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**Transforming Your Workplace:
A Model for Implementing Change and
Labour-Management Cooperation**

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Executive Summary

In the competitive environment of the past two decades, unions and management have increasingly recognised that it is in their mutual best interest to collaborate in various programs and activities that fall outside their traditional adversarial areas of interaction surrounding the collective agreement. Emerging arenas of collaboration involving issues such as job and organizational design and business and profitability planning are requiring management and labour to learn new and very different skills to operate in these new arenas. The comprehensive, detailed, contextual approach to integrating labour-management relations and organizational development outlined here will help the parties develop these new skills and increase the chances for success of organizations seeking to implement workplace change while improving union-management relations.

- To build a collaborative relationship, the parties might begin by engaging in a joint search for problems they can work on in an *emerging* area, which is less likely to be adversarial. To bring an outside perspective, the use of a third party skilled in organization development is strongly recommended.
- If the parties are able to agree on structures and processes for continuing the search, joint training in group problem solving, conflict handling, and teamwork should take place. Because the parties must share certain key skills on an *experiential* level if they are to improve their relationship, they should use these skills as soon as possible so that they become inculcated. Moreover, they should restrict themselves to emerging areas before turning to more traditional issues, which may easily exacerbate old problems.
- An outside facilitator can help the parties through the initial attempts at consensus decision making. Small successes that can be easily implemented and carry some visibility should be sought at this stage. If the parties experience some success in their initial attempts, the likelihood of their relationship continuing will be greatly strengthened.
- Since they may relapse into old adversarial relationships over time, the parties should revisit the new skills periodically to make sure they are being used and applied.
- The author concludes with an account of two cases in which he was involved in workplace change. In one case, the process worked; in the other, it did not. But both cases provide useful lessons and demonstrate the fundamental importance of recognising the labour relations *context*, ensuring the parties have the necessary *skills*, and creating and following an appropriate *process* when introducing change.

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About the Author

Mark Alexander is a human resources and labour relations practitioner with over twenty-five years of experience in the field of labour-management relations, personnel management, and organization development. He has developed a unique expertise in implementing employee-centred change.

Introduction

Over the past twenty years a wide array of significant changes have taken place within labour-management relations in the United States and Canada, extending from how organized labour and management meet at the bargaining table and organizational governance to how jobs are designed and support is made available to employees experiencing personal problems (see Kochan, Katz, and McKersie 1986, 1994; Kochan and Osterman 1994; Betcherman et al. 1994; Walton, Cutcher-Gershenfeld, and McKersie 1994; Cohen-Rosenthal and Burton 1993; Lowe 1998; Noon and Blyton 1997; Capelli and Rogovsky 1998; Nissen 1997). Various names have been given to these innovations, including mutual gains bargaining, principled negotiations, employee-centred management, employee involvement, quality of working life, innovative work practices, the high-performance workplace, and learning organizations. They have been intended to improve labour-management relations, increase organizational performance, and, at the same time, provide for increased job satisfaction on the part of workers. Although some very successful, high-profile examples of labour-management cooperation have been going on for over a decade, they are still more the exception than the rule: their rate of diffusion has been limited, and they have often suffered from a limited life span. There is, in fact, still considerable skepticism within labour and management about their appropriateness, and in many instances their success and continued viability is highly dependent not on the overall soundness of the process but on one or two key individuals within management or the union (Kochan and Osterman 1994; Betcherman et al. 1994).

The purpose of this study is not to examine the general reasons for this situation. This has been done elsewhere (Kochan and Osterman 1994; Betcherman et al. 1994; Walton, Cutcher-Gershenfeld, and McKersie 1994). Rather it is to put forward models for better understanding the labour relations system within which changes are made and to provide a more specific and detailed approach to implementing change within the context of a collective bargaining relationship. In addition to being framed within the realities of labour-management relations, this approach increases the probability of successful implementation, acceptance, and, most importantly, sustainability. Because of the political realities and organizational constraints within both labour and management, there needs to be a much better understanding of the *context* within which change is being introduced and a very clear vision and well-understood process of implementation. The process of implementing change has to be viewed within the context of the overall relationship between union and management and must be described in greater detail than currently exists within the literature.¹ In fact, diffusion and sustainability are a problem partly because a comprehensive model for bringing together the realities of labour-management relations and organizational-development practices does not exist. Consequently, the models outlined in this study and the detailed description of the change process should help unions, management, consultants, and academics who are interested in improving labour-management relations and introducing organizational change. The comprehensive approach to integrating the thinking of labour-management relations and organizational development pre-

1 Two very good descriptions of workplace innovation in Canada are the report of the Premier's Task Force on the Organization of Work (Ontario 1994) and the excellent series of videos, cases, and workbooks produced by the Canadian Labour Market and Productivity Centre (CLMPC 1997). Both sources contain very detailed and comprehensive outlines of the change process and the steps needed to bring it about. They do not however deal with change in the context of the overall labour relations system. A very good description of the U.S. experience is contained in Kaminski et al. (1996).

The process of implementing change has to be viewed within the context of the overall relationship between union and management and must be described in greater detail than currently exists within the literature.

sented here will help increase the probability of success and sustainability in implementing workplace change and improving relations between unions and management.²

Labour-Management Relations

The legal framework governing labour-management relations, which was founded in the 1930s and 1940s, is rooted in the history of conflict between the parties. Although there has been much tinkering with the system, the basic premise upon which it was built remains. The primary focus is to attempt to mediate the excesses of the presumably inevitable conflict. Significant institutional forces within business, labour, government, and the legal community have a vested interest in preserving the existing structure, and the established practices, training, and acculturation of all parties are built on the notions of divergent goals, adversarialism, and conflict.

But while the legal and administrative structure of the industrial relations system was being constructed, researchers and practitioners, most of whom were behavioural scientists, were developing new and useful concepts and insights in the field of organizational behaviour and development. They have had, and are having, a far-reaching and important impact on how human resource management problems are addressed and handled. Innovative approaches have been developed in various organizational settings to deal with long-standing problems of employee alienation, performance and quality management, and resistance to change. In fact, over the past several decades a whole new 'technology' of organizational change (Alexander 1978; French and Bell 1978) has been built on principles of involvement, multi-skilling, equity, empowerment, teamwork, joint problem solving, and collaboration.³

Concurrently, over the past decade some corporate strategists and many business theorists have recognized that the exclusively economic viewpoint of labour as simply another input variable in the equation of corporate profitability is irresponsible and myopic, given the realities of our pluralistic society. Human resources are now being considered as assets, and labour is increasingly being recognized as a stakeholder that can make a significant contribution to problem solving and decision making well beyond the practice within the present collective bargaining process.

Several 'streams' of thinking are therefore converging. There is, first, a growing awareness of the limitations of traditional legal and administrative processes to solve industrial relations problems. Second, there is the recognition that a field of practices, concepts, and

² Although there is an intuitive sense among most managers that improved relations between labour and management yield better performance, it is difficult to prove. One of the few studies on the topic is that of Cutcher-Gershenfeld (1991). His research at Xerox shows a positive relationship between improved relations and economic performance. More recently, the August 1996 issue of the *Academy of Management Journal* contained a number of articles on the positive relationship between an organization's human resources practices and performance (see, in particular, Banker et al.; Youndt et al.).

³ Unfortunately much of the work done by organization development practitioners has been labelled by labour and management as 'touchy-feely,' or as a 'flavour-of-the-month' fad: innovations such as T-groups, job enrichment, and quality of working life have too often been prematurely abandoned. Skepticism is frequently most pervasive among line managers and unionized employees, the individuals with whom it is most important to build commitment to change. Although in most instances the innovations are built upon sound behavioural science findings, they too often founder because of poor implementation, misunderstanding, lack of genuine commitment by labour and management, and a poor appreciation for how traditional labour-management relations can act as a barrier to implementing change and further entrench adversarial attitudes.

