sees private decisionmaking, particularly at the level of the firm, being outflanked; the state, as third party, is “moving in to regulate the results as well as the procedure of bargaining.” He is discreetly silent on the encouragement of state incursion offered by the private parties themselves—not only through their neglect of changing labor market and socio-demographic realities but also through their active courtship of political power.

The Governmental Presence

The preceding section and the description of the five theaters at the outset attest to the pervasiveness of government’s involvement in contemporary economic affairs. The scale and diversity of federal participation have increased enormously under a wide assortment of influences, especially in the past two generations or so—influences, incidentally, that will largely persist even if the 1980 elections are validly interpretable as a “mandate” to halt the proliferation and to reduce the variety and cost of federal programs. Some of the inspired cutbacks will have to be compensated, however tardily and reluctantly, by state and local (as well as new private) expenditures. Besides, some of the reductions will be replaced, or more than replaced by enlarged federal outlays for other purposes (e.g., defense). Accordingly, the share of all government jurisdictions in the gross national product will not decline significantly or at all. The economy, in short, will remain clearly “mixed,” rather than become evidently private; and the long term trend toward governmental “monitoring” or regulation of the private sector’s interactions is more likely to be redirected and to become more diffuse than to be arrested for long or clearly reversed.

The proliferating federal economic role has been shaped by many social, physical, technological, and psychological factors, and, of course, it has affected many of these in turn.

It represents a response, in part, to the altering size, composition, and geographic distribution of the population, labor force, and industry. It also reflects, in part, the transformation of popular values, attitudes, and life styles. Thus, with the rise of material welfare and leisure, "industry and frugality" have lost their old vitality as personal precepts; and other storied virtues, such as individualism and self-reliance, have likewise lost much of their pristine appeal. Furthermore, voluntary association for the advancement of group interests, so much admired by early foreign observers like de Tocqueville, has increasingly involved the unabashed quest of political favor and even of public financial assistance. But American society is still open, as the 1980 elections remind, so it remains responsive even to nostalgia in its continuing evolution.

Does the 1980 shift in the political spectrum foretoken a diminished federal presence in industrial relations? Probably not, despite some decentralization of power to the states and greater reliance on private decisionmaking. Not only will the traditional concerns that prompted the past growth and diversification of the federal economic role persist, but many new issues and problems will also demand federal address. For such reasons, government may be expected to remain a visible and potent third party in industrial affairs. Furthermore, it may be tempted during the first presidential quadrennium of the 1980s to act like a dominant first party—for example, prescribing new rules of behavior for the other two parties, reversing the relative influence of labor and management in public counsels, and relinquishing established responsibilities or relegating them to the states. Such alterations of the *status quo* could, for a while, encourage retreat from competition to conflict in industrial relations. On the other hand, they could also improve the willingness of labor and management to seek cooperative solutions to the common problems that they face at the company, community, and industry levels. The coexistence of

cooperation and adversarial strivings, as we have said so often in preceding pages, is not at all paradoxical.

*American and Foreign Cooperative Styles*³³

At this juncture, we extend our opening remarks on international and intercultural differences affecting cooperative styles. We start with a few observations, some of them restating points already made, about the United States. Then we proceed to comment briefly on other nations with which we trade and compete for markets.

Five points regarding the United States deserve mention:

1. The basic adversarial premise of American labor-management relations historically has proved consistent with a preference for negotiation over open hostilities and, moreover, with a disposition to seek collaboration beyond the pale of prior contract.

2. The large federal presence has exerted a subtle pressure for labor-management cooperation, and this pressure can only increase with the devolution of various federal responsibilities to the states.

3. Cooperation is also favored by the relative informality of interpersonal communications in our country—between workers and their leaders, between workers and their supervisors, between ordinary citizens and government officials.

4. The same may be said about the comparative lack of class rigidity and class consciousness (and the corollary notion that room still exists for upward economic and social mobility).

5. The usual focus of American contract negotiation is the company or plant, even when bargaining is conducted on an industry level. (Thus, attention is given to local, shopfloor issues and to the workers' immediate concerns with pay, leisure, status, and aspects of the quality of working life. Matters left unresolved by contract are more likely to be ad-

dressed cooperatively than to be deferred to tripartite commissions or to national elections.)

