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AMERICA'S ODDEST COUPLE: LABOR AND MANAGEMENT

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The relationship between labor and management began as a marriage of necessity. Although dissimilar in their economic and social heritages, each had needs which could be satisfied only by working with the other. There was no courtship; there was no honeymoon. Extra-relationship affairs are frequent but divorce is unthinkable. Because their relationship is characterized more by suspicion and adversative calculation than by trust and cooperation, the couple is still in a process of adjustment. Yet, in spite of numerous non-decisive separations (strikes) followed by ritualistic reconciliations (settlements), the marriage has survived.

In ways both obvious and not so obvious, the quality of this labor-management marriage is being tested today as never before. The convergence of two important trends—one social and demographic, the other economic—is forcing both labor and management to reexamine and make adaptive changes in their traditional views and ways of relating to each other. The social trend is reflected by increased demands of a younger, better-educated work force for more challenge and meaning in their work and for opportunities to participate in those decisions which affect them. The economic trend is characterized by declining industrial growth and productivity at the very time world wide competition is increasing. It is in the interest of both labor and management, and society as well, that a new understanding be reached—a new relationship be formed. Ritual proclamations of "people are our most important asset" and occasional agreements to alter restrictive work practices produce little more than a temporary "kiss and make up" type of marital bliss. These cosmetic activities do not alter the basic relationship; they offer, at best, a temporary distraction from the more compelling needs of the relationship.

How It All Began

The present day relationship between labor and management has a checkered history. Born at the beginning of the Industrial Revolution, this relationship has been shaped and nurtured by various economic, social, and political forces, pushing it first in one direction, then in another. Although the system that we have today is different from that of earlier years, certain parts of it have survived. Both management (adamantly) and labor (grudgingly) accept as a part of that tradition the necessity for managers to manage and workers to work. It is also a part of that tradition that, where there is a union, all decisions about wages and hours and conditions of work must be negotiated. This clearly defined and inviolate separation of rights and responsibilities has inevitably resulted in divergent goals and priorities on the part of both labor and management. Labor's growth as an adversative institution, coupled with management's retention of outmoded personnel beliefs and practices, has blinded both parties to their mutual interest.

If leaders of labor and management can be charged with failing to comprehend the forces that have propelled them into their present relationship, it is even more understandable that persons outside the arena of labor-management relationships do not comprehend them either. But even an understandable failure is nonetheless a failure. Management often behaves as though it has no idea of how labor thinks and feels. Because management cannot or will not conceive that labor could have goals and values different from its own, it cannot accept the logic of labor's behavior nor understand the value system that underlies that behavior. In turn, many of labor's prescriptions for remedying the labor-management malaise have been ostensibly based upon management's insensitivity and lack of caring. Regrettably, most of these prescriptions are misguided for the same reason that so many past judgments have been misguided: they are based on only superficial knowledge of the other.

Failure of Collective Bargaining

Collective bargaining, as Taylor (1948) reminds us, is not the only way to fix conditions of employment. There are other alternate ways that, upon first glance, appear to be both more simple and more practical. First, the employer, when it has a preponderance of economic power, can unilaterally impose the terms under which employees work. The defects and abuses of this approach were not acceptable to society and led to passage of the Wagner Act. A second possibility would be for labor unions, if they had unrestrained economic power, to dictate employment terms. This approach was also found objectionable and outlawed by the Taft-Hartley Act. One other possibility would put the government in the role of legislating or otherwise forcing the conditions and terms of employment upon both employer and employee. Both labor and management fear and have resisted this possibility as a loss of control over their own arrangements for working together. Thus collective bargaining has emerged as a preferred way of making and administering the rules governing the relationship between employer and employees.

The primacy of collective bargaining as the preferred way of dealing with the "labor problem" rests on the assumption that labor and management will voluntarily work out their differences by understanding, compromise, and agreement. Underlying this assumption is the belief that their common interests are more compelling than their differences. As logical and persuasive as this argument seems, it has been called into question by the difficulties American industry is now experiencing in the international market place. There is a growing belief that labor's insistence upon higher wages without corresponding increase in production is the primary cause for the demise of American technological and productivity leadership. In the face of this belief, concessionary bargaining has been at top of management's agenda in most recent negotiations. Undoubtedly, the acceptance of lowered wages and the relaxation of restrictive work practices contributed to the survival of Chrysler Corporation. It is equally evident, however, that the weaknesses and defects of collective bargaining have surfaced in the current negotiations at Hormel and Co. (Pitzer and Bernstein, 1986) and Eastern Air Lines (Engardio, 1986).

Although embellished with democratic and egalitarian values and beliefs, collective bargaining is still power bargaining. It is still deprivation bargaining. With few exceptions, collective bargaining has never been little more than a shootout, concerned with little more than rule making. It is still viewed as an adversative, win-lose relationship.

Who Is To Blame?