Human resources are now being considered as assets, and labour is increasingly being recognized as a stakeholder.

techniques generally referred to as organization development has been used successfully in other organizational contexts to solve problems associated with implementing change, employee motivation, conflict resolution, and decision making. And third, traditional notions about the role of labour in the management of an enterprise are gradually being abandoned.

This study explores these streams further by reviewing labour-management relations from a systems point of view and showing where emerging areas of interaction between the parties do not lend themselves to the traditional legal and administrative methods of conflict resolution. In addition, it outlines how techniques and processes developed in the field of organizational development can and are being used in these emerging areas as an alternative to the traditional process. Finally, it shows how these techniques can be applied in the traditional areas of interaction and how they are, overall, consistent with the changing nature of work in our society and relationships within organizations.

A Systems View

For the past four decades it has been generally recognized that labour-management relations should be viewed as a system. One of the most widely accepted systems models is that of Walton and McKersie (1965, 1991). This model (figure 1) views labour relations as composed of four components: determinants, areas or arenas of interaction and activities, emergent relationships between the parties, and consequences. As with all systems, there is a fundamental relationship between the elements whereby they interact to a greater or lesser degree with one another. While Walton and McKersie focus on understanding the relationship between the parties in the context of collective bargaining and the negotiation of a collective agreement, it is now more generally accepted that the model can apply to the full range of interactions between labour and management.⁴

From the point of view of change and, particularly, of developing better relations between labour and management, the two key elements in figure 1 are the centre boxes—those dealing with interactions and activities and with the nature of the relationship. They form the central part of the analysis here, which outlines how organizational development strategies are used to introduce innovation and potentially to build more collaborative labour-management relations.

Arenas of Interaction

Seven categories or 'arenas' of labour-management interaction are identified in figure 2 and divided into two major groupings—traditional and emerging. This model and 'typology' of interaction can be used as an analytical tool for diagnosing what is happening in the relationship between labour and management and serve as a basis for undertaking interventions to bring change to the organization and improve relations.

⁴ In their *Strategic Negotiations* (1994), Walton, Cutcher-Gershenfeld, and McKersie revisit labour-management relations theory with an analysis of change in the forest products industry in the United States. They find that change within this industry has taken place due to a combination of *forcing* and *fostering* strategies. Although we do not disagree that change can and often does take place as result of management *forcing* it to happen, our model is clearly more consistent with a *fostering* strategy. In our analysis we are endeavouring to go beyond theirs by explaining, in more detail, how that can happen.

*Techniques and processes developed in the field of organizational development can and are being used as an **alternative** to the traditional process.*

Figure 1
Model of a Labour Relations System

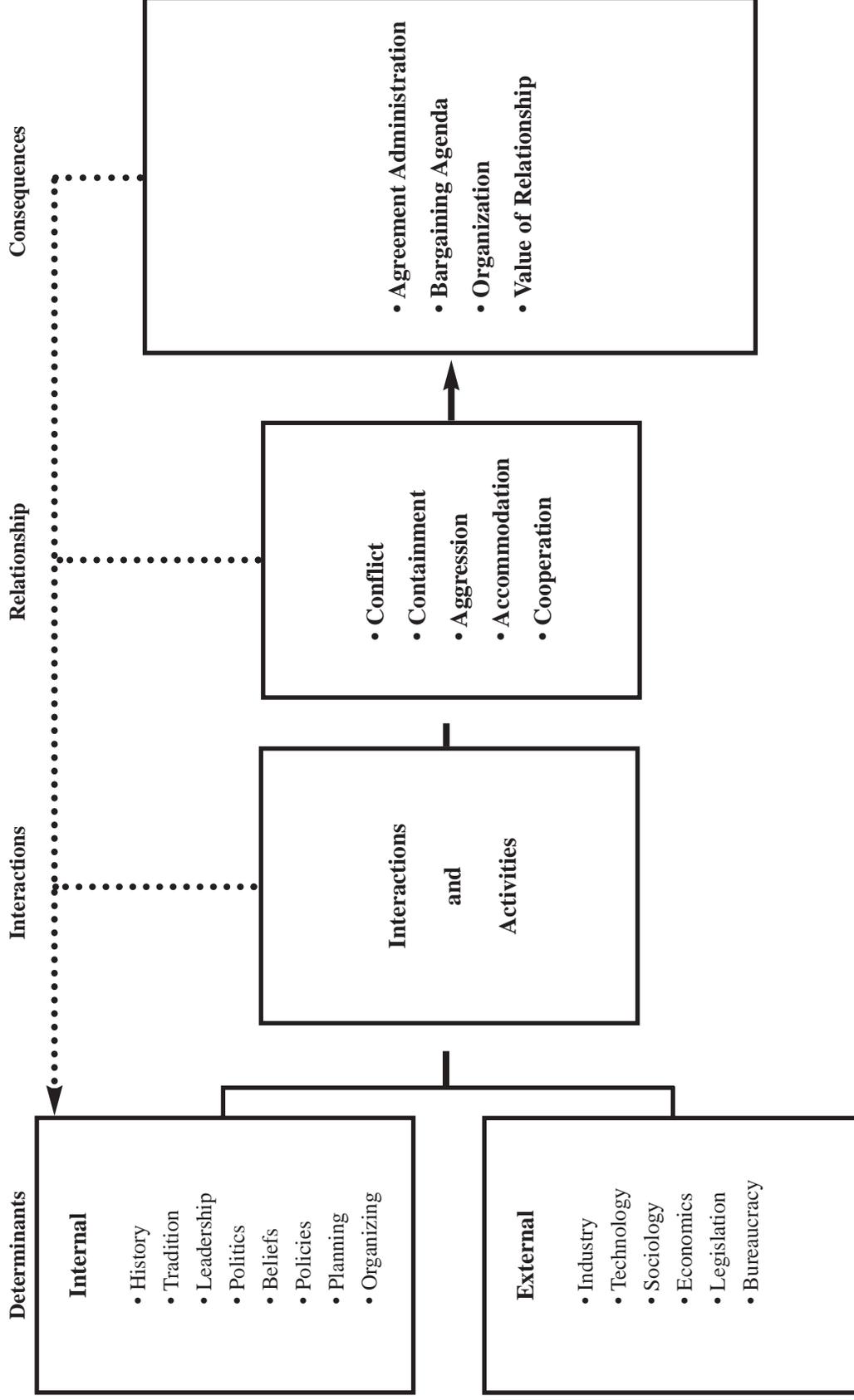
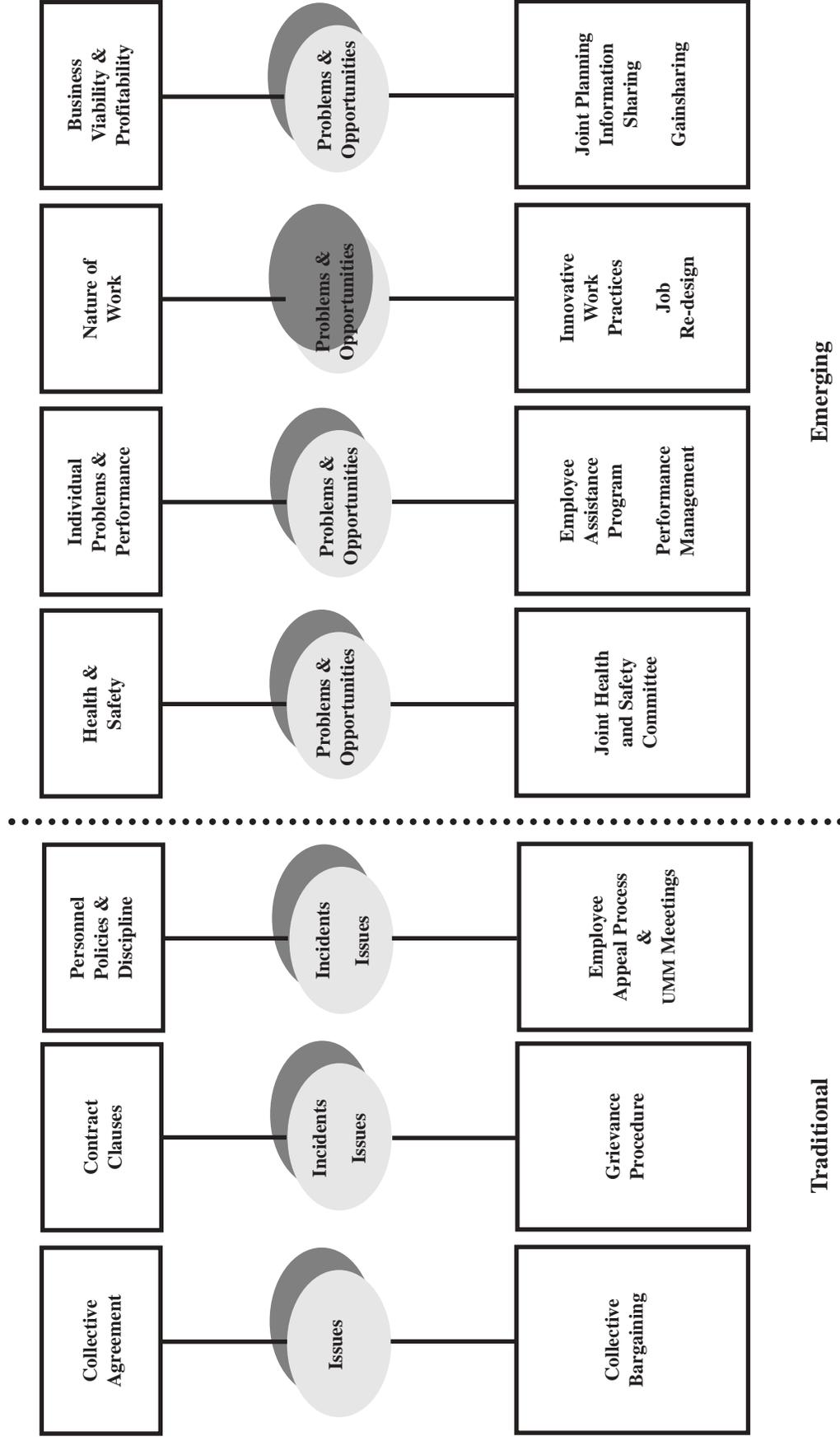


