



# **Creating Labor- Management Partnerships**

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**Warner P. Woodworth  
Christopher B. Meek**

ADDISON  
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OD SERIES

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**Warner P. Woodworth**  
**Christopher B. Meek**  
*Brigham Young University*



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## About the Authors

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**Warner P. Woodworth** received his Ph.D. from the University of Michigan in 1974. He has been a consultant with Arthur D. Little, Inc., and Rensis Likert Associates. He has been an adviser to major corporate clients including Clark Equipment, General Motors, Chrysler, PPG, Exxon, Signetics, and Westinghouse. He has also worked with a number of unions such as the UAW, steelworkers, rubberworkers, and UFCW. He was elected in 1984 to the board of the National Center for Employee Ownership and served as director of the SBA's Small Business Development Center. He also serves on the OD Advisory Board in Warsaw, Poland.

Dr. Woodworth is on the faculty of the Department of Organizational Behavior, Marriott School of Management, Brigham Young University. He has written over a hundred articles and has made presentations at a number of universities including Harvard, Yale, and Berkeley as well as in some two dozen nations. He has been a researcher at the Institute for Labor Studies in Geneva, Switzerland, and the University of Rio de Janeiro, Brazil. He has coauthored three books: *Managing by the Numbers* (Addison-Wesley, 1988), *Industrial Democracy* (Sage, 1985), and *Desteeling: Structural Disinvestment of U.S. Steel and Its Implications for Regional Economics* (Alexander, 1984).

**Christopher B. Meek** received his Ph.D. in Industrial & Labor Relations from Cornell University in 1983. He received the Kellogg National Fellowship (1988-1991), was appointed director of International Development, Kennedy International



Center at Brigham Young University (1990–1993), and was Fulbright Lecturer at the University of Ryukus, Okinawa, Japan (1993–1994).

Dr. Meek was assistant professor of Human Resource Management at Boston College and is now associate professor of Organizational Behavior at Brigham Young University. He was a staff consultant for the ground-breaking Jamestown Labor-Management Committee (1976–1981) and is coauthor of *Labor-Management Cooperation at Eastern Airlines* (U.S. Department of Labor, 1987). Dr. Meek was also coauthor of *Managing by the Numbers* (Addison-Wesley, 1988) and *Worker Participation and Ownership* (ILR Press, 1983). Since 1987 Dr. Meek has been learning to read and speak Korean and Japanese in order to do in-depth research in Asian organizations. He has been heavily involved in creating exchanges between U.S. and Asian executives, assisting both groups in understanding the other's culture. His on-site research with companies in Seoul and Tokyo, especially concerning their system of labor relations, has resulted in numerous book chapters and articles.

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## Preface

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*Creating Labor-Management Partnerships is written to assist organizations as they attempt to shift from confrontational union-management relationships toward more effective systems of collaboration. This book is itself a direct result of such a collaborative system. The authors have cultivated a partnership over many years and have once again come together to produce a serious and relevant body of work based on two equal efforts. Warner Woodworth has approached the first two and final two chapters from the macro point of view, showing the effects and consequences of labor-management partnerships. In Chapters 3 through 7, Christopher Meek has focused on the nuts and bolts of the micro view with principles and components of the labor-management partnership. Together they have integrated the ideas and principles involved in establishing a successful labor-management relationship into a text much needed in today's business environment. The coauthors hope that their efforts will be used as a valuable tool in sustaining cooperative partnerships and that their example will be proof of its success.*

This book is part of the Addison-Wesley Series on Organization Development. It addresses the strategies, techniques, and processes that are involved in developing a cooperative and dynamic partnership between managers and their unionized workforce. Although the general field of organization development (OD) has existed for many years, little has been written on how to actually succeed with OD in unionized settings. This is a fundamental weakness in mainstream literature on change because unionized work settings contain numerous social and political barriers that do not exist in non-union organizations.

The audience for which the book is intended includes human resource management and industrial relations managers and staff, union officials, professional arbitrators and mediators, and government officials. It also includes professors and students involved in the study of organization development, human resource management, and industrial relations and/or master of business administration programs. Others, such as consultants and facilitators, will also benefit as they work to redesign client systems with which they are involved.