Manners of speaking in Western Europe may have contributed to a mistaken view that workers there enjoy a superior shop environment. In 1969, a Canadian professor of industrial relations perceptively remarked that “misleading labeling” tends to convey the impression that “North American workers have less control over their daily lives than do their European counterparts.” Actually, “the situation is just the reverse”:

Neither codetermination, nor works councils, nor anything else European industrial relations systems have thus far produced protects workers as much as a local union can in North America, given the more sophisticated nature of our collective agreements and our grievance and arbitration procedures.³⁴

This appraisal still appears valid after a dozen years of quickening interest on both sides of the Atlantic in measures to “humanize” work or otherwise to improve the quality of working life. Three later informed comments follow.

In a comparative survey of industrial relations made in the late 1970s, American students saw labor and management in the United States matter-of-factly testing schemes of cooperation that were euphorically and grandly being identified in West Europe with “industrial democracy” and with evolution from “economic man” to “social man.” Indeed, some of the European advances would not have been regarded in the United States as evidences of “democracy” at all, or have been welcomed by workers there any more enthusiastically than by managers. The American observers considered symptomatic the absence, at a major conference on worklife quality held in the United States in May 1977, of buzzwords familiar to the European scene: *codetermination*, *works councils*, *self-management*, *worker influence*, *rights*

to consultation, financial participation, shopfloor democracy, and so forth. Instead, they heard “words coming from deep inside the American libertarian tradition,”³⁵ words like *cooperation, dignity, trust, experiment, shared, collective bargaining, involvement, and human*. In the European cases that they studied, they discerned little emphasis on worker decisionmaking and voluntary union-management collaboration; they missed the “pragmatic uniquely American sense of evolutionary trial and error growth without legal prescriptions therefor.”³⁶

A group of American labor and management representatives touring three West German factories in May 1981 found, unsurprisingly, that “the work humanization movement, now about 10 years old, is taking divergent approaches in different countries, depending largely on each nation’s culture.” In the United States, where “individualism” has long held sway, the emphasis is on rank and file involvement in shopfloor decisionmaking. In West Germany, where “humanization” is supported by government as well as private funds, an elected works council consults with management on productivity issues. At each of the visited plants,

council members seemed offended when asked if they had an organized method of eliciting work-improvement ideas from ordinary employees, such as quality-of-worklife committees and quality circles so popular now in the U.S. and Japan. “We know what the workers want,” they would reply.³⁷

A principal official of the United Auto Workers (UAW), writing in 1974, underscored the American difference while conceding European priority in efforts to increase significantly the explicit participation of workers in management.³⁸ First, he observed that American unions have a daily and persistent responsibility for improvement of worklife quality, as any modern contract should make clear. Second,

he stated that American unions would rather join with management in the design of satisfying jobs than stand by passively. Third, he claimed that greater participation of workers in decisionmaking is perceived in the United States as one of the elements of worklife quality. Such participation, he further opined, would, in keeping with the nonideological temper of American industrial relations, develop incrementally and focus on "managing the job" rather than "managing the enterprise."

Before turning to Japan, we note a curious proposal made in the European Economic Community in 1981 that is at great variance with the spirit of diversity that rules, even in the quest of greater cooperation, in the United States. This proposal contemplated compulsion of member countries to adopt a standard form of consultative council or board to serve as the vehicle of worker participation. It looked toward "harmonization" through a choice among four forms already used in Europe, including the German-style works council.³⁹

The cultural heritage of Japan has decisively shaped her pattern of industrial cooperation. It has transmuted such "American" ideas as statistical quality control and matrix management as tellingly as it has absorbed and exploited the principles and processes of Western technology. It is a holistic tradition that sets high value on patience, education, industriousness, parsimony, loyalty, mutual obligation, peer approval, respect for age and authority (which tend to be highly correlated), conformity, and consensus. Workers prefer attachment to firms offering lifelong employment; do not mind membership in company unions; identify their own welfare with their employers'; reputedly put forth more effort than their counterparts in the United States or West Germany; often try to learn each other's jobs; accept pay that largely reflects company performance and their own age and seniority; and willingly master elementary statistics for better

communication with supervisors and resident engineers on production problems. Management seems to be accessible and paternalistic, and department heads apparently avoid suboptimization in pursuit of company profitability. Particularly impressive to foreign observers is the close integration of productivity and cost objectives with the maintenance and improvement of quality, which is a paramount concern of all employees, all departments, and even of vendors and suppliers.