Figure 2
Arenas of Interaction



*It is being recognized by both labour and management that traditional disciplinary or punitive methods are either **ineffective** or counterproductive for solving the root cause of the problems.*

Arenas

The traditional arenas of interaction are those with which we are most familiar, and in each one there exists, either in law or through the mutual agreement of the parties, some kind of legal or administrative framework for the resolution of incidents which arise out of the interaction. In the first arena the collective bargaining process is intended to resolve issues associated with establishing or renewing a collective agreement. In the second arena—contract clause interpretation—there is the grievance and arbitration process. In the third arena—personnel policy interpretation and disciplinary matters—there is usually a recognized employee appeal process for resolving disciplinary incidents; and for non-disciplinary personnel policy issues, there is normally a process for management and the union to come together in union-management meetings to discuss and resolve matters of mutual concern.

Emerging Arenas

Over the past two decades, unions and management have increasingly become involved in programs and activities that fall outside the three traditional arenas, by and large because both parties have recognised that it is in their mutual best interest to collaborate, in view of the evolving role of labour and the expanding responsibility of the organization in our society. Or perhaps legislation has been enacted which requires the parties to interact.

The first arena, occupational health and safety, has emerged because the labour movement has increasingly emphasized safety, industry has generally recognised a responsibility for and the economic sense in providing a safe and healthy work environment, and government has passed legislation related to health and safety. Joint union-management health and safety committees are now legislatively required and exist in most workplaces.

The second emerging arena is associated with a wide spectrum of personal and performance problems that affect employees' work and manifest themselves in sub-standard performance, absenteeism, family breakdown, alcoholism, drug abuse, and a host of other symptoms. Performance problems relate to the quantity and quality of an individual's work and can be the result of a host of factors, including a poor fit between the employee and the job, poor job design, inappropriate or unclear work expectations, inadequate training, and poor supervision. Again, it is being recognized by both labour and management that traditional disciplinary or punitive methods are either ineffective or counterproductive for solving the root cause of the problems. Hence, employee assistance programs, which in some instances are jointly designed and/or managed, have emerged, and nondisciplinary corrective measures have been used to deal with performance issues.

The area of employee performance management is probably the least well understood of the emerging arenas and therefore the one offering significant potential. Currently, when confronted by a performance problem with a unionized employee, management feels compelled to use progressive discipline, which in turn sets up an adversarial and emotional confrontation between the union and employee and management—with predictable consequences. The traditional legalistic and administrative approaches to dealing with the issue of performance have proven to be universally unsatisfactory in solving the underlying causes of the performance problem. In fact, in most instances they exacerbate it because they are punitive. Although there is a wealth of research and literature available on how to better deal with performance and discipline, management has been loath to address the issue with labour because it strikes at the heart of 'management's right to manage.' Unions are reluctant to deal with it because they do not want to run the political risks associated with involving themselves in two areas—discipline and performance assessment—that they would rather leave to management.

The third emerging arena of interaction relates to job and organizational design and the search to create more productive and rewarding work environments. These developments are often covered under the umbrella term 'innovative work practices.' Change initiatives to improve the nature of work require management and labour to work together on the common goal of improving employee quality of working life, while at the same time increasing organizational effectiveness in terms of increased output, waste reduction, or improved quality.

The final emerging arena relates to corporate business and profitability planning. Increasingly, management and labour are coming together to talk about long-term corporate plans and profitability. In numerous examples labour in North America is participating with management, either formally or informally, in corporate and business decision making, planning for future profitability, and sharing the gains. In some cases this collaboration has been brought about by the potential demise of the organization and a recognition that survival of the enterprise depends upon the parties working together. In other cases both parties have recognised that working together can produce mutually beneficial results.

This pattern of emerging relations has been heralded as the emergence of a new world of industrial relations (Kochan, Katz, and McKersie 1986, 1994). This prediction, may or may not be correct, but the truly interesting aspect of these changes is that the approach and processes associated with each of them are very distinct from those used in the traditional arenas of interaction. In fact, experience has shown that none of the four emerging arenas is particularly well-suited to traditional methods, and new approaches based on organizational development concepts are being applied by innovative companies and unions in their search to find 'a better way.' However, figure 2, above, shows a conceptually distinct line separating the traditional and emerging areas. This line constitutes, for many organizations, a 'barrier' to evolving new patterns of interaction, even though, to a large degree, improving relations means breaking through this barrier. The process of breaking through the barrier is dealt with in greater detail later in this study.⁵

Relationship Patterns

From the point of view of change the second key element in figure 1, above, is the nature or pattern of relationships between labour and management. It is widely accepted that those relationships range on a continuum from open conflict at one end to cooperation or collaboration at the other.⁶ Between these two extremes a number of points can be identified as characteristic of a certain kind of relationship (figure 3).