Though neither would ever admit it, both management and labor have for a long time indulged in the deplorable habit of blaming each other for problems which are in fact largely of their own making. This, of course, is a common pattern of behavior in all human relationships: none of us likes to face up to our own shortcomings. But in the relationship between management and labor, there is another factor at work: a deeply ingrained superiority complex which makes it hard for either management or labor to concede that it could ever be at fault in its dealings with the other.

Inevitably, the most flagrant blunders committed by labor and management have been committed by persons who not only lacked real knowledge of the other but also saw no need to acquire any. In a sense the errors committed by the leaders of labor and management who had little or no understanding of the other's culture and goals are forgivable. What is not forgivable, however, is that even those persons who have most clearly associated with and been exposed to the other often betray an almost impervious lack of comprehension of the realities of the other. Such was the case when UAW President Douglas Fraser was appointed to the Chrysler Corporation Board of Directors. The appointment was publicly deplored by leaders of both labor and management. Union leaders opposed it as an invasion of the adversary relationship between labor and management. Management feared a weakening of its rights to manage and make investment decisions. Admittedly, this practice faces strong ideological barriers and, possibly, legal challenges. Still, if Chrysler and the UAW are willing to take the risk in opening the door to a new dimension in labor-management collaboration, why should outsiders unduly discount the possibility of its success? If union-management cooperation is a worthy goal, must it be limited to the work place? Why not the board room also?

Management, it seems, is always between solutions to this "people problem." Back in the 1940's, there was the human relations push. In the 1950's, it was participative management; then T-Groups in the 1960's and job enrichment in the early 1970's. Each of these behavioral science tools has been quickly and uncritically adopted. Yet, they seemed to have been adopted for the wrong reasons and indiscriminately applied to the wrong problems. Solutions have come and gone, but the people problem remains. The latest solution is quality of work life programs. Again, the promises and expectations are high. Can quality circles deliver labor and management to the Promised Land when all the others have failed? Or are they just another Band-Aid solution? Another quick fix?

Levitan and Johnson (1983) warn against misconstruing use of these fad-type solutions as a fundamental change in industrial relations. More recently, Byrne (1986) has used the term "hollow symbols" to describe these various quick-fix solutions. Neither of these critics sees anything inherently wrong with these approaches. What is wrong, they argue, is that too many organizations use them as gimmicks to evade the basic challenge they face. Unless such solutions are well thought out and conscientiously applied with a commitment from top management and the full and responsible participation of employees, they are doomed to failure.

In his novel, **The Death of Ivan Illyich**, Leo Tolstoi has his main character ask a provocative question. On his death bed Ivan considers "What if my whole life and the principles I've lived by are wrong?" Believing that he had always lived correctly, he now ponders the circumstances of his life. Hopefully, it won't take a near-death experience for labor and management to question their perceptions of and attitudes toward each other. When the gun of foreign competition is pointed at the heads of both labor and management, does it matter which one blinks first? Both are vunerable; both are dependent. Labor is now realizing that many of its victories at the bargaining table are both hollow and short-lived. Management, likewise, is realizing that its continued use of such shibboleths as "...management alone has the right to manage," and "...employees are interested only in their own economic self-interest," as the cornerstone of its industrial relations policies and practices has not produced the production effectiveness and price competitiveness it has hoped for. Although the new spirit of cooperation has set the stage for real change, one has to carefully read between the lines to determine whether either labor or managment feels responsible for initiating this change process. Because management exercises ultimate control over the amount and kind of cooperation that will prevail, it is incumbent that management take the initiative in turning away from its traditional adversary stance and develop new avenues and forms of cooperation.

A Management Counter-Culture

The truth of the axiom "adversity is a powerful motivator" is being reaffirmed today as labor and management begin to realize that the "people problem" has to be solved. This problem is at the heart of what might be called America's organizational imperative. Quite simply, this imperative demands that a way be found to regain and preserve the technological and economic leadership so long characteristic of this country. No two words sum up this imperative better or indicate more clearly its challenge to management than the expression "management counter-culture."

Every organization has a fundamental character or spirit—often called culture—which is revealed in its prevailing system of values, beliefs about the nature and motivation of people, and norms of authority and decision making. In operational terms, an organization's culture can be described as the "way things are done around here." Sometimes this culture is very apparent and cohesive; other times it is fragmented and difficult to discern. However ill defined an organization's culture may be, it always reflects and is an outgrowth of that organization's policies, day-to-day management practices, authority and decision processes, and its system of rewards and punishments. One of the more pervasive dimensions of this culture is whether the organization basically subscribes to this belief system of Theory X or Theory Y (McGregor, 1960). It is this day-to-day behavior which provides employees the basis of their perceptions of the organization and its intentions toward them. It is also on the basis of these perceptions that employees make judgements about what is appropriate behavior toward the organization. This mutual perceiving and acting out process provides the ingredients for the amount and kind of labor-management cooperation at the work place.