A few quotations from very recent (1980-81) writings add some detail to these general remarks on the significance of cultural factors in defining labor-management cooperation in Japan:

1. An article in an American business magazine states that the mass of learned studies of the Japanese style leaves "totally ignored" one vital element: "Japanese managers trust not only their workers but also their peers and superiors." This "all-encompassing trust leads to a simplified organizational structure that has helped many Japanese companies become low-cost producers."⁴⁰

2. According to the founder and president of a Japanese company making tapes and electronic parts, "the Japanese way of thinking about the enterprise is based on Buddhism: dedicating oneself to pleasing other people in the company."⁴¹

3. A survey of Japanese industry made by a leading British weekly finds that "unions are still a cross between collective bargainers and personnel departments; 16 percent of company directors in Japan have once been union officials." In some of the large companies, unions are apparently retained "only as a formality."⁴²

4. The manager of the Washington office of the Japan Productivity Center declared in an interview that the worker safety record of his country is far better than ours and that "absenteeism is almost unheard of." He noted that chief executive officers are "usually" 65-70 years old and that pro-

motion on the basis of seniority is still the rule: "If we don't do that, it will disrupt that teamwork concept." A foreman has at least 10 years of prior company experience and is also skilled in a broadly defined craft. Because he is allowed to be a member of the company union, he is a particularly useful two-way channel of communication between labor and management. Furthermore, he is encouraged by management to be close to his workers, ideally to serve as a "parent figure."⁴³

5. Statistical quality control has become a national creed and the subject of a coveted annual prize and subsidiary awards. The prize is named for W. Edwards Deming, the American who lectured on the nature and use of the statistical technique in prostrate Japan after World War II. The award ceremonies are broadcast live on television. "Each year the competition grows in intensity as more and more companies volunteer to undergo the close scrutiny required." Winners of the prize and associated awards gain in "profits and prestige." For other companies, "the ceremony is a time for self-reckoning."⁴⁴

6. An American expert on business in Asia notes that "in Japan quality control is a management technique. It is a method of mobilizing, organizing and motivating people, a way of treating them with respect."⁴⁵

7. The managing director of a prominent Japanese firm speaks of the quality control circle as a means of restoring the "joy of production," the pride of craftsmanship, lost in scientific management. Members of the circles have the "pleasure" of hearing evaluations of company products directly from customers and also have the "excitement" of making presentations to their fellows.⁴⁶

8. The director of productivity improvement of an American aircraft company that has adopted the quality circle points to 15 years of Japanese development of the concept before its attainment of worldwide attention. Our own culture, he surmises, may "not yet" provide a "fertile soil" for the concept, being disposed to seek "quick results" and

“panaceas.” All quality circles in our country represent, in his view, “pilot projects,” none having yet “achieved institutionalization.”⁴⁷

Collaboration for Economic Renewal

In the years ahead, American labor and management will have good reason to explore more seriously than ever the potential benefits of cooperation. Foreign competition will prove a more cogent goad than will the claims made for foreign models. But additional threatening circumstances will also compel labor and management to adjust bargaining aims, strategies, and postures with more evident regard to their common interests. Among these circumstances are: a stubborn, revivable inflation; sustained high interest rates and reduced federal expenditures, both of which are intended to check this inflation; a further revolution in energy costs; and a major retreat of the federal government from responsibilities assumed during the past half century. The combined effect of all these pressures is to menace the profitability and viability of many major manufacturing firms and industries, the credibility of unions and of common managerial practices, the stability of once flourishing communities and regions, and the future availability of jobs.

Cooperation will presumably be facilitated by a widespread and sober realism concerning the conditions of, and impediments to, success. Experience cited in later chapters should have taught labor and management that, despite the enthusiasms of many popular and scholarly writings, the path to significant and mutually beneficial collaboration is neither smooth nor unique, the journey is not costless or quick, and the desired end results are not assured or necessarily durable. Experience also underscores the importance of top-level involvement, sustained commitment by the two parties, professional guidance and special training of pertinent personnel, reorientation of attitudes of middle and lower-level management as well as of local union officials,

and so forth. The great payoff within a firm, industry, or community can come only with an evolution from isolated and tentative “experiments” in cooperation to more comprehensive and institutionalized practice.