This book begins with a call for change, specifying the critical need for union-management cooperation in the present context of international competition. We briefly illustrate how uncooperative and rigid relations between trade unions and companies have contributed to the deterioration of U.S. industry in such fields as automobiles, heavy equipment, steel, and air transportation. These practices are contrasted with the more cooperative systems that have evolved in Western Europe and East Asia.

We next describe the potential that labor-management partnerships offer for building more flexible, productive, and dynamic organizations in either brownfield and/or greenfield settings. Magma Copper Company is a brownfield effort to change the structure of conflicting labor-management relationships in a work setting that has built up years of financial losses and an ineffective organizational culture. The greenfield case involves the creation of a new firm, Saturn Corporation, and its partnership with the United Auto Workers Union.

In order to help the reader understand the logic behind the structures, processes, rules, and leadership roles we advocate in the chapters that follow, we need to explain how the approach to implementing labor-management cooperation has evolved over many years. We begin with the first U.S. labor-management cooperative systems developed, which focused upon resolving traditional labor-management conflicts within the bargaining process. These early joint committees began at the community level and came into play in an effort to prevent negotiation impasses from resulting in strikes and lockouts. The first attempts to create internal cooperative relations began during the late 1960s and early 1970s, during the peak years of traditional human relations-oriented OD. We illustrate how these efforts ultimately failed because of an overemphasis on communications problems,



the reactive nature of the OD process, and the inability to achieve a true partnership. We next describe how the general focus of labor-management cooperation shifted away from improving human relations to undertaking specific operational improvements or implementing massive training programs and employee committees focused on improving the quality of working life. Last, we describe the current and more comprehensive approach, which utilizes the strength of past strategies, but also seeks to create new institutions and systems that complement the traditional collective-bargaining relationship.

We then address the practical process for establishing a genuine cooperative partnership. The first step is to lay down the basic philosophy, values, goals, objectives, and guidelines for the new system. We explain why beginning with this step is so important, using case examples as illustrations, and we then describe alternative processes that can be undertaken to establish the parameters for a labor-management partnership. Sample mission and charter statements currently used by progressive companies and unions in the United States are not included, but may be obtained by contacting the authors at Brigham Young University.

Next, a method for designing the roles, rules, and procedures is spelled out, based on more than a decade of our personal experience. Our goal in this is not just to perform an academic exercise nor to review recent research, but to demonstrate a hands-on application of the nitty-gritty realities of change. Many OD efforts in unionized settings commonly attempt to entirely debureaucratize the conduct of cooperative relations, but such actions come into conflict with the typical union-management culture. The disdain of many OD consultants toward anything that looks bureaucratic or rule-bound has further exacerbated this situation. Unfortunately, the open, or *laissez-faire*, approach to developing cooperative relations has proven to be a dismal failure because of serious conflicts with the traditional bargaining structure, as well as conflicting expectations about objectives and responsibility, that so frequently occur in these situations.

We demonstrate how to create a parallel union-management organization that will ensure that a successful partnership is created, nurtured, and sustained. The appropriate process for creating a parallel structure is described in detail, including key functions such as coleadership roles, goal setting, and supervi-



sion through a joint steering committee, creating problem-solving capacity through worker-supervisor teams, and the necessary support system of documentation roles, as well as rules and procedures that govern the overall system.

Labor-management partnerships often live or die because of the implementation strategy undertaken. Frequently, failure is the result of insufficient front-end analysis and consideration of political issues. We illustrate a variety of implementation strategies and help the reader to work through the political risks involved during the early stages of developing a reciprocal relationship. The strategies discussed include top-down as opposed to bottom-up, systemwide, subunit based, ad hoc, multiunit, and single subunit approaches. Also examined are the pros and cons of undertaking deep as opposed to shallow interventions—e.g., projects that are difficult but promise high returns as opposed to efforts that are easier and therefore more likely to be initially successful. The importance of maintaining balance between achieving worker interests as opposed to company interests and the risks posed by imbalance are also examined, and the nuts and bolts of implementation are specified.

