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**INDUSTRIAL RELATIONS
RESEARCH ASSOCIATION**

Proceedings of the
1996 Spring Meeting

May 2-4, 1996

St. Louis, Missouri

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1180 Observatory Drive, 4233 Social Science Building
Madison, Wisconsin 53706-1393 U.S.A.

Reprinted from the August, 1996, Issue of
LABOR LAW JOURNAL
Published and Copyrighted 1996 by
C C H INCORPORATED, Chicago, Illinois 60646
Proceedings of the 1996 Spring Meeting
Industrial Relations Research Association

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Library of Congress Catalog Card Number: 50-13564

ISBN 0-913447-66-8

INDUSTRIAL RELATIONS RESEARCH ASSOCIATION SERIES:

Proceedings of the Annual Meeting

Proceedings of the Spring Meeting

Annual Research Volume

Membership Directory (every fourth year)

IRRA Newsletter (published quarterly)

IRRA Dialogues (published periodically)

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PREFACE

1996 SPRING MEETING

INDUSTRIAL RELATIONS RESEARCH ASSOCIATION

The Spring Meeting of the Industrial Relations Research Association was held in St. Louis, May 2-4, 1996. The Gateway IRRA Chapter (St. Louis) organized and hosted the meeting which featured more than 100 speakers in an impressive array of sessions. Chapter President Jerald Hochshtein and members of the chapter program steering committee including Edward J. Harrick, Don Giljum, Richard L. Horn, Carolyn Eskew, and Bud O'Toole were responsible for program development and arrangements.

The theme of the meeting was Gateways to Cooperation. Session topics included labor-management cooperation, grievance mediation, employment dispute resolution, union mergers, partnership agreements, cooperative initiatives in steel, and NAFTA developments, as well as on-line demonstrations for surfing the Net for labor information and a labor relations film festival. Highlights of the meeting included the presentation of the first annual chapter award in the memory of Charles Riley. Mr. Riley was a commissioner in the St. Louis office of the FMCS and was instrumental in building the Gateway IRRA Chapter. Thomas J. Kraus, Business Manager of Local 1439, International Brotherhood of Electrical Workers, received the award for his contributions to the chapter and his union.

A second set of papers has been appended to the regular Proceedings of the Spring Meeting. On June 7 and 8, 1996, a teaching conference co-sponsored by the IRRA was held at the University of Georgia. More than 200 industrial relations and human resource educators met in Atlanta to explore innovative education in the field. Bruce Kaufman, Georgia State University, and David Lewin, UCLA, arranged the first-time conference in conjunction with the University Council of Industrial Relations and Human Resource Programs (UCIRHRP).

The Association thanks the Labor Law Journal for the publication of papers from the IRRA spring meeting and UCIRHRP teaching conference. We also extend our appreciation to the Gateway IRRA Chapter and all of the paper authors.

The next winter meeting of the IRRA will be in New Orleans, January 6-8, 1996, as the Association begins its 50th year. We hope you will plan to attend.

Kay B. Hutchison
Managing Editor

LABOR-MANAGEMENT COOPERATION: A BUSINESS ETHICS AND BUSINESS-GOVERNMENT RELATIONS PERSPECTIVE

by Douglas M. McCabe

Dr. McCabe is a Professor of Industrial and Labor Relations, Georgetown University School of Business, Washington, D.C. He is the author of over 100 articles, speeches, and scholarly papers in the field of employee relations. An active consultant in the labor relations and human resources area, he holds a Ph.D. from Cornell University.

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INTRODUCTION

The purpose of this study is to survey and analyze the key and thought-provoking literature regarding labor-management cooperation as it relates to the issues of business ethics and business-government relations.

Historians say that history repeats itself. However, in the area of labor-management relations, there has been evolution rather than repetition, and it will probably continue.

A very hopeful development in management's relations with unions, pointing toward an era of mutual cooperation, is the recent re-design of the bargaining table. Traditionally, it has been a place where labor made demands on management, but recent changes in the economy, such as foreign competition and technological change, have reversed the situation. Management now makes demands on labor—specifically, management demands that unions abandon their traditional hostility and cooperate with management because they are sailing in the same boat on hazardous economic seas in which they can drown together.

A REVIEW OF THE LITERATURE

This radical change in labor-management relations was emphasized by Fischer.¹ He points out that in many companies, management is "running scared," fearful of losing its jobs in insecure companies. He states: "Managements which often lived in protected, virtually insulated economic environments, see their security in danger; companies are faced with many dangers—the need for new technology, inadequacy of investment funds, the need for improved employee performance." Paradoxically, although asserting that management "needs the employees and their unions as allies," he notes a contradictory management policy of retaining the traditional adversary relationship of the bargaining table.

Fischer appears to be accusing management of wanting to "eat its cake and have it, too," by insisting on union cooperation while preserving adversarial bargaining, something liked by both parties but for different reasons. Fischer resolves the paradox of cooperation in an adversary environment by pointing out that management keeps the two activities separate, for example, by installing participative management systems away from the influence of the bargaining table. In my opinion, management is making a mistake to the extent that it may be simultaneously cooperating with, and adversarially treating, unions. To do so

¹ Ben Fischer, "New Challenges for Labor and Management Achieving a Cooperative Climate," in *Proceedings, New York University, Thirty-Fifth Annual*

National Conference on Labor (New York: Matthew Bender, 1983), pp. 89-134.

ignores the recommendation of many observers that the time has come for the two parties to realize that they are in the same boat and must cooperate in sailing it in only one direction lest they end up sinking it.