Both labor and management share a vision of what could be and should be in terms of productivity and organization effectiveness. Both parties profess a certain idealism in their ongoing relationship; both are presumably looking for the same things (e.g., needs satisfaction, security, growth, etc.) but end up looking, if not in the wrong places, certainly in different places. The one place that they should be able to satisfy their respective needs and expectations is the one place that continues to elude and frustrate them, namely the arena of cooperation. Away from this arena, neither party finds what it seeks. What labor finds is not a management philosophy which recognizes and embodies its ideals and needs, but a warmed-over version of past management practices which stress subordination and conformity. Management remains confused at the ingratitude and disloyalty of employees. Rationality and impersonal decision making seem so right and necessary—why can't employees perform their assigned roles by the same rules as management?

It is outside the arena of required labor-management cooperation that each expresses a wide range of ideas and ideals, strategies and goals. Each is hoping for a door to open to an arena of mutual, voluntary cooperation that promises an easy way out of the dilemmas which now confront them. But idealism's twin is disillusion—a disillusion both labor and management have with those in their own ranks and the ranks of the others who do not share their idealism or (worse) who oppose it or (worse still) who betray it. In a way their search for an alternative relationship provides a hopeful, even exciting, sign for the future. Their inability or unwillingness to accept or adjust to the way things are keeps the search alive. All this is symptomatic of the unwillingness of either labor or management to accommodate themselves to the status quo and the prevailing management culture. Neither labor nor management is happy with the current situation. Yet their lack of experience and trust prevents them from searching for an alternative relationship. This, in turn, produces more frustration which produces still more disillusion. But this disillusion with what is keeps feeding the idealism of what could be.

Unions: An Active Role in Management

There is general agreement that the labor-management relationship of the 1980's has evolved from accords and arrangements dating back to the 1930's which were more a war-like exercise of force than the peaceful exercise of reason. The path of this evolution and the economic, social, and political forces which have propelled it along this path are not debated here. Along that path, however, can be noted some examples of productive cooperation. The most recent and, perhaps, most spectacular example of labor and management working together in mutually beneficial ways began in the late 1970's, and after a brief respite, was renewed at the end of the 1980-1982 recession. Unfortunately, almost all of these instances of labor-management cooperation were responses to some sort of economic crisis. Unfortunately, too, as soon as the crisis ended, the cooperation ended. The example of Chrysler Corporation and the United Automobile Workers again comes to mind.

Labor and management have shown that they can and will cooperate in bad times. Why, it is now being asked, don't they cooperate in good times? The answer seems to lie in Whyte's (1956) observation that individuals (labor) and organizations (management) do not cooperate just to cooperate. They cooperate when it is to their advantage. As evidence of a new and more long-sighted view, both labor and management are beginning to realize that the combined pressures of social expectations and intensified foreign competition call for more than a temporary, rescue-type cooperation. They realize, too, that the collective bargaining process is poorly adapted to solving many of their mutual problems. What is needed is a new sense of cooperation designed to promote a new mutuality of interests between labor and management—a mutuality of goals, rewards, and responsibility.

Union Free: A Test of the Management Counter-Culture

During the past several years, there has been a noticeable downward trend in overall union membership which has also been accompanied by an upward trend in the percentage of decertification elections lost by labor. None of these statistics should be taken to mean that labor's role in governing the conditions of industrial employment is diminishing. Nor should the data be interpreted to mean that unions will eventually disappear from the labor scene. What these data should support is a new resolve to management to develop new ways of involving and relating to employees. When management enthusiastically adopts and honestly communicates proemployee attitudes, employees will not feel the need for a union to protect themselves against the arbitrary powers of management.

Management must also take note of another trend that is far more pervasive and encompassing in protecting employee rights than was the union movement. It is a trend toward increased involvement in the legislatures and judicial systems at all levels of government as champions of employee rights. As Hoerr (1985) has noted, these two trends considered together mean that organizations might conceivably operate in a less unionized environment, but they will almost certainly operate in a more legislated environment. Either way, the lesson for management is that treating employees well because it has to is self-defeating. Treating employees well because it wants to—because it is right—is a necessary first step to developing a system of labor-management cooperation that serves their mutual interests.

A Healthy Relationship

The labor-management relationship is healthy when there can be observed active concern on the part of each for the welfare of the other. It is difficult to define exactly what is meant by or included in "active concern." Certainly, for a concern to be actively expressed there must be purposeful behavior aimed to promote the increased welfare, or at the very least, provide the conditions for the increased welfare of the other. Passive longing for such welfare is not enough.

The labor-management relationship is both interactive and interdependent. This means, first of all, that the behavior of each both affects and is effected by the behavior of the other. It also means that each party has needs which can be satisfied only by the other. In a sense, the other party can be viewed as a supply-source of needs satisfaction. Experience has shown us that another person can and will behave in ways which satisfy us most richly when he is himself satisfied. A work horse cannot work for us when it is ill-treated. If this analogy and the reasoning behind it holds for the labor-management relationship, then labor and management acquire a vested interest in the welfare of the other. Thus, both labor and management should be concerned for the other's welfare and engage in instrumental behavior to promote it. In so doing, each party will insure that the other will better be able to provide it with the means to important satisfactions. This concern arises as a by-product of the satisfaction provided by the other and becomes the basis of a healthy labor-management relationship.

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