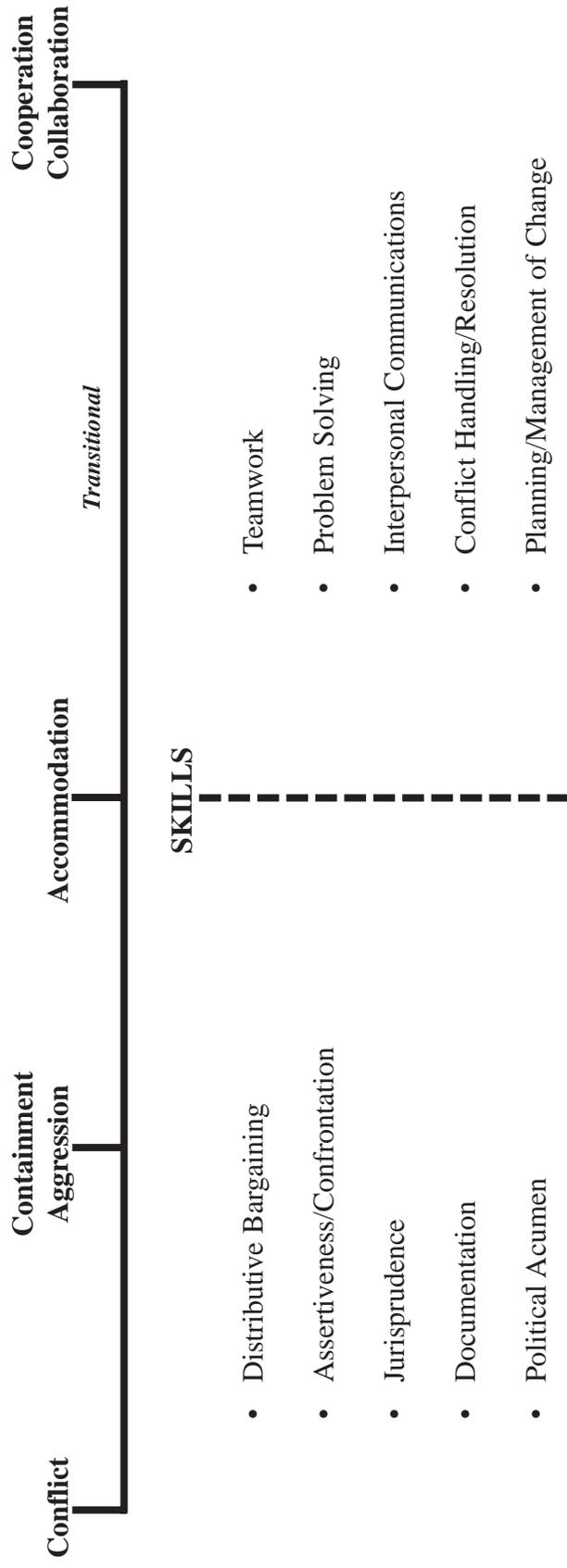
In a case of conflict, the relationship is characterized by extreme distrust and dislike of the other party. In a containment-aggression relationship there is still distrust, but not to the same degree, and dislike becomes antagonism. As we move towards accommodation at the centre of the model, the relationship becomes more courteous, and there is limited trust and acceptance of the other party. To progress further on the continuum, the expe-

5 When labour and management undertake joint projects there often appears to be an intuitive recognition of the barrier between traditional and emerging arenas. Correspondingly, there will often be a specific recognition, in the principles statement or memorandum of understanding that invariably accompanies the process, that the parties will not deal with any items that are covered by the collective agreement. In the early stages of relationship-building this ability to 'park' items to be handled using traditional means can be very beneficial.

6 In their original model, Walton and McKersie extend the continuum to 'collusion.' We have excluded this element because collusion is characteristic of an essentially bankrupt relationship and therefore not relevant to our analysis.

*Increasingly, management and labour are **coming together** to talk about long-term corporate plans and profitability.*

Figure 3
Spectrum of Relationships



rience of the author of this study, and that of others, suggests the parties must pass through a transitional phase before they are able to function in a truly cooperative mode. The transitional phase is characterized by experimentation in which the parties search out and test new ways of working together around issues and problems of common concern. Obviously such risk-taking requires a degree of trust and openness that is not characteristic of traditional adversarial behaviour. It should be stressed that organizations that attempt to jump from one end of the spectrum to the other, without passing through such interim stages, are likely doomed to failure.

Cooperation/collaboration, the final stage, involves a very positive relationship between the parties, trust and acceptance of the legitimacy of each other's role and responsibilities, and a conscious striving for mutually satisfying solutions to problems within the context of a collective bargaining relationship.

It is apparent that similar patterns emerge in figure 3 and the previous model, figure 2. In effect, there is a breaking point or barrier at which the relationship changes fundamentally. In figure 3 it occurs around accommodation. In a substantive way, the basis for breaking through this barrier is the same as for the one identified in the arenas model of figure 2: traditional skills associated with distributive bargaining, assertiveness, understanding jurisprudence, documentation, and political acumen give way to the emergence of cooperation skills such as teamwork, joint problem solving, interpersonal and intergroup relationship building, conflict resolution, and the management of change.

To summarize, the two models can be integrated to show the emergence of new arenas of interaction between labour and management that are creating demands to alter existing relationships from the traditional adversarial ones to relationships characterized by cooperation and collaboration. In the process, management and labour are being required to develop, learn, and apply new and very different skills in order to operate in these new arenas of interaction.

One can speculate that as the parties become more familiar and skilled in working together in the emerging arenas there will be a 'flow-back' effect on the traditional arenas and that the processes of contract negotiation, grievance handling, and dealing with disciplinary matters will become more collaborative and less adversarial over time. However, as stated above, these kinds of activities are emerging only in a minority of circumstances, and until the parties to a relationship are prepared to break through the barrier into new arenas of interaction, there is little likelihood they will be able to learn about or experience the benefits that can be achieved by applying these skills, and there is therefore little chance of this flow-back phenomenon taking place.

It should be realized that the relationship between management and labour has classically been assessed in terms of the relative power of the parties, and power is undeniably a very significant factor. To anyone who is at all close to the labour relations scene, power is a very real concern, and considerable energy, both on the part of management and labour, is expended to acquire and retain it. It is the assessment of the author of this study—and the assessment of others who work jointly with labour and management in implementing workplace change—that issues associated with power become increasingly irrelevant as the parties break through the barrier into new arenas and that the breakthrough provides for the release of considerable energy into more creative and effective activities involving the parties. Additionally, increased power flows to both the parties as they move away from the zero-sum game of traditional win-lose adversarialism and start creating synergy through the win-win of collaboration.

This breakthrough, however, will not be accomplished or sustained without: the realization that change has to be planned and managed through organizational development

*Increased **power** flows to both the parties as they start creating synergy through the win-win of collaboration.*

*The development of **skills** jointly with labour and management, is the critical element.*

strategies, and without the development and application of certain skills. In fact, the contention here is that the development of skills, jointly with labour and management, is the critical element in successfully implementing and sustaining workplace change and improving labour-management relations.

Understanding the Skills

The parties must share certain key skills on an experiential level if they hope to improve their relationship. Based on our experience and an assessment of work done elsewhere, we see the following as the most important skills:

- *Teamwork.* The ability of those involved, whether management or labour, to recognize that many of their goals are compatible and that they have to be prepared to use their common resources to achieve those goals by working together in their mutual best interest.
- *Joint Problem Solving.* The agreement by the parties to adopt a shared approach to decision making and problem solving and the commitment to use that approach faithfully in resolving problems, without reverting to win-lose strategies.
- *Interpersonal/Intergroup Relations.* The recognition that there are legitimate differences between individuals and groups but that there are developmental ways to resolve these differences so that both parties are satisfied with the outcome.
- *Conflict Handling/Resolution.* The ability to recognize that in the highly-charged world of labour-management relations, conflict is inevitable but that there are ways of handling and resolving conflict in a mutually beneficial manner, just as there are ways that are typical of an adversarial relationship, and that the former, rather than the latter, is preferred.
- *Management of Change.* The realization by the parties that change should be planned; that planned change is preferable to unplanned change, and that mutually desired ends can be achieved through a planned change process in which the above-mentioned skills are applied throughout.