In addition to the voluminous evidence of contemporary experimentation, it is desirable to take note of earlier impressive collaborative responses to perceived industrial challenges. Outstanding in our nation’s history was the formation (detailed in chapter 5) of some 5,000 plant committees to help meet the massive production demands of World War II. Similar responses on a much smaller scale have also been called forth in the aftermath of disastrous strikes in various industries—e.g., railroads, steel, and men’s clothing.⁴⁸

Indicative of the new inclination to collaborate is the creation of a prestigious Labor-Management Group in March 1981 without government participation. The coordinator of the Group is John T. Dunlop, a former Secretary of Labor who has long been a leader in the field of industrial relations. According to the Group’s statement of purpose (see documentary appendix), “the national interest requires a new spirit of mutual trust and cooperation, even though management and organized labor are, and will remain, adversaries on many issues.” Among its tasks will be the exploration of “a wide range of issues with particular emphasis on revitalizing the nation’s economic base, rebuilding the private and public infrastructures on which our productive capacity as a nation depends, and stimulating safe and efficient means for meeting the nation’s energy needs.”⁴⁹

Another indication of the ripeness of the time for widespread commitment to collaboration beyond the usual limits of collective bargaining is contained in the 1980 address of the president of IRRA, the same scholar whose 1979 observations have already been summarized. “A questioning mood,” he stated in 1980, “is abroad in our land as we grope

for explanations of our economic comedown in the world—if we have come down.” Indeed, “in industrial relations we are questioning once again the adversarial principle and its institutions.” It is evident that, in the public sector, especially at the local government level, the principle too often is applied with great inconvenience to the citizenry. In general, the institution of bargaining operates best in determining financial rewards and the distribution of economic power. But, “come new questions like inflation, quality of worklife, affirmative action, which involve problem-solving rather than distributive processes, and collective bargaining either rejects these sorts of issues or adapts only with great strain.” Our time of adversity requires a rethinking of “ancient truths.” The afflicted automobile and steel industries provide a “laboratory” for new “experiments” in the “art of collaboration and problem-solving”—experiments concerned with “‘co-determination,’ employee ownership, quality of worklife, and quality control.”⁵⁰

An article of February 1981 in a major business magazine bears on the change in traditional attitudes already occurring in the beleaguered automobile industry. The UAW leader at Chrysler (where workers had agreed in 1979 to give up some of their negotiated gains in wages in behalf of employment maintenance and future profit sharing) is quoted as saying that his union would show “how to build cars cheaper, or to save on scrap” if such assistance would help keep a high-cost plant open. At Ford and GM, the article noted, management still balked at the suggestion of profit sharing, but “opposition to some forms of decisionmaking with the UAW may not be as adamant as in the past.” According to a “management insider,”

We can't afford to be too adversarial any more. The Japanese are taking care of that for us. A differential of \$700 a car is pretty persuasive evidence for gaining the cooperation of the union.⁵¹

By the end of 1981, Japanese competition and sluggishness of the American automobile market obliged (1) several UAW locals to accede to cost-saving work-rule concessions and (2) the national union board to allow company-level discretion on the reopening of the contracts before expiration. Commenting on the work-rule concessions, the president of UAW noted that “adversity causes people to change their minds.” Other remarks suggest that the new bargaining agenda will include profit sharing and worker representation on company boards of directors—as well as work-rule and wage concessions.⁵²

The 1980 contract between steel producers and the United Steelworkers (USA) called for establishment of “labor-management participation teams” as a means for improving productivity and worklife quality. This venture will be discussed in chapter 6. Meanwhile, we note a report on training begun for teams set up at selected plants on a trial basis that states: “The biggest problem, as other industries have discovered in trying the participatory approach, is convincing first-line supervisors that they must change their management style and listen to the suggestions of workers instead of merely barking orders.” There are skeptics, of course, in both USA and the companies, but a major movement has started with awareness that, at best, “it will take years for this shopfloor cooperation to spread throughout the industry.”⁵³