Fischer goes on to declare that management is in a new era requiring new methods, while the traditional issue for labor—which has been to get more from management—has changed to “protecting the enterprise’s long range ability to provide a solid future for workers and for the economy.”

In my opinion Fischer’s most important contribution is his forceful condemnation of the absurdity of adversarial negotiations between labor and management in situations in which they have a mutual problem urgently requiring a solution. He uses the word “combat” to describe the traditional bargaining table. While acknowledging that “implementation of new attitudes aimed at problems-solving rather than combat is a difficult and challenging venture for which very little guidance is available,” he insists that in the present crisis period in which, as he says, “Instead of union demands we now see company demands.” His analysis is as follows:

The process calls for drastic revision of structures and procedures. Bargaining committees lined up on separate sides of a table and arguing in behalf of demands and counter-proposals is not problem-solving. In fact, if the traditional process does lead to a solution it is purely accidental.

Fischer’s praise of labor-management cooperation in their present crisis was not endorsed by Shaw.² His appraisal is that both labor and management could have done more:

Until U.S. companies lost so much business and had to close plants and/or lay off large numbers of employees, unions generally were not willing to negotiate cost reductions, even where companies needed concessions to be competitive in world markets.

In some instances, management has not done a good job of explaining its problems until they were at the very brink. But it is questionable whether such explanation would have been successful.

Shaw blames the government for a share of the blame in the present economic crisis of foreign competition, saying that “Regulatory law and the administration of said laws have been very costly and have reduced capital which was needed for the manufacturing facilities and new equipment.” Despite Fischer’s disparaging of the bargaining table as a problem-solving device, Shaw believes that what he defines as the cause of the crisis, namely, “excessively high labor costs,” must be resolved not by the government but at the bargaining table. He states:

I am in favor of joint productivity efforts, quality-of-life programs, etc. But the large differential in labor costs between Japan and the Third World countries as compared to the U.S. will have to be corrected at the bargaining table.

Both short-term and long-term, labor and industry must recognize that the viability of our economy requires an understanding of labor-costs problems and a willingness to improve our worldwide competitive position.

² Lee C. Shaw, “Cooperation for Needed Reductions in High Labor Costs,” in *Proceedings, New York Univer-*

sity, Thirty-Fifth Annual National Conference on Labor (New York: Matthew Bender, 1983), pp. 105-115.

Klare³ approached the problem of correctly understanding the possible future of cooperation between labor and management not as a replacement for adversarial collective bargaining but as an adjunct to it in a coming economic and social environment characterized by a trend toward at least some democratization in the workplace. Arguing against the concept of cooperation replacing adversarial collective bargaining, he states that "Interest conflict is a fundamental, inescapable feature of the employment relationship as we know it."

Klare sees three flaws in what he considered to be the viewpoint of some advocates of cooperation: a too exclusive focus on efficiency; overemphasis on attitudes, preventing advocates from seeing the historical basis of adversarialism; and failure to consider the power locus in a firm. He argues that the emphasis on mutual efforts of labor and management to improve efficiency overlooks other important considerations. Attitudes of labor and management, he points out, to encourage cooperation would require changes greatly in excess of what the advocates of cooperation usually contemplate. And as for the power locus, it is obviously in management, with Klare noting that "cooperation schemes do not involve, and are not intended to involve, any way for employees to influence their company's basic strategic course."

He insists that, despite the feature of cooperation, the proper place for establishing the code for the employment relationship is the adversarial bargaining table. His emphasis is on the principle that, in his words:

"Progress toward democratizing work requires abandoning the notion of a choice between adversarial and cooperative models and developing instead institutional structures that combine the virtues and mitigate the disadvantages of each."

Klare's last word is a call for "creative interaction" between adversarial and cooperative aspects of labor-management relations, a situation which he calls "a great challenge."

I consider it very unfortunate that Klare confined his discussion to broad generalities. I would have welcomed his detailed analysis of various types of cooperative ventures, but must settle for his presentation of what he calls "the changing world of work," which he says has caused organized labor great difficulty in adjusting to it. He stated:

Union density has been in steady decline for about thirty years ... Union membership is heavily concentrated in declining sectors ... Labor has had great difficulty in adapting strategically to the changing environment ... Politically isolated and bewildered, labor appears a helpless victim of employer's widespread willingness to violate the National Labor Relations Act.

I was disappointed that Klare dropped the subject of management's violations of the NLRA without comment. At issue is the present furor in the news media regarding unethical practices in business and government, with Klare stating that they are widespread in business. It is questionable whether cooperation between labor and management is possible to any meaningful degree in an environment in which management carelessly disregards ethical considerations, assuming that it has any. The critical element here is whether management has the type of ethics which has automatic, built-in punishment in the form of a nagging conscience. If not, its only fear is getting caught.

³Karl E. Klare, "The Labor-Management Cooperation Debate: A Workplace Democracy Perspective,"

Harvard Civil Rights—Civil Liberties Law Review, Winter, 1988, pp. 39-83.