These five sets of skills should not be thought of as separate and distinct: we can best visualize them as a set of overlapping circles in which each skill area is very much interactive with the others, with teamwork as the core (see figure 4).

Building the Skills

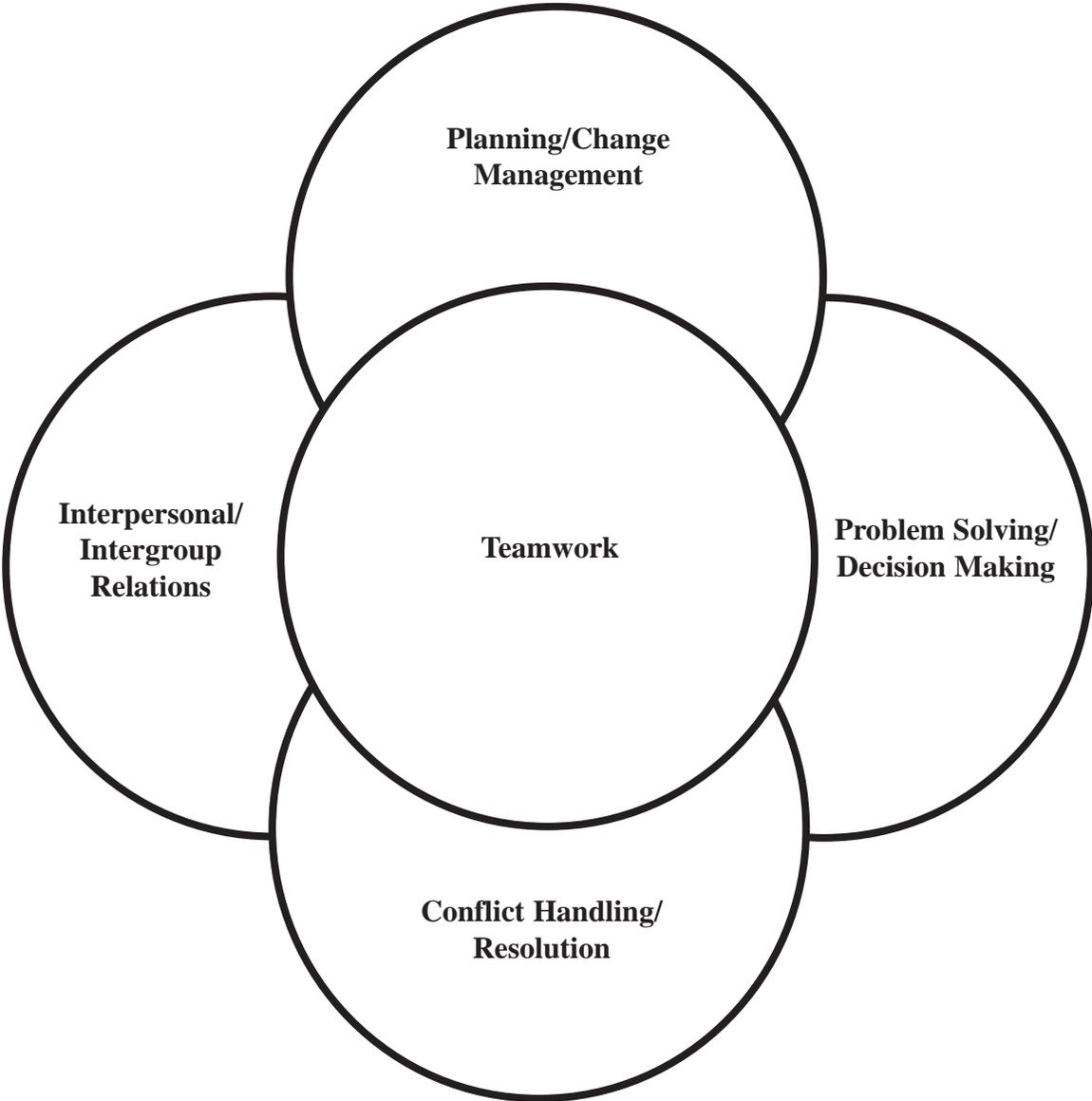
There are various ways in which any of the skills outlined above can be developed by the parties in the context of labour-management relations.

Teamwork

The 'technology' of team development has grown over the past three decades to the point where a number of very effective processes are available today. They all share the same elements, however.

First, the parties must come together on a commonly held problem or task which requires them to work together, make decisions, and take joint action. Second, an agreed-

Figure 4
Skills



*Adherence to an agreed-upon approach to solving problems can produce **better** solutions and reduce conflict.*

upon common goal is established in each case, along with a plan for achieving it. Third, resources from both parties are used and shared. Fourth, leadership is shared. And fifth, attention is paid to the process used by the team to ensure that decisions are made on a consensus basis.

Some of the examples around which the author has seen teamwork built have involved the development of a joint employee assistance program, the examination and development of recommendations for improving physical working conditions and the nature of work, and labour and management working together to develop a mutually supported safety program. In each case both parties recognized that their goals were similar and that there was mutual benefit through cooperative action. And in each case, the work was carried out with the assistance of an experienced facilitator who had the responsibility for training and coaching participants.⁷

Joint Problem Solving

The process and concepts associated with problem solving and decision making have long been taught and practised in the world of management. It is accepted that adherence to an agreed-upon approach to solving problems can produce better solutions and reduce conflict. Although several models for problem solving exist, each has the common elements of starting with a clear definition of the problem, engaging in a process of problem analysis/data collection, determining alternative solutions, selecting the best alternative, and implementing the selected alternative. The desirability of applying the problem-solving process to labour-management problems is obvious. The unique aspect of a joint approach is that the behavioural aspects of labour and management coming together are recognized. This means that the parties are jointly introduced to problem solving and learn how to deal with the behavioural as well as the methodological aspects of the process. Under these conditions, positions are not automatically polarized, and the fundamental part of joint problem solving—dealing with perceptions and attitudes as a prerequisite to substantive action—is examined.

Joint problem solving can be taught in several ways, but in the author's experience the best way is in a workshop setting where management and labour work in mixed, small groups using a prescribed problem-solving process. As the groups proceed through the problem, there is periodic examination of how they are doing and of their perceptions and attitudes to the process and to each other. Initially the parties work on simulated problems, but eventually they evolve to using the same process and skills to solve real problems of mutual interest.

Interpersonal and Intergroup Relations

Whenever individuals get together in a multi-group situation, the potential for conflict always exists. It generally arises as a result of personality problems, different goals, historical differences, a perceived power imbalance, or role confusion. The very nature of traditional relations between management and labour involves interpersonal and intergroup relations problems. There are, however, recognized processes that can be used to improve intergroup and interpersonal relations. The ones which the author has seen to be most effective are

⁷ One area which is often forgotten in the team development process is teaching the parties how to run effective meetings. A well-intentioned initiative can founder on something as simple as 'meeting fatigue,' when participants in the process see their commitment erode because of the inefficiency so often experienced in meetings.

- Increasing the chance for the parties to get together away from traditional issues;
- Increasing communications and information sharing that is particularly related to operational matter;
- Involving as many people from both labour and management as possible in solving 'real life' operational problems;
- Undertaking joint research and data collection related to economic conditions or research related to employee attitude and job satisfaction;
- Encouraging the parties or individuals to share and discuss their perceptions of one another and exchanging roles for a period of time;
- Involving the parties in a relationship-building workshop where they jointly look at issues related to personal conflict-management styles, strategies for handling emotions, trust building, and communications.

Conflict Handling and Resolution

In labour-management relations, conflict is an ever-present reality. Often, the parties are locked into a vicious cycle, where layers upon layers of games are being played in an endless battle of win-lose.