Are the automobile and steel industries unique in their readiness to reconsider the sociology of work? No. In many others, such as aircraft and machinery construction, communication equipment, and food, the enlistment of blue-collar interest in production methods, quality, and performance is on the union-management agenda.⁵⁴ “Evidence suggests,” according to an article of March 1981, “that the untapped potential may be substantial.” The finger is now “pointing to managerial failings as a major cause of the decline in competitiveness”; and one egregious alleged fail-

ing is that a “poor job” has been done “of enlisting employees on the side of increasing productivity.” The same article cites a poll conducted for the U.S. Chamber of Commerce that indicates a surprising percentage of American workers thinking about ways to enhance company performance. It concludes that “good management” would encourage such thinking by treating employees as “collaborators.”⁵⁵

The Secretary-Treasurer of AFL-CIO concurs that workers constitute a “virtually untapped natural resource of ingenuity and enthusiasm.” In an article published in 1980, he proposed that management can tap this resource by allowing significant scope for worker participation in decision-making. Within the adversarial framework of collective bargaining, he called for a “limited partnership”—for labor-management cooperation through committees, etc.—to quicken national productivity and raise worklife quality.⁵⁶

We close this chapter with the pertinent authoritative testimony of the retiring chief executive officers of two of the nation’s largest corporations. In an interview reported in February 1981, the retiring head of Du Pont attributed the Japanese productivity achievement to the close relationship between workers and management and tartly observed that his own company’s efforts to maintain such a relationship since 1802 had often been deplored as “paternalistic.”⁵⁷ The other retiree, from leadership of General Electric, told the same interviewer in March 1981 that “managerial malaise” is a principal factor in the decline of quality of American manufactures. He counseled a shift in company emphasis from short-run profit to longer term targets. He also saw a need for more direct involvement of workers in quality and productivity improvement: a turnaround is achievable, in his view, “only with tremendous cooperation between labor and management.”⁵⁸

NOTES

1. Our position, or at least our language, differs from that of, say, *Business Week*, May 11, 1981, p. 85, where the adversarial approach is declared outmoded and obsolete, a threat to "the competitiveness of many industries"; and where a "march away" is sensed "from the old, crude workplace ethos and the adversarial relationship it spawns." We prefer a different well-established view that the adversary principle is a fundamental feature of the American system of labor-management relations and that it is not incompatible with the quest by both parties of more cooperation to mutual advantage.

2. Shorter wide-ranging treatments of cooperation are available, of course, in many places. See, for example, T. A. Kochan, *Collective Bargaining and Industrial Relations* (Homewood, IL: Irwin, 1980), p. 417 ff., and two articles by Edgar Weinberg: "Labor-Management Cooperation: A Report on Recent Initiatives," *Monthly Labor Review*, April 1976, pp. 13-22, and "Survival Tactics," *Executive*, Fall 1980, pp. 17-21.

3. H. M. Douty, *Labor-Management Productivity Committees in American Industry* (Washington: National Commission on Productivity and Work Quality, May 1975), pp. 49-52 presents and evaluates some of the published statistics on company and plant committees.

4. Cooperation in retreat may well become an outstanding phenomenon of industrial relations in the 1980s as stringent monetary and fiscal policies aggravate the plight of financially troubled firms. See Kochan, *Collective Bargaining*, pp. 439-41, on wage concessions prompted by the near bankruptcies of New York City and Chrysler Corporation; and *Monthly Labor Review*, March 1981, p. 73, for followup adjustments required at Chrysler. The latter publication also tells (p. 74) of labor cost concessions worked out at Firestone by a Joint Labor-Management Survival Committee; and of an indefinite salary freeze for nonunion workers at International Harvester motivated by high interest rates and a contraction of demand for farm and construction equipment. Pan American World Airways, according to *Business Week*, June 15, 1981, p. 37, asked its workers on June 2 to accept an immediate wage freeze and to contribute 10 percent of any pay increase negotiated through the end of 1983. United Airlines has obtained important productivity concessions (especially the use of two pilots instead of three in the cockpits of Boeing 737s) in a new contract negotiated with pilots (*Business Week*, August 17, 1981, pp. 27-28). In return for a profit-sharing plan, Trans World Airlines has asked workers to accept an immediate pay freeze through the end of 1982 (*Washington Post*, July 28, 1981). In July 1981, Chrysler and the United Auto Workers agreed on a profit-sharing plan (beyond employee stock ownership) to help workers regain pay sacrificed in keeping the company alive (*Washington Post*, July 24, 1981). For additional examples and comment, see last section of this chapter; chapters 3, 4, 7, and 8; and Peter Henle, "Reverse Collective Bargaining: A Look at Some Union Concession Situations," *Industrial and Labor Relations Review*, April 1973, pp. 956-968.