Hermstadt,⁴ an assistant general counsel for the Machinists and Aerospace Workers, cites a multitude of obstacles to labor-management cooperation existing in the National Labor Relations Act (NLRA) and its interpretations. Writing a few years after Usery insisted on cooperation between labor and management, Hermstadt might well have dealt with the basic problem of the parties' traditional antagonism. Instead, he merely pointed out a different problem, further complicating the situation, namely, the provisions of the National Labor Relations Act (NLRA). There are three parties involved in the NLRA: labor, management and the public interest, the third being one with maximum concern that labor and management become cooperative. However, Hermstadt's viewpoint is solely preserving features of the NLRA favoring the union movement. He devotes his pages to enumerating potential causes of legal liability for labor and for management in a cooperative environment, even if it is external to the bargaining table.

His viewpoint can be summarized as follows: First, the purposely very broad definition in the NLRA of what constituted a "labor organization" can possibly include a group of employees in a labor-management committee; second, there is a substantial list in the NLRA of mandatory collective bargaining issues which it would be illegal for labor and management personnel to discuss away from the bargaining table; third, management is in legal jeopardy if it exercises in the slightest way any influence over labor's members in a cooperative committee. Hermstadt cites six ways in which such influence would violate section 8(a)(2) of the NLRA:

- Management's initiating or establishing the formation and structure of the committee. [Presumably, this prohibits management from even suggesting to a union that a committee be formed.]
- Management's conducting an election of employees to serve on committees.
- Management's allowing committees to operate on company time and premises. [Paradoxically, the entire focus of the movement for labor-management cooperation centers on committees intended to solve company problems on company time and premises.]
- Management's developing meeting procedures and implementing their decisions.
- Management's donating materials and administrative help for committees.
- Management's setting meeting agendas.

I summarized Hermstadt's viewpoint of the NLRA regarding three aspects, the third being a list of activities prohibited to management in a cooperative committee environment. A fourth concerns unions' potential legal liability, Hermstadt stating: "Unions that participate in cooperative programs also risk violating their duty of fair representation," adding more explicitly that "... unions have every reason to be concerned about breaching their duty of fair representation should they become involved in a cooperation program."

Some observers may wonder whether it would be practical to amend the NLRA in such a way as to avoid the problems which section 8(a)(2) appears to

⁴ Owen E. Hermstadt, "Why Some Unions Hesitate to Participate in Labor-Management Cooperation Programs," *The Labor Lawyer*, Winter 1992, pp. 71-79.

create for cooperation committees. Hermstadt notes an amendment proposed at the time he was writing: "Nothing in the [section 8(a)(2)] paragraph shall prohibit the formation or creation of quality circles or production teams composed of labor and management, with or without the participation of representatives of labor organizations." Hermstadt objects to that, saying it "would cut the heart and soul from the Act."

Hermstadt's interest in cooperative committees is solely one of protecting the union movement, without any suggestions as to how the desideratum of such committees can be achieved. This caused him to close on a very negative note, saying: "Perhaps instead of focusing so much on our efforts on coaxing unions into participating in cooperation programs, we should be asking whether employers themselves genuinely are interested in legitimate and serious cooperation."

Hermstadt's implication of management insincerity regarding cooperation programs is disputed by Perline and Poynter,⁵ who quoted a survey published in the *Labor Law Journal* which "found that at least one-third of the Fortune 500 companies with both organized and unorganized work forces had some form of employee participation plan in operation." That statement is my reason for quoting Perline and Poynter, as a balance against Hermstadt's closing statement.

Rothstein,⁶ in order to demonstrate the necessity for labor-management cooperation, uses the steel industry at Youngstown, Ohio, as a case study of noncooperation. The two companies involved were Youngstown Sheet & Tube, owned by Lykes Corporation in New Orleans, and the Youngstown Works of U.S. Steel, in Pittsburgh with its Board of Directors in New York City. This was a horror story of not only ideological but also of physical separation of management from employees in the serious issue of closing plants. The separation was so complete that Rothstein reports: "Lykes employees were threatened with 'blacklisting' in the steel industry if they communicated with the media or community organizations about the closings. That such a threat was credible indicates that the steel companies formed a powerful network in opposition to the interests of the workers and the community."

Moreover, experts who supported the employees' position were silenced, such as a high ranking official in the government's Attorney General's department, and, although Rothstein says that "apparently" the superintendent of the U.S. Steel plant submitted plans to save it to top executives of U.S. Steel and its directors, the chairman of the board and chief executive officer claimed they knew nothing about the plans.

Rothstein stresses the fact that in previous years the steelworkers' union had cooperated with management to the extent of signing a no-strike agreement which provided 25 years of peace, with cooperation between the parties furthered by establishing a Human Relations Committee. Rothstein's conclusion from these situations is that "It might be said, then, that American steelworkers have cooperated themselves into oblivion." He was disturbed that the closing of the two plants was characterized by charges of responsibility for them being leveled by management, the government and the union against each other as the guilty party.

⁵ Martin M. Perline and David J. Poynter, "The Effects of Worker Participation on Union Views of Managerial Prerogatives," *Labor Law Journal*, January, 1989, pp. 37-43.

in the French and American Steel Industries or What We Have Heah Is a Failya' to Cooperate," *Labor Law Journal*, August, 1989, pp. 512-517.

⁶ Lawrence E. Rothstein, "Lessons for Labor-Management Cooperation Drawn from Cases of Noncooperation

Rothstein has several recommendations, some of which, in my opinion, go beyond the customary understanding of cooperation, such as his statement that "Real cooperation means power-sharing," and that there should be "equal participation of workers' in matters of investment, disinvestment and planning decisions." Furthermore, he says, "unions must be proactive in formulating and presenting plans for the development of their firms and industries." Less controversially, he recommended that "Unions must be active in training workers to participate fully and knowledgeably in the cooperative processes"; furthermore, "Unions and the cooperative processes must have strong government and legal support and protection," and finally that "Job and income security are the sine qua non of worker commitment to cooperation."