Unfortunately, in most cases, this conflict is allowed to continue and is viewed as an inevitable part of the 'labour relations game.' The ability of the parties to recognize the potential for conflict in many of their interactions is an important prerequisite to resolution, but more important is a willingness to try to correct the situation. Some of the processes described above are important for conflict reduction. In the past several years a number of unions and companies have attempted to implement alternate dispute resolution (ADR) processes as a means for reducing the conflict that inevitably accompanies more traditional approaches. ADR is one of an array of ways to deal with problems and make decisions on the basis of mutual understanding and rationality, as opposed to emotions and adversarialism.

In a similar sense considerable potential exists for reducing or eliminating possible conflict between management and unions through joint training in areas such as quality and performance management and occupational health and safety. Conflict between the parties can be reduced or eliminated by having them both work from the same understanding and knowledge of the situation, if there is a well-grounded and informed basis for agreement on principles that, in turn, can be used to resolve issues.

Management of Change

The final skill that is important to improving labour-management relations is an understanding of the processes and the concepts associated with managing change.

In the author's experience, the easiest and most effective way of developing an understanding of change is through direct involvement of the participants. This is commonly done through their participation in a steering committee overseeing the change process. The benefits of joint involvement are evident, since it is consistent with the development of skills in the other areas outlined above. Other than steering committee involvement, change management skills can be developed through workshops or the use of management or union personnel in a facilitative or consulting capacity to assist in managing change.

*The ability of the parties to recognize the potential for conflict in many of their interactions is an important prerequisite to resolution, but more important is a **willingness** to try to correct the situation.*

What is important to know about this skill, like all of the other four, is that although workshops and seminars help in developing understanding, it is really only developed and inculcated into the parties through experience—actually making the changes happen.

Making It Happen

Regardless of the type or arena of activity that brings the parties together, the general process they would follow in their association is basically the same. This process and its associated elements are summarized in figure 5. It is composed of the following nine elements.

The External World and the Internal Context

It is impossible to pick up a newspaper, watch television, or listen to the radio without being inundated by information on the massive changes occurring in our turbulent economic, political, and social environments. These external changes are placing greater internal strains on all our institutions, and those who cannot cope or adapt are threatened with extinction. This reality is common knowledge and the nature, extent, and dynamics of these changes need not be elaborated on here. They are important to our model, however, because they form the basis for an increase in union and management awareness and for the recognition that something must be done and that inaction is a prescription for eventual demise and failure.

Recognized ‘Hurt’ and the Need for Change

The degree to which management and labour are willing or able to identify—in external and internal changes—the need for mutually planned action that will affect their common destiny depends largely on their previous experience and the nature of their relationship. If there is a high degree of mistrust and conflict it will be more difficult. However, if the situation has been less adversarial or if the ‘hurt’ is extremely high, the parties are more likely to come together to undertake an exploration or joint search for common action. In other words, the parties will recognize that something must be done.⁸

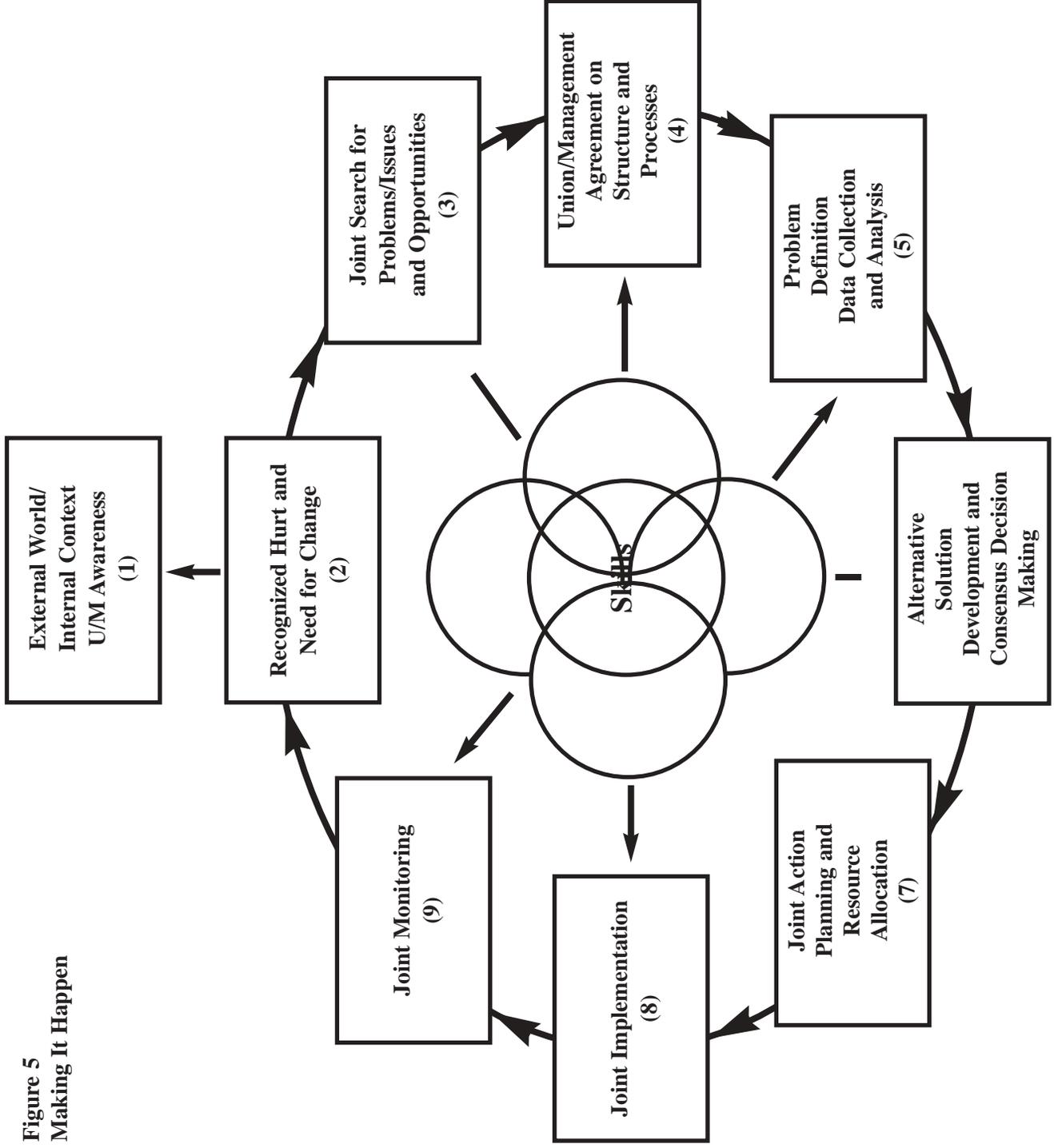
Joint Search

In the joint-search phase, the parties try to identify problems and opportunities in an emerging arena that they can collectively work on. In some cases, the services of a third party are involved in this step. The use of a third party, skilled in organization development, is something the author strongly recommends, not only to facilitate the process at these critical early stages but also to bring an outside perspective and help the parties to ‘think outside of the box.’ Once the parties have mutually agreed that something can be done and have roughly agreed on what that something is, steps are undertaken to set up structures and processes to continue the search process.

⁸ A very well-known model of organizational development (Lewin 1951; Beckhard 1977) portrays the propensity for change as the function of three elements: leadership or championing of the process, the amount of ‘hurt’ being experienced, and having a clear vision and process for change. We believe that hurt and leadership are relatively easy to grasp; vision and process are not. For this reason we have focused this article on those two elements.

*The use of a **third party**, skilled in organization development, is something the author strongly recommends.*

Figure 5
Making It Happen



Agreement on Structures and Processes

Trying to reach an agreement on structures and processes is a 'make-it-or-break-it' step, for it requires the parties to determine how they are to work together in a substantive way. It normally involves some statement of their mutual intent (goals) outlined in a formal document (letter of agreement), which may also include information about the types of structures they will work within (steering committees, task forces, and so on); guidelines that will govern their relationships; provisions to uphold the collective agreement and management's responsibility to manage; how decisions will be made; and how progress will be communicated to the union members/employees.