5. See, for example, C. R. Daugherty, *Labor Problems in American Industry* (Boston: Houghton Mifflin, 1936), chapter 27; J. T. McKelvey, *AFL Attitudes toward Production: 1900-1932* (Ithaca: Cornell University Press, 1952), pp. 56-60; and Reinhard Bendix, *Work and Authority in Industry* (Berkeley: University of California Press, 1974), chapter 5.

6. This variety of cooperation is discussed by Slichter, Healy, and Livernash, *Impact of Collective Bargaining*, pp. 846-51.

7. Contemporary examples are numerous. In the needle trades, management as well as labor has promoted consciousness of the union label. According to the head of the Interna-

tional Ladies Garment Workers Union, furthermore, “some of the most notorious anti-union manufacturers regularly go to Capitol Hill with us” to petition for protection against the flood of imports (Philip Shabecoff, “Labor and Management Amity,” *New York Times*, January 11, 1981). Similar joint petitions have emanated from the textile, automobile, and steel industries. In *Business Week*, April 13, 1981, pp. 45-46, it is reported that a “coalition of unions and corporations is pressing to rewrite the rules under which \$7.3 billion worth of usually dutiable imports entered the U.S. free of tariffs last year”—rules established in accord with 1974 legislation intended to assist 140 less developed countries but now, ironically, deemed inimical to the interests of even “the \$18 billion high-technology electronic components industry.”

For some earlier instances of joint or parallel action, see S. H. Slichter, J. J. Healy, and E. R. Livernash, *The Impact of Collective Bargaining on Management* (Washington: Brookings Institution, 1960) p. 841; and N. W. Chamberlain and J. W. Kuhn, *Collective Bargaining* 2nd ed. (New York: McGraw-Hill, 1965), p. 430.

In 1980, a federal district court found price-fixing and *per se* violation of antitrust law in the 1976 agreement between the National Electrical Contractors Association (NECA) and the International Brotherhood of Electrical Workers. The decision left the two organizations vulnerable to claims for injunctive relief and triple damages (totaling about \$100 million) by as many as 7,800 nonmembers of NECA.

8. Our comment on the adversarial approach in footnote 1 should be recalled here.

9. According to Philip Taft and Philip Ross, “American Labor Violence: Its Causes, Character, and Outcome,” in *Violence in America: Historical and Comparative Perspectives*, Report to the National Commission on the Causes and Prevention of Violence, Washington, June 1969, Vol. I, pp. 221-301, “the United States has had the bloodiest and most violent labor history of any industrial nation in the world.” They note some calming of labor-management relations, however, with the provision of a legislative basis for a national labor policy in the 1930s and subsequent years.

10. D. L. Cole, *The Quest for Industrial Peace* (New York: McGraw-Hill, 1963), pp. 95, 155.

11. S. H. Slichter, *Union Policies and Industrial Management* (Washington: Brookings Institution, 1941), p. 1.

12. T. R. Donahue, “The Human Factor in Productivity,” *AFL-CIO American Federationist*, December 1980, p. 13.

13. An illuminating discussion is provided by Lewis Coser, *The Functions of Social Conflict* (New York: Free Press of Glencoe, 1964). Some readers may also find of interest a recent article by Robert Axelrod and W. D. Hamilton, “The Evolution of Cooperation,” *Science*, March 27, 1981, pp. 1390-1396. It seeks to account for the development of “cooperation, such as altruism and restraint in competition” and thus to overcome a “difficulty” of Darwinism, which stresses “the struggle for life and the survival of the fittest.”