Fedrau and Balfe⁷ discuss the very important cooperative program of providing assistance to employees who lose employment because of layoffs and plant closings, known as adjustment programs. Their special characteristic is that they are temporary in nature, and sometimes the first cooperative program established in a company by labor and management as a matter of stark necessity.

The authors discuss the usual obstacles encountered in companies with adversarial collective bargaining tables, but stress the benefit which adjustment programs, as the first experience in a company with labor-management cooperation, can provide as a stimulus to establishing permanent cooperation committees. That is possible, of course, in the case of layoffs and in a company in which only one of its plants is closed.

A special feature of adjustment programs is its involvement not only of labor and management cooperatively but also of local communities in which employees live, which are hurt economically but can offer aid in various ways.

The authors have a good word for cooperation between labor and management generally, suggesting that it is more common than is recognized by observers, partly because a portion of it is in the form of informal, ad hoc modes of cooperation. They state:

While many bemoan the lack of cooperation between management and labor in the U.S., we suspect that more cooperation may be taking place than meets the eye. Companies and unions each have their reasons for avoiding formal, institutionalized commitments ... that could be perceived as giving up management's decision-making prerogatives. In some cases union international and local leadership takes the position that the traditional adversarial relationship between management and labor should not be changed in any fundamental way.

Moberly⁸ wrote an article regarding labor-management committees in the public sector. What is both surprising and encouraging is that the impetus for the formation of labor-management committees in state and local government agencies is provided in many cases at the top level of states. Moberly does not discuss labor-management committees which spring up spontaneously, for example in such local communities as cities, and he does not discuss labor-management cooperation in Federal agencies. It is interesting that programs initiated at state high levels have been facilitated by the Federal Mediation & Conciliation Service (FMCS).

⁷ Ruth H. Fedrau and Kevin P. Balfe, "Cooperative Labor-Management Worker Adjustment Programs," *Labor Law Journal*, March, 1989, pp. 138-149.

⁸ Robert B. Moberly, "Labor-Management Committees in Public Employment," *The Arbitration Journal*, June 1988, pp. 31-36.

Before discussing government agencies, Moberly mentions the private sector, in which the movement for labor-management cooperation committees originated, and which, he says, "despite occasional setbacks, has shown great promise." He cites a study by the FMCS of the private sector which shows that participants in labor-management committees credit the committees with improving the competitiveness of their firms, working conditions, and employee-supervisor relationships, and providing a new and effective forum for labor and management to address mutual problems. The FMCS found that its respondents had 75% of their committees still operating and meeting their objectives, and 98% would again participate in setting up a committee. The respondents also said that cooperation committees were most often suggested by the FMCS, which assisted in establishing them.

Moberly speaks enthusiastically about the situation in the public sector at the state and local levels:

Following this trend in the private sector, state and local employers and unions have shown increased interest in developing cooperative approaches to labor-management relations. For example, 16 major national public employer and union organizations in cooperation with the U.S. Department of Labor and the Federal Mediation and Conciliation Service, joined together in 1985 to form the State and Local Government Labor-Management Committee to promote that cooperation between labor and management ... the committee recognizes that involvement of the employees in the decisions that affect them can do much to improve the quality of the decisions made.

Moberly then quotes the President of the American Federation of State, County and Municipal Employees union: "There is really no alternative in our relationship with one another except labor-management cooperation ... [We] have the joint responsibility for making government work as best we can under very difficult circumstances."

Several reasons are assigned by Moberly for the mutual interest of public sector agencies and unions in labor-management cooperation: increased productivity releases funds for other purposes, such as wage increases in a situation where taxpayers are objecting to increased taxes; today's employees are better educated; and increased awareness of the need for a working environment which provides employees with more job satisfaction.

The states of New York, Massachusetts, Ohio, Wisconsin, Connecticut and Iowa, and the cities of New York City, San Diego and Chicago are cited by Moberly as praiseworthy examples of labor-management cooperation. For example, the San Diego fire department established cooperation committees led by rank-and-file firefighters which saved over \$367,000 and handled four times as many fires, emergencies and other community services without an increase in personnel.

Another example is Chicago's Board of Education and its teachers' union, whose joint committee handles educational reform issues, including teacher certification, preparation and recruitment, student effectiveness, performance and evaluation, and the certification and training of administrators.

Moberly concludes that "labor-management committees, as well as other forms of cooperative effort, have proved their worth for scores of public employers and thousands of public employees across the country," and he recommends continuing research to improve methods of labor-management cooperation in the public sector. Thus, Moberly highly praises labor-management committees. His praise, and his citations, are evidence that labor-management cooperation committees can be, and in fact are, successful in the public sector despite serious problems.

Peterson and Tracy⁹ have performed a commendable service by investigating the causes for both the success and the failure of labor-management cooperation programs, and then reducing their determinations into twenty-one recommendations to improve the chances for success. They obtained their information by means of questionnaires for union and management officials, augmented by a review of the literature over the past thirty years regarding major cooperation programs.