With the framework and strategies for cooperation articulated, we then review two organizations that attempted to develop a labor-management partnership, one successful and the other a failure. We provide a description of the flow of events in each case—New United Motor Manufacturing, Inc., and Eastern Airlines—and then analyze why one organization succeeded while the other did not. The objective is to help the reader see and understand how the many recommendations made throughout the book fit together. The reader may observe how the absence of even a few considerations can prove fatal. The basic thrust throughout the book is to demonstrate the integration of the various tactics and tools.

The book concludes with a summary of the key points that have been made and our view of what we believe will be the future for labor-management cooperative partnerships in the United States.

We would like to express our deep appreciation to all those who have helped us in creating this book. First, we want to acknowledge the rich experiences that have emerged from our action research efforts at many firms and unions and the key

participants in those settings from whom we gained great insights.

The encouragement from professional colleagues around the country, in government, research institutes, universities, and consulting firms has been warmly received. In particular, our associates in the Department of Organizational Behavior at The Marriott School of Management, Brigham Young University, provided us with positive and critical feedback regarding our intervention work in OD over the years. We also want to thank Pete Sorenson of Boeing, Chuck Mueller of UFCW, Dave Jacobs of James River Corporation, Michael Damer of NUMMI, Gene Carezia of Amoco, Kees Van Langen of Rockwell, Douglas Fraser, former international president of the UAW, O.C. Miller, Chairman of the Airline Pilots Association at Northwest Airlines, and Lynn Williams, president of the steelworkers union.

We must acknowledge the support of the OD Series editors, Edgar Schein and Richard Beckhard, and Beth Toland and her associates at Addison-Wesley. The technical staff at Brigham Young University, Laura Collins, Cathleen Cornaby, Nancy Elkington, and especially Linda Veteto, offered competence and unending patience through the multiple iterations of the manuscript.

Finally, we express our love and appreciation to our wives, Kaye Woodworth and Noriko Meek, along with our many children—seventeen in all. They have taught us much about the deepest meaning of building authentic, cooperative partnerships.

*Provo, Utah*

W.P.W.  
C.B.M.

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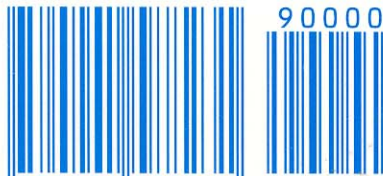
In *Creating Labor-Management Partnerships* Warner P. Woodworth and Christopher B. Meek successfully demonstrate the shift from confrontational union-management relationships toward more effective and positive systems of collaboration. Although the field of organization development (OD) has been well established for many years, little has been written describing how to succeed with OD in unionized settings. The book targets human resource management and industrial relations managers and staff, union officials, professional arbitrators and mediators, government officials, and professors and students involved in the study of organization development.

The book begins with a call for changing the social and political barriers existing in unionized work settings and emphasizes the critical need for union-management cooperation in the present context of international competition. The authors discuss the deterioration of U.S. industry in such fields as automobiles, heavy equipment, steel, and air transportation and illustrate how internal cooperative relations may ultimately fail because of overemphasis on communication problems, the reactive nature of the OD process, and the inability to achieve a true partnership.

While explaining the practical process for establishing a genuine cooperative partnership, the book lays down the basic philosophy, values, goals, objectives, and guidelines for the new system. It also shows how to create a parallel union-management organization that will ensure a successful partnership. The authors' main objective throughout the text is to help the reader understand the recommendations they have made concerning labor-management partnerships and the critical steps involved in starting and maintaining a successful partnership.

**Warner P. Woodworth** received his Ph.D. from the University of Michigan in 1974 and is on the faculty of the Department of Organizational Behavior, Marriott School of Management, Brigham Young University. He has been a consultant with Arthur D. Little, Inc., and Rensis Likert Associates. He has been an adviser to major corporate clients including Clark Equipment, General Motors, Chrysler, PPG, Exxon, Signetics, and Westinghouse. He has also worked with a number of unions such as the UAW, steelworkers, rubberworkers, and UFCW. He was elected in 1984 to the board of the National Center for Employee Ownership and served as director of the SBA's Small Business Development Center. He also serves on the OD Advisory Board in Warsaw, Poland.

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