14. This adjective is often attributed to S. H. Slichter.

15. See footnote 9.

16. “Industrial democracy” is a hardy term of the labor lexicon, endowed with different meanings in different contexts and countries and nowadays commonly identified in the United States with greater work autonomy, participation in management, and other aspects of worklife quality. See two articles by Milton Derber in *Labor History*: “The Idea of In-

dustrial Democracy in America: 1898-1915" (Fall 1966) and "The Idea of Industrial Democracy in America: 1915-1935" (Winter 1967); McKelvey, *AFL Attitudes*; C. S. Golden and H. J. Ruttenberg, *The Dynamics of Industrial Democracy* (New York: Harper, 1942); P. D. Greenberg and E. M. Glaser, *Some Issues in Joint Union-Management Quality of Worklife Improvement Efforts* (Kalamazoo: W. E. Upjohn Institute for Employment Research, 1979); and Irving Bluestone, "Emerging Trends in Collective Bargaining," in *Work in America: The Decade Ahead* (New York: Van Nostrand Reinhold, 1979), pp. 231-252.

17. The pragmatic and opportunistic cast of mainstream American unionism was developed only after efforts to organize along "European" lines. Gompers, it should be recalled, started as an "immigrant radical," not with the notion of "business unionism" that has proved so successful in the American setting. See Daugherty, *Labor Problems*, p. 442.

18. See, for example, H. E. Meyer, "The Decline of Strikes," *Fortune*, November 2, 1981, pp. 66-70; and two articles in *Business Week*: October 12, 1981, pp. 100, 102, and October 19, 1981, pp. 43-44.

19. F. H. Harbison and J. R. Coleman, *Goals and Strategy in Collective Bargaining* (New York: Harper, 1951), pp. 20-21.

20. E. W. Bakke, *Mutual Survival: The Goal of Union and Management*, 2nd ed. (Hampton, CN: Archon Books, 1966).

21. K. E. Boulding, *Conflict and Defense: A General Theory* (New York: Harper Torchbooks, 1963), p. 226.

22. Among the many authors whose names come to mind are: Argyris, Barnard, Bennis, Cooke, Drucker, Gantt, Herzberg, Leavitt, Lewin, Likert, Maslow, Mayo, McClelland, McGregor, Roethlisberger, Shepard, and Trist. (See Bendix, *Work and Authority*, pp. 274-281, for a discussion of F. W. Taylor's views; and pp. 308-319 for a comparison with Mayo's.)

23. D. L. Landen, "Labor-Management Cooperation in Productivity Improvement," in *Dimensions of Productivity Research*, Vol. I (Houston: American Productivity Center, 1980), p. 434.

24. Chamberlain and Kuhn, *Collective Bargaining*, chapter 17.

25. R. E. Walton and R. B. McKersie, *A Behavioral Theory of Labor Negotiations* (New York: McGraw-Hill, 1965).

26. L. D. Brandeis, "Efficiency and Consent," *Industrial Management*, February 1918, pp. 109-110.

27. Bendix, *Work and Authority*, pp. 316-317.

28. M. P. Follett, "The Psychological Foundations: Constructive Conflict, in H. C. Metcalf, ed., *Scientific Foundations of Business Administration* (Baltimore: Williams and Wilkins, 1926), pp. 114-131.

29. Attributed to C. I. Gragg of Harvard Business School by A. T. Collier, "Business Leadership and a Creative Society," *Harvard Business Review*, January/February 1953, pp. 29-38.