The authors provide a definition of labor-management cooperation which embraces cooperation at the collective bargaining table, rather than outside of it in cooperative committees, although including both in the definition. They take from Chamberlain and Kuhn the concept that "the parties approach bargaining with the realization that the better the performance of each, the better the joint performance," and they take from Walton and McKersie the phrase "problem-centered negotiation or 'integrative bargaining'," which occurs when the parties recognize a common problem which can be solved without detriment to one of them. While Peterson and Tracy refer to Schuster, who enumerated various kinds of labor-management cooperative committees, Peterson and Tracy insist on adding what they call "problem-centered negotiation," meaning in their context negotiating at the bargaining table.

The authors refer to three prominent so-called "productivity gain-sharing plans"; the Scanlon Plan, Rucker Plan, and Improshare. These plans consist of small groups of employees in various work areas which are paid a monthly bonus for improved productivity, most such plans being administered by a labor-management committee. These groups differ from other forms of cooperative committees in their financial feature and therefore major concentration on improvements in productivity.

The authors discuss a type of cooperative committee which specializes partly on improving productivity and partly on enhancing the quality of employees' so-called "work life" and therefore their sense of "well-being." Such committees are popularly called "Quality of Work Life (QWL)."

Peterson and Tracy preface their list of recommendations for making labor-management cooperation programs more successful with a brief explanation, as follows:

The recent push for labor-management cooperation has centered on the need for joint consultation at the company and plant levels in response to growing foreign competition and changing business conditions such as deregulation ... Our research and review has revealed several conditions that are necessary for successful labor-management cooperation.

They provide twenty-three recommendations, each with a very lengthy explanation. I shall here summarize them as follows:

- Commitment of the parties.
- Management must recognize the legitimacy of the union.
- Long-term viewpoint, lest a committee disband after solving one or more short-term problems.
- Consideration of proper linkage between traditional bargaining and problem solving.

⁹ Richard B. Peterson and Lane Tracy, "Lessons from Labor-Management Cooperation," *California Management Review*, Fall 1988, pp. 40-53.

- Avoidance of unrealistic expectations.
- Avoidance of internal politics.
- Impetus needed for labor-management cooperation.
- Avoidance of too much dependence on outside neutral parties.
- Adequate information.
- Early determination of objectives.
- Notification to rank-and-file employees of activities of committees.
- Relative equality of labor and management power.
- Trust between the parties.
- Support by top-level union and management officials.
- Establish a problem-solving mechanism.
- Clear goals.
- Start small.
- Learn problem-solving behaviors and processes.
- Maintain attitude of "We" between labor and management.
- Employers sensitive to problems of union leaders in selling cooperation to members.
 - Communicate with the rank-and-file employees.
 - Establish mature labor-management relationship.
 - Evaluate the program.

It should be noted that a number of those recommendations might well be applied not only to cooperation committees but also to the collective bargaining table, as a means for de-fusing its adversarialism. Peterson and Tracy discuss adversarialism in their conclusion, quoting Ben Fischer, a former Steelworker official: "Collective bargaining must evolve from a form of warfare into the means for governing the workplace."

The research of Crane,¹⁰ (the last author whom I shall cite) like that of Peterson and Tracy, concentrates on determining principles in the labor-management relationship which will facilitate success in it. He studied the relationships between six important companies and their unions: American Airlines, General Electric, General Motors, John Hancock Life Insurance, Pacific Maritime Association and Southern Bell. It is a coincidence that Crane's study of the six companies developed six principles for successful labor-management cooperation. They are the following:

MUTUAL TRUST. He defines this as faith that the other party will be faithful to its word, respecting each other as equal in their relationship, and each accepting the right of the other to exist and function.

¹⁰ Donald P. Crane, "Patterns of Labor-Management Cooperation," *Employee Responsibilities and Rights Journal*, Vol. 5, 1992, pp. 357-367.

JOINT PROBLEM-SOLVING. The essential element here is that the parties adopt a problem-solving mode in reconciling their differences, concentrating on solutions which benefit both sides.

INNOVATIONS. The search for innovative approaches to common problems cements the cooperative relationship because of expectation of joint benefits.

JOINT ACTIVITIES. These foster the concept of a firm partnership relation between the parties.

COMMUNICATION. Regular, ongoing exchange of information between the parties to inform the adversary of positions taken diffuses possibly troublesome issues, an outward manifestation of their desire to work and live together. Crane appears here to have had a slip of the tongue in using the word "adversary," inasmuch as the entire thrust of his recommendations is that they keep an adversarial situation from existing in labor-management cooperation programs.

Finally, **SELF-RELIANCE.** The cooperative relationship should be primarily nonlegalistic among the individuals, who know each other well, avoiding as much as possible outside consultants, legal counsel, and what Crane calls "other hired guns."

Crane concludes with a caution that cooperative relationships are not free from friction. His recommendations are designed to minimize emotionally trying negotiations, divisive issues, and firmly-established opposing positions.

ANALYSIS

Crane pointed out that the National Labor Relations Act stimulated a forty-year situation in which adversarialism was the tail wagging the dog of labor-management relations, with the authors in this study generally agreeing that the dog desperately needs a new tail, one called cooperation. The new tail must, all parties agree, be initially placed on the dog in the collective bargaining room, and then expand from there into the numerous forms of cooperation programs outside the table. As my initial discussion of the history of labor-management relations indicates, cooperation is a major evolutionary development, and one made absolutely necessary by critical changes in the economy. This is a situation, as I said before, of labor and management being in the same boat and required to row in the same direction lest they sink it.