Problem Recognition and Analysis

If by this stage joint training in group problem solving, conflict handling, teamwork, and interpersonal and intergroup relations has not occurred, it should now take place. The field of organizational development is replete with structured processes, exercises, and tasks which can be utilized to tailor-make the appropriate learning experiences. The degree and extent of this training (what should be included, who should attend, when it should take place, in what sequence, with what costs, and so on) are decisions that are made by the joint committee outlined in step 4.

After they have received the training, the parties are in a position to use their newly acquired skills to work together on the identified problems. It is critical that the parties actually use these skills as soon as possible in order for them to become inculcated. In determining a problem or problems to work on, it is recommended that the parties initially restrict themselves to the emerging areas and gain some understanding and confidence in the process before going after more traditional issues. A process used with considerable success by the author over the years for identifying problems and issues is to conduct focus-group sessions with representative employees. The problems and issues brought forward by employees in these groups have been substantive and balanced in terms of things that have primacy to management (that is, output, production efficiency, cost control, and quality) and the union (working conditions, quality of working life, and equity and fairness of treatment). These focus groups have an added advantage in that they begin to build grassroots, shop-floor support—beyond management and the union executive—for the change initiative.

Decision Making

The acid test (and in many cases the watershed experience for the parties) in building a new relationship comes in decision making, the sixth step of the process. Decision making can be a polarizing activity, particularly if the issues are emotionally loaded or if there is a marked deviation from past practice. In order to get over this hurdle, the parties have to be prepared to work towards making consensus decisions and to fastidiously avoid strategies of win-lose. Again, an outside process facilitator is often used to assist the parties through initial attempts at consensus decision making.

Joint Action Planning

Joint action planning requires the determination of what is to be done, when, and by whom, and it requires some estimation of the resources and costs involved. It is the

*The acid test in building a **new** relationship comes in decision making.*

author's experience that considerable positive energy is derived from this step, insofar as the critical 'feeling out' and decision making have been completed and a degree of trust has been established. As well, there is the very natural desire to make things happen. However, two things should be realized about this step: first, too many plans or plans that are too ambitious should be carefully avoided in the early stages, and second, small successes that can be implemented easily and carry some visibility are what we recommend the parties strive for in the initial phase. One large, high-profile failure will kill the whole thrust towards improved relations and, in fact, exacerbate poor relations.

Joint Implementation and Joint Monitoring

The final two steps, joint implementation and joint monitoring, are to a large degree self-explanatory. One thing, however, should be noted. There is potential, over time, for the parties to lapse into old relationship patterns and to slide into traditional ways of dealing with issues. To avoid this, it is important to revisit the skills periodically to make sure they are being used and applied. This can be done in several ways. One is through periodic self-auditing at union-management meetings; another is through the use of an outside consultant to give the parties feedback or assistance; and a third is through a retreat away from the 'day-to-day,' where the parties undergo an 'encounter,' reviewing basic principles and re-examining their relationship and the processes they have used to build it.

If the parties have experienced some success in whatever arena they initially chose, the likelihood of their new relationship continuing is greatly strengthened. When this is the case, they will be encouraged to begin a new search, and the cycle will be repeated. Each successful endeavour will further reinforce the new relationship, so that it becomes no longer an experiment but a 'way of life.'

Bringing It All Together

To this point, it has been suggested that while traditional management-union relations are rooted in a largely adversarial system governed by legal and administrative frameworks and procedures, a number of new arenas of interaction have been evolving that require the development and application of skills (and attitudes) which are more appropriate and characteristic of a collaborative relationship.

As companies and unions cautiously explore together, for whatever reasons, one of these emerging arenas and as they experience some success in their initiatives, a 'flow-forward' phenomenon occurs which will make it increasingly easier for them to engage in dialogue and problem solving in other emerging arenas. It is further suggested that the previously mentioned 'flow-back' phenomenon can also occur and that it will influence the total relationship over time and affect how the inevitable conflict is handled and resolved in traditional arenas.

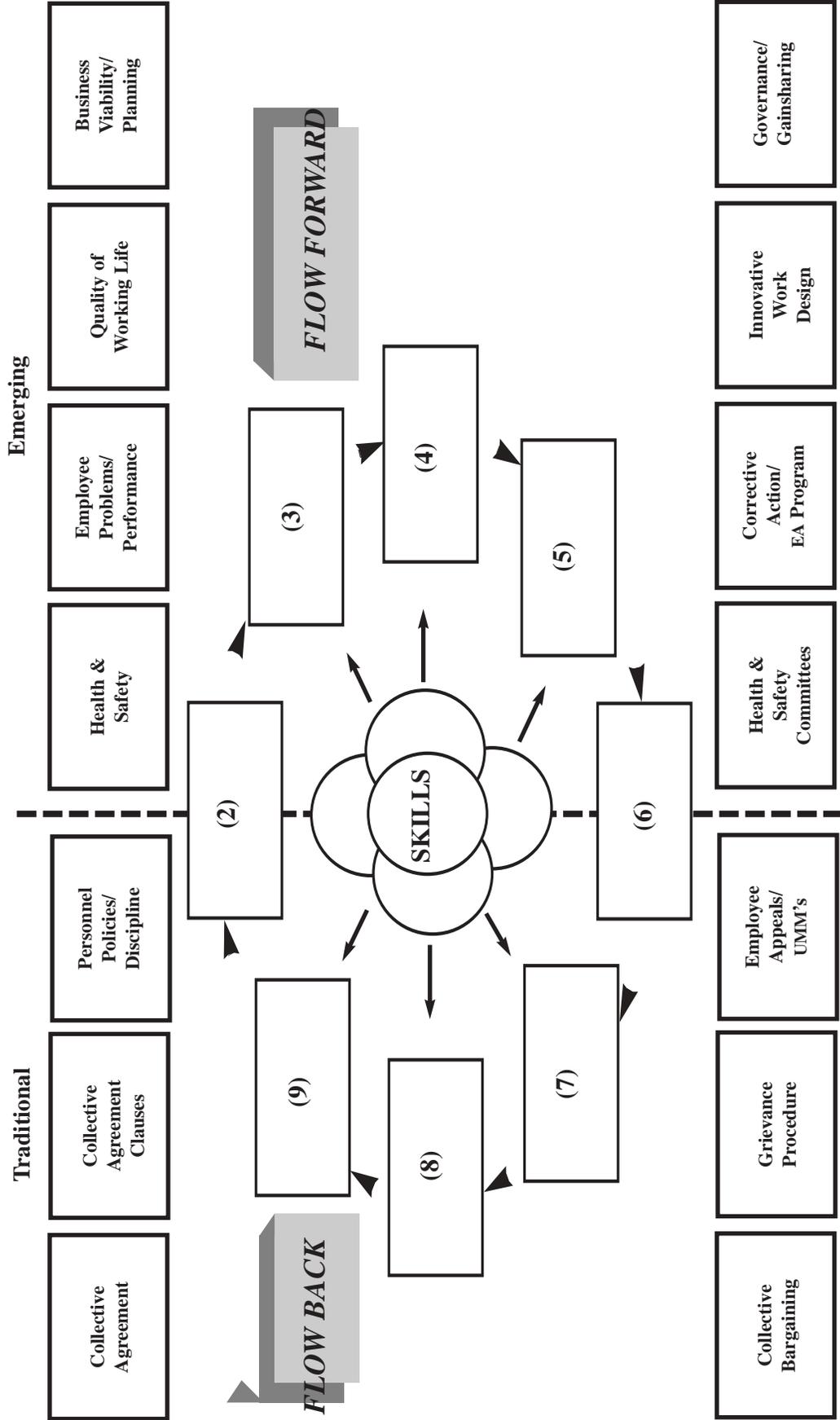
These two phenomena—"flow forward" and "flow back"—can be displayed visually by superimposing figures 2, 4, and 5, as can be seen in figure 6.