30. Quoted by Daugherty, *Labor Problems*, pp. 578-579.

31. M. L. Cooke and Philip Murray, *Organized Labor and Production* (New York: Harper, 1940), p. 188; and Golden and Ruttenberg, *Industrial Democracy*, p. 263.
32. See remarks by Abel in *Sloan Management Review*, Winter 1974, pp. 90-96.
33. This section has benefited from perusal of many documents in addition to the ones cited—especially B. C. Roberts, Hideaki Okamoto, and G. C. Lodge, *Collective Bargaining and Employee Participation in Western Europe, North America and Japan* (New York: Trilateral Commission, 1979).
34. John Crispo, "Discussion," in *Proceedings of the Twenty-Second Annual Winter Meeting, Industrial Relations Research Association*, December 29-30, 1969, p. 201. Remarks in a similar vein are made by Mitchell Fein in *Sloan Management Review*, Winter 1974, p. 74.
35. *Industrial Democracy in Europe: A 1977 Survey* (Washington: American Center for the Quality of Work Life, 1978), p. 26. This report starts with a useful 12-page glossary—"a rough guide through a multilingual wilderness."
36. *Ibid.*, p. 28.
37. *Business Week*, July 27, 1981, p. 90.
38. Irving Bluestone, "The Union and Improving the Quality of Worklife," *Atlanta Economic Review*, May/June 1974, pp. 32-37.
39. *Economist*, March 28, 1981, p. 37. (For an informed recent statement on "Codetermination in West Germany," see the article of this name by Richard Davy in *Journal of the Institute for Socioeconomic Studies*, Autumn 1980, pp. 18-28.)
40. C. H. Deutsch, "Trust: The New Ingredient in Management," *Business Week*, July 6, 1981, pp. 104-105.
41. "Buddha and the Art of Job Loyalty," *Economist*, August 8, 1981, p. 62.
42. *Ibid.*, July 18, 1981, pp. 20, 25.
43. Interview with Joji Arai, "Quality and Productivity," *Quality*, July 1981, pp. 14-19.
44. *Business Week*, July 20, 1981, p. 20.
45. C. S. Gray, "Quality Control in Japan—Less Inspection, Lower Cost," *Ibid.*, p. 31. (The same periodical, June 29, 1981, p. 30, says that, in American usage, "Quality circle" is just "another name for the participatory approach to solving production problems.")
46. Hajime Karatsu, "Quality Control as a Tool for Management," *Manufacturing Productivity Frontiers*, July 1981, pp. 1-6.
47. Robert Patchin, "Quality Circles, Northrop's Experience," *Manufacturing Productivity Frontiers*, November 1980, pp. 1-7.
48. See works of Cole and Douty, already cited; and Kurt Braun, *Union-Management Cooperation: Experience in the Clothing Industry*, (Washington: Brookings Institution, 1947).
49. Press release, "New Labor Management Group Formed," and accompanying "Statement of Purpose," issued by John Dunlop, coordinator, March 4, 1981. (According to *Business Week*, April 20, 1981, p. 131, Dunlop aims to build mutual trust by working out accords on easier issues like energy conservation and then take on "tougher issues, such as

tax policy, job-training programs, wage rates, and use of nonunion labor in government-financed synthetic fuels projects.”)

50. Jack Barbash, “Values in Industrial Relations: The Case of the Adversary Principle,” *Proceedings of the Thirty-Third Annual Meeting, Industrial Relations Research Association*, September 5-7, 1980, pp. 1-7.

51. John Hoerr, “Auto Workers Inch toward the Driver’s Seat,” *Business Week*, February 9, 1981, p. 30. (In February 1982, while this book was being processed, Ford and UAW reached an historic agreement providing for profit sharing as well as a wage freeze and moratorium on plant closings. In March, a comparable contract was negotiated for GM. See documentary appendix.)

52. See “Detroit Gets a Break from UAW,” *Business Week*, November 30, 1981, pp. 94, 96; and articles in *Washington Post*, December 9, 1981, and *New York Times*, December 10, 1981.

53. *Ibid.*, June 29, 1981, pp. 132-136.

54. See two articles in *Fortune* by C. G. Burck: “What Happens When Workers Manage Themselves,” July 27, 1981, pp. 62-69; and “What’s in It for Unions,” August 24, 1981, pp. 88-92.

55. William Bowen, “How to Regain Our Competitive Edge,” *Fortune*, March 9, 1981, p. 84. An article by N. Q. Herrick and R. P. Quinn, “The Working Conditions Survey as a Source of Social Indicators,” *Monthly Labor Review*, April 1971, cites (p. 23) an earlier study of worker motivation conducted by the Survey Research Center of the University of Michigan. This study already showed that a “considerable” orientation “toward productivity or achievement” existed and that the implied potential for cooperation “has gone largely untapped.”

56. Donahue, “Human Factor,” pp. 14-15.

57. Art Pine, “Du Pont’s Irving S. Shapiro: Summing Up a Lifetime in Business,” *Washington Post*, February 8, 1981.

58. Art Pine, “In Corporate Leadership, an Era Ends at GE Co.,” *ibid.*, March 29, 1981. (The interviewee is Reginald H. Jones.)