Ethical considerations are a matter of major importance in the resolving of issues in the labor-management relationship, the two great needs being healthy companies for stockholders and job security for employees. Labor and management do not appear to realize that they may be acting unethically by deliberately stirring up mutual antagonism at the collective bargaining table to the ultimate detriment of employees, management, stockholders, and society in general.

Part of the problem is the lack in the country's present society of a uniform system of ethics enforced by punitive provisions other than national and local laws. Law is not a deterrent for a person who does not fear the possibility of "getting caught." Present ethical systems vary from pragmatism at one extreme to the Golden Rule at the other; it is often stated that pragmatism is the ethical system customarily practiced by business executives and politicians, and that may be true of labor leaders. It is interesting to consider the probability that pragmatism is dominant at the adversarial collective bargaining table, but the Golden Rule dominant in the friendly, mutually helpful attitude in cooperation programs. Pragmatism is defined by Webster as "a method or tendency in philosophy, started

by C.S. Peirce and William James [19th Century Americans], which determines the meaning and truth of all concepts by their practical consequences," an ethical code which, in its more radical form, considers the effects of one's actions on oneself but ignores the effects on others. An example would be a plant closing which management could avoid but favors for itself without considering the consequences to the employees.

Legal obstacles to establishing cooperation programs were stressed, indicating a probable need for reform of labor law, including the definition of "labor organization," which presently can be construed in the courts as including cooperation committees in a company. Reforms in labor law are sometimes controversial at the political level, especially if a tradition favored by one or both parties may be disturbed. In the context of this study, it appears that there is uncertainty in labor law regarding joint employer-employee cooperative committees outside the bargaining table which may need investigation to eliminate possible legal risks, or at least the fear of such risks.

This survey has indicated that perceived legal risks are one of the obstacles to the formation of cooperative committees. An example is the not-uncommon situation in which management fears a charge that its motive in proposing the formation of cooperative committees in its company is to forestall the unionization of the company.

Another obvious legal danger is a cooperative committee handling an issue which law requires be restricted to the bargaining table. With regard to that, the training of labor and management personnel to serve on such committees should emphasize the fact that they are prohibited from exercising the function of negotiations in the bargaining table mode. There are many types of committees for many different purposes, and their purposes should be clearly defined. For example, a joint employees-supervisor committee on the shop floor dealing with internal problems within the scope of the supervisor's responsibilities may debate and decide upon a new operating technique if he could have done it on his own authority, otherwise the committee may only agree on a recommendation to be made to higher management.

There is a great deal of natural skepticism among unions and management regarding what is to them the new-fangled idea of cooperative committees in companies that—as one of the authors whom I studied commented—the slogan should be "Start small," starting actually on a trial-run, experimental basis, and then only after the union executives and top management have promised their full support.

Unionized companies have many internal problems which legally do not have to be settled by collective bargaining but could be handled at the bargaining table except for its adversarial atmosphere and time limitations. In the widespread crisis environment in which unions and companies find themselves in the 1990s, they would be doing themselves a favor by recognizing the concept of labor-management cooperation away from the annoyances of the bargaining table as "one of the best ideas to come along in years." It is potentially a "win-win" situation for labor and management.

CONCLUSION

Let the record show that none of the authors I surveyed found any real harm being done anybody by a spirit of labor-management cooperation. True, here or there a union executive or management executive apparently worries that the cooperation

concept may be an opening wedge wanted by one party to gain some advantage over the other. Either party may immediately cancel the project at the slightest hint of such a situation.

Cooperate, fellows! As one of the researchers stated, you have been forced by labor law to be adversaries for fifty years. You must be all doped up with headache pills! Give yourselves a "break" by giving cooperation a chance to show what it can accomplish.

In closing, labor-management cooperation is a superb ethical procedure for both labor and management. Furthermore, the role of government should be to encourage it and to remove the obstacles to its fruition in the field of business-government relations.

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PUBLIC SECTOR COMMISSIONS AND COMAPS: LABOR-MANAGEMENT COOPERATION IN STATE AND LOCAL GOVERNMENT.

by Arvid Anderson*

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Mr. Chairman, Panel Members and Members of the IRRA:

My task is to describe the work of the Secretary of Labor's Task Force on Excellence in State and Local Government Through Labor-Management Cooperation. That's quite a mouthful. Frankly, I'd be willing to settle for Competence and Cost Effectiveness, but I guess Excellence sounds more impressive.

The Secretary of Labor, Robert Reich, over a year ago, created a task force to measure and evaluate the effectiveness of labor-management cooperation in the public sector. This was a parallel to the Dunlop task force in the private sector. The task force was given the following mission statement by the secretary:

"What, if any, new methods or institutions should be encouraged to enhance the quality, productivity and cost effectiveness of public sector services through labor-management cooperation and employee participation?"

We were asked to find examples of successful cooperative efforts to serve as public sectors models? We were also to find where efforts failed and what can be done to enhance the prospects for a success? In other words, what works and what doesn't work.

The Task Force consists of fourteen members, co-chaired by Jerry Abramson, the current long time mayor of the City of Louisville, and ex-governor James Florio of New Jersey. Members of the Task Force include three labor leaders and three public managers from state and local government and three neutrals, including myself, two directors of educational centers, one legislator and one foundation executive. The Task Force members serve without compensation. The Executive Director of the Task Force is Jon Brock.