Conclusion

The process of implementing change and improving labour-management relations is a very difficult task, and there are many places where it can fail. Neither will it necessarily be self-sustaining. Nevertheless, a number of companies and unions have successfully

*As the parties experience some success in their initiatives, a **'flow-forward'** phenomenon occurs.*

Figure 6
Composite of Arenas, Skills and Process



made breakthroughs in different emerging arenas of interaction and have developed more cooperative relationships around issues of mutual concern. The appendix provides two instructive examples of situations in which the author was involved in the introduction of workplace change. In one case the process worked; in the other it did not. Both cases provide important lessons about the change process.

The implication these experiences have for the world of labour-management relations is significant; that is, conflict may not be as inevitable as one might suppose, and the potential for improvement exists on several fronts. It is our belief—and one that has been suggested by other writers—that the continued success and sustainability of these programs will depend upon expanding them to all the arenas of interaction and on-going skills development (Kochan and Osterman 1994; Betcherman et al. 1994).

This study has developed, within the context of classic labour-management relations theory, a model for better understanding the traditional and emerging nature of the relationship between labour and management, and it has demonstrated that significant potential exists for the two parties to collaborate. We have identified a key ingredient for making this happen—the joint development of collaboration-related skills. This study has outlined the steps needed to introduce change and allow for the use of these skills, and it has attempted to show how the parties can potentially become more collaborative across the whole spectrum of their relationship.

Appendix

Two Case Studies—Where It Worked and Where It Did Not

In two cases outlined below, the author had the opportunity of working with labour and management on the introduction of workplace change. The circumstances associated with both cases are very similar, in that each organization was a manufacturing operation located in a largely rural community. Both operations were significant employers in the community and provided wages and benefits that were very competitive in the local labour market. There were approximately two hundred employees at each plant, working in a traditional organizational structure: a plant manager overseeing four to six functional managers, who in turn managed the work of operations supervisors. The supervisors in each case were responsible for various aspects of day-to-day operations. Both plants had a history of fractiousness between the union and management, with the relationship being somewhere between accommodation and containment-aggression on the spectrum set out in figure 3.

Notwithstanding the adversarial nature of the relationship, the parties, in both cases, were very aware that their operations were highly vulnerable because of their location and the volatile nature of the businesses in which they operated. In both operations labour and management clearly recognized the 'hurt' and the need for change.

There were differences between the plants—one was in Western Canada, the other in the Midwestern United States. One was a continuous-process operation producing commodity and specialty grain products. The other manufactured custom-design aluminum products for the commercial construction industry. These differences did not, however, determine the success or lack of success in introducing workplace change and improving labour-management relations.

*Conflict may not be as inevitable as one might suppose, and the potential for **improvement** exists on several fronts.*

Where It Worked

The turning point in recognizing the need for change at the U.S. organization—the Keokuk, Iowa, operations of Ogilvie Mills—came about as a result of a day-long problem-identification workshop with operations management that was run by the author at the request of senior management. Over the two previous years a number of ‘packaged’ approaches had been tried to increase performance and morale at the plant, with no success. Rather than leading to changes and a more positive climate and positive results, these initiatives had led to skepticism and wariness on the part of the work force and supervision, in particular. In the workshop, the operating management group identified changes that were needed in various areas, not the least of which was the relationship with the union. On the strength of this analysis and with encouragement from the company’s head office, the union executive was approached to determine if they were willing to work with management on trying to resolve the performance and morale issues. They agreed and a joint union-management steering committee was created, along with a vision statement for the plant.

Initially the change process involved rectifying obvious problems, such as the lack of skills training, the excessive control and discipline exercised by shop-floor supervisors, and the apparent inability of the company to correct nagging safety issues. Visible indicators of the old system and culture, for example, designated parking, separate Christmas parties, and dress codes were eliminated (all management personnel took to wearing the same industrial green uniform as plant employees). As the parties grew more comfortable with each other they moved into more contentious areas such as performance measurement, the creation and training of semi-autonomous work teams, the development of a recognition and reward system for teams that was consistent with the change towards self-management, a radical revision of the role of the supervisor, and the implementation of a discipline-without-punishment process. Substantial improvements were recorded in both performance⁹ and employee morale. Three key factors in our model led to the breakthrough and sustainability of this project.

- First was the recognition by the parties that they wanted to make improvements and that if they were to do so the relationship between union and management would be a crucial element in making the change happen. In other words, the organizational development effort had to take place *within the context* of the relationship between labour and management.
- Second was the realization that *new skills* in how the parties related to one another had to come into play in every aspect of the operation, from how the steering committee performed its role to the way supervisors interacted with the newly empowered production teams.
- Third was a commitment to *use the process* for dealing with issues and not to fall into sub-optimal and potentially destructive approaches that had characterized the previously adversarial relationship.

⁹ In fact for a period of time everyone in the plant became too focused on performance and a constant push to increase production. More realistic performance expectations developed after a serious accident brought home the realization that there was a limit to the ability to produce beyond the engineered capacity of the plant.

Where It Did Not Work

The turning point in recognizing change was needed at the Western Canadian Operations of Forma Manufacturing Limited¹⁰ came during a two-day work stoppage that was resolved only when union and management agreed that third-party assistance was needed to help them improve their relationship. As a result of this agreement, the author was engaged to work with them on a relationship-improvement program. This program included the identification of workplace issues through focus-group meetings with shop-floor employees and supervisors, joint union-management relationship-improvement training, the creation of a joint steering committee and work groups to deal with identified issues, and the appointment of a process facilitator to help the steering committee and work groups carry out their activities.

Notwithstanding the validity of the process, there were no identifiable improvements in performance or morale. Post-intervention sessions with focus groups undertaken a year after the initial meetings found that employees on the shop floor saw either no improvement or only marginal improvement in the areas they had identified initially. A key member of the management team left the operation, citing a lack of commitment to the process as one of the reasons for his departure. All six members of the union committee, who had been deeply involved in the training, steering committee, and work groups, did not stand for re-election. In most cases, the reason was identified as frustration with the lack of progress in implementing much-needed workplace changes. A review of the situation indicates that the reasons why this program did not succeed were the obverse of the reasons why the other program did succeed.

- Despite joint training and a recognition that there needed to be more cooperation, both parties would not give up trying to make changes unilaterally and without consultation with the other.¹¹ In other words, the parties never accepted the *contextual importance of the relationship* and therefore did things that undermined any movement that was being made toward greater collaboration and cooperation.
- Despite the considerable amount of joint training done with the union executive and management, the parties too often approached conflict situations and issues using the same adversarial skills they had always used. They *did not use the new skills*, or used them too infrequently.
- Notwithstanding the creation of structures such as the steering committee and the work groups, *the problem solving process was never fully accepted*. It was seen as something extra, as opposed to being part of each participant's job. It limped along, and the more it limped, the less confidence there was in the process.

¹⁰ Due to the nature of the discussion that follows, the name of the company has been disguised.

¹¹ Perhaps the most dramatic action taken by either of the parties was when the union president wrote a letter highly critical of the plant's safety performance to the corporate head office and CEO (to whom safety was a well-known 'hot button') without any prior discussion with the plant manager. Much damaged by this perceived act of deception, the program got back on the rails only when the union president wrote another letter correcting many of the original inflammatory comments. Although not quite as obvious or heinous, management undertook several actions that weakened the program and had the union threatening to withdraw its support.

Both cases, whether describing a success or failure of workplace change and improved labour-management relations, demonstrate the fundamental importance of recognizing the labour relations *context* in introducing change, of ensuring the parties have the *skills* and use them, and of creating and following a *process* when introducing change.

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