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JUN 05 1986
UNIVERSITY OF CALIFORNIA
BERKELEY

Number 155
July/Aug. 1985

CONFERENCE REPORT: IS COOPERATION POSSIBLE?

by Allen Cheadle

In an ironic twist of scheduling, the Institute's annual conference entitled "New Trends in Labor Relations: Is Cooperation Possible" took place on May 1st. The conference organizers assured everyone that this was not deliberate, but nonetheless cooperation was discussed in San Francisco while most of the rest of the world celebrated workers' revolutionary struggles. Featured speakers at the conference included representatives from labor, management and academia. The following is a brief summary of some of the discussion.

Possibilities and Pitfalls--The opening panel was a dialogue about possibilities for cooperation, with a representative from each side of the table. The first speaker was Tom Donahue, Secretary-Treasurer of the AFL-CIO and Chairman of the Committee which drafted the recent report on "The Changing Situation of Workers and Their Unions." He stressed that cooperation was possible and that labor was willing to look at all possibilities with an open mind. However, he also emphasized that cooperation was not likely given the current management hostility toward unions. An essential prerequisite for cooperation is for workers to be able to choose how they want to be represented, in a fair election in a neutral environment. Donahue noted that neutral employer attitudes were present in only a handful of companies, and that the norm was stretching and often breaking existing laws to thwart union organizing drives.

Roger Dunn, Vice President for human resources at Kaiser Aluminum, gave management's perspective. He claimed that Kaiser was one of the few companies with a neutral attitude toward unions, and saw no need to push for changes in Kaiser's current bargaining arrangement. His main emphasis was on cooperative programs at Kaiser that have been implemented to cut costs and save plants at a time when foreign competition is threatening many domestic jobs. He spoke in general terms of several "quality of work life" schemes that have, in combination with wage cuts, saved jobs at a number of locations.

The Joint General Motors-Toyota Venture (NUMMI)--The next panel addressed the labor relations implications of the new GM-Toyota joint venture at Fremont that has resulted in the reopening of a previously closed GM plant. The plant has generated a great deal of media attention as the first attempt to integrate Japanese management methods in a unionized facility. Dennis Cuneo, General Counsel from the legal department at NUMMI gave a slide presentation describing the evolution of the NUMMI joint venture, with particular emphasis on labor relations. He described the importance of team orientation to production, the emphasis on quality and improvement of the product, and the stress given to the input of individual workers in designing production.

George Nano, from the UAW's negotiating committee at NUMMI, described the venture from the union's point of view. All indications are that the Japanese are indeed sincere about the continuing input of workers into production design. Nano was primarily concerned about the loss of UAW identity, given the Japanese emphasis on loyalty to the individual firm. If the UAW loses influence they will also lose the ability to respond effectively to any breakdowns in the current harmonious state of labor relations. Two particular concerns mentioned by Nano were the possibility of a speed-up when the plant reaches full production and worker health and safety.



Questions from the audience focused on the methods for rehiring laid-off GM workers. Because the new plant has one assembly line rather than two, there will be substantially fewer jobs, even when the plant is operating at full capacity. The application process seemed to leave room for non-objective criteria to enter into the hiring decision. However, Both Nano and Cuneo said that hiring was not a problem. Many of the workers in the GM plant have moved and/or taken other jobs while the plant has been idle, and therefore did not send in applications for the new jobs. Some workers have been turned down, but apparently for legitimate reasons since the union has filed only one hiring grievance. Toyota and GM have followed the agreement to hire former UAW members first, thus 95% of the workers belong to the union. The remaining 5% are in new jobs created by the addition of a stamping plant.

What Mixture of Conflict and Cooperation?--Clark Kerr, who most recently arbitrated the national postal employees settlement, was the lunch speaker. He began his remarks by noting that cooperation probably would not be feasible everywhere and then concentrated on identifying conditions that might promote cooperation. Kerr divided the organized sector of the economy into four sub-sectors and discussed how competitive conditions in each sub-sector helped determine bargaining relationships. He discussed first the sector subject to increased foreign competition--primary metals, autos, etc. Cooperation in this sector is possible and even necessary because both management and labor have an interest in cutting costs and improving quality to prevent sales and jobs from being shifted overseas. A similar problem is faced by the sector subject to increased domestic competition because of deregulation (airlines, intercity bus transport), but the labor relations outcome has been strikingly different. Here confrontation is the norm, with employers taking an aggressive union-busting stance, demanding concessions and taking strikes in an attempt to cut labor costs.

Third, and a sector Kerr was most familiar with, is the public sector, the only area where unionization is increasing. Because of the lack of incentives for the parties to bargain responsibly, Kerr saw an increase in bureaucratic, mediated solutions such as the postal arbitration. Finally, the protected private sector should see collective bargaining business as usual.

Conclusion--The consensus of the conference was that genuine cooperation is indeed possible, but likely to be limited to a few sectors of the economy where the right conditions are present. These conditions include some external pressure on the company or industry that makes cooperation necessary and a willingness on both sides to approach the process in good faith. Aggressively non-union industries will not see the advent of genuine cooperation.

--Allen Cheadle

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