The Task Force visited five regions of the country. Based on more than 50 examples of state and local government, white and blue collar sites, the Task Force is of the unanimous view that public work relationships must change from traditional ways of doing business and move towards work place cooperation, participation and quality improvement. We heard from teachers, social workers, police, firefighters, prison guards, garage mechanics, sanitation workers, highway maintenance crews, and paper pushers of all types.

We were well aware of the political climate in which these studies were undertaken. We were also painfully aware of the mind set which assumes that, if it involves the delivery of governmental services, it is wasteful, inefficient and unnecessary. To say the least, it is depressing to encounter an attitude that the people who teach school, who clean our streets, who police our streets, who put out

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our fires, who care for the sick, and who collect our taxes are somehow less worthy than their counterparts who work in the private sector. I am happy to report that our survey has convinced us that on the whole the public service works well. The evidence is rather compelling that when labor and management do cooperate with emphasis on the quality of service the public greatly benefits.

With a mutual dedication by labor and management to improve public services, the results are good. But when such incentives are lacking, the threat of privatization of services may stimulate a desire to provide and find more efficient ways of operating.

Our examination in some detail of the contracting out phenomenon and the demand for privatization have uncovered what the Task Force chooses to describe as five myths regarding contracting out. Of course in this interdependent society, government at all levels has traditionally contracted out some services. Construction is a prime example.

As for the myths about contracting out, the first is that costs are always or usually lower than in house. However, this may overlook the fact that overhead often remains the same. It may not include the costs of the profit margin. Also, if the private contractor, as is sometimes the case, does not provide health care, those costs may have to be assumed by the taxpayers. Also, the cost of monitoring the costs and the performance have not always been figured in. Furthermore, if the entire work force is contracted out, there is a risk that a private monopoly may form, which may be the only game in town when it comes time to renew the contract. Thus, the incentive of the private contractor to keep costs down will be reduced.

Another myth is that contracting out is easy and quick. The facts are that the RFP, request for proposal, conditions can be controversial and complicated, depending on local laws. Furthermore, the problem of establishing quality and cost review, the availability of cost and quality data, may be hard to come by.

The third myth is that public sector quality is lower. However, an examination shows that the excellent professional work is available in both sectors. Skilled and knowledgeable employees with effective management systems and tools do high quality work. We found an experience in Indianapolis in garage maintenance work, that when a union bid on the work, they eliminated the need for one supervisor for every two employees. In fact, the supervision in the department had been a dumping ground for political cronies. When supervision was reduced to a normal force, about one supervisor for every five or six employees, costs were greatly reduced.

The fourth myth is that public employees' wages and benefits make it impossible to match private costs. The competing considerations show that the savings that come primarily from changes in work practices and systems, such as the amount of supervision, time of work assignments, and that sort of thing.

The fifth myth is that contracting out has greatly expanded as part of the current cost savings methods. The truth of the matter is that there is much more talk about privatization than the fact of it. However, the talk or threat can be constructive in inducing labor and management to work cooperatively and to concentrate on delivering effective service and thus reducing costs.

Health care is normally contracted out except where the employer is self-insured. We found that when the subject matter of employee benefits concerned health care and that the health care plan covered both the managerial as well as

the non-managerial employees, there was a great incentive to reduce costs. This proved true in Minneapolis, in Peoria, Illinois, and in Los Angeles. When the management and the unions get together, they have been able to hold down costs and in some cases even to reduce costs. A similar technique was used in day care when supervisors have the same needs as non-managerial employees for day care. However, it only works well in large institutions.

It was repeatedly pointed out to us that the commitment to cooperation must be a two way street, that both parties are needed for the partnership to work. The Joint Labor-Management Committee for Police and Fire disputes in Massachusetts is an example which has been effective for many years. The tri-partite office of Collective Bargaining in the city of New York also has been very effective for 28 years in solving countless problems. Those are both statutory examples of labor-management cooperation.

But there are other non-statutory examples of successful and effective labor-management cooperation. The dedication of key players, particularly management, can be decisive. One outstanding example involved a school principal in a large inner city middle school of 2,000 students, Foshay, in Los Angeles. The district is about 45% black, about 45% Hispanic and about 10% oriental. The majority of the residents are below the poverty level. The scholastic records were at the bottom. But after a six year effort the test scores were at the middle level. The kids attend classes, violence is a rarity. Why—because the teachers were involved in planning the curriculum and decision making in general. Parents involvement was also sought. Teachers no longer are anxious to bid out of the district. The school has done so well that the Annenberg Fund has contributed money to buy up to date computers. They are on the Internet. Classes are taught in small groups; it works.

We were also made aware that political changes in either management or labor can cause damage to the notion of cooperation. My early experience with school boards and collective bargaining in Wisconsin was very persuasive on this point. Some newly elected members of the school board thought they had been chosen to reinvent the wheel and that experience was a handicap. However, with the passage of time, school boards and public employers have learned the benefits of continuity and of institutional memories. Public employers and unions have come to rely on professional negotiators.

What were some of the improvements we saw as the result of cooperation? There were improvements in service. There were cost savings. There were improvements in quality of work life. And there were changes in labor-management relations.

In the service category, school test performance, school safety and discipline improved. Increases in police and fire services were noted. Workers were redeployed to programs that were previously understaffed and underserved, flexible responses to emergencies were brought about through cooperation. There were many examples of better vehicle readiness, schedule and shift changes that improved service to customers and the quality of work. Faster processing of cases, permits, licenses other kinds of paperwork that we all wait for. Reduction of regulatory burdens through innovation. More convenient transit routes, increased ridership were typical of the service improvements we found.

Service improvements were made within budgets which kept tax rates stable. It was not uncommon to see 30-50% increases in productivity. It was not uncommon to see decreases of 25% in time-loss expenses, such as workers' compensation, and related overtime. In bidding situations, it was not unusual to see 20-70% lower

costs on the public-employee bid than in the private sector. A twenty-five percent reduction in department budgets was very common in many areas. Absenteeisms declined and there were very large decreases in overtime.

There were also improvements in labor-management relations. The time to settle contracts was substantially reduced. As one example, parties that typically took two years are now doing it in a month. A reduction of 76% in time to settlement was not an usual figure. Forty to 100% reduction in filed grievances. One fire department said, as a result of what they had been doing collaboratively, one grievance had been decided outside of the department in twelve years.

Reductions in classifications. We heard about that almost everywhere we went. Fairer, more effective discipline. We heard about that in schools, heard about that in public works, and almost every place you could name. Contracts were changed to reflect service needs and simpler and more flexible contracts were made so that the parties could work more effectively towards providing good service and addressing employee needs. The use of gain sharing has begun to appear, more than perhaps we would have expected. And the parties have together approached legislative and administrative bodies to get changes in policies and legislation.

The key ingredient to make this happen requires that top leadership commitment to share decision making, commitment from both sides. The support of elected officials from both sides, both elected union officials and elected officials in the jurisdiction. The critical need is to blend front-line and management expertise with the authority to allocate resources. It is crucial for the parties to break with past habits of adversarial kinds of relationships. The past habits typically were broken through the use of joint training in conflict resolution. Frequently there was training in group problem-solving skills, and in the more sophisticated or longer-lasting experiments, and innovations, training in process analysis and systems like the budget and procurement. Neutral assistance normally helped the parties move further and faster by bringing in some experience from the outside.

The critical issue that we saw so many times was the need to consider job security. In probably the majority of instances, there were no layoff guarantees. And with that no layoff guarantee came the capacity for people to come forward with ideas and innovations. And with that no layoff guarantee, we still saw major cost reductions because of the improvements in systems, managing, and attrition. Where there was not a no layoff guarantee, there was almost always some very substantial safety net or program for at risk employees that really paid attention to their income and personal security.

A related issue was the clear acceptance of union presence and role. Where there was a union in the picture, and there was not a sense of threat to the union leadership, so they, therefore, could fully participate without having to defend their legitimacy, and could be a strong and forceful part of the endeavor, they were effective.

There was a lot of discussion in the regional meetings about what the motivator was, that got things started. And it seemed to break into two kinds of categories. One, where there was a trust-producing event where leaders had some vision, came together, developed a good relationship. Or an attention-producing event, where there was a crisis, a threat from the outside.

Next, program managers were directly involved in labor relations, not just left to the personnel experts or to the negotiators, but the program managers who influence resources and make day-to-day decisions had to be there to help share that authority and the practical perspective of the workplace.

Another thing that we found is that, while some examples of good cooperation can be found in non-union settings along with the threat of privatization, labor-management cooperation works best where there are collective bargaining laws; where workers are free to choose their own representatives and free to bargaining about their working conditions.

It is our hope that the report and recommendation of the Task Force will stimulate additional areas of labor-management cooperation and enhance and improve the public service. But, again, the record is persuasive, the prospect for such cooperation works best when there is a partner to work with, one who is willing, but also one who is available, and that, our experience shows, is most likely to happen when there are effective public sector collective bargaining laws.

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CONFLICTIVE PARTNERSHIP: A STRATEGY FOR REAL WORLD LABOR-MANAGEMENT COOPERATION

by John Calhoun Wells¹

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INTRODUCTION

As we approach the end of this millennium, it is clear that events of the last two decades or so have forever changed the world marketplace. Our nation's economy and workplaces, the institution of collective bargaining and the everyday practice of labor-management relations have been transformed by well known forces of change. Chief among them have been the rise of foreign competition, deregulation of major industries, technology, and the end of the cold war. In response to the pressures of these transforming events, two basic extremes in the conduct of labor relations have emerged: traditional, adversarial relations have, in some cases, become antagonistic and hostile, and, on the other hand, some relations have become innovative, experimental and cooperative.

The first, in my view, is counterproductive in today's marketplace. The second, while ideal, is not always realistic or easy to achieve. In this paper, therefore, I will present an emerging model of labor-management relations for the new competitive world which I call "conflictive partnership." The parties recognize and respect their strong institutional differences, yet freely put these aside to work together in partnership on issues of mutual gains, with the conflict reemerging in the adversarial bargaining over how to apportion the wealth they have jointly created and also over issues of contract interpretation.

This construct is a real world alternative to the traditional, adversarial model and equally a more realistic alternative to the cooperative model which sounds good but can not easily work. The traditional model worked in the past, at least in part, because the parties could take labor costs out of competition. With the internationalization of the marketplace, the old model could not easily adapt to the competitive pressures, and those companies and unions that could not adapt to their changed environment failed. Our nation is littered with shuttered industrial plants that stand in silent testimony to the inability to adapt.

It is therefore imperative that our traditional adversarial labor-management relations change in order to adapt to the new economic order. This is already beginning to happen, especially among leaders in sectors of the economy where economic competition is most fierce. External pressures have forced labor and management to reexamine their relationships and question whether their old ways of doing business are still relevant in our increasingly competitive world. Examples on this frontier of experimentation can be found in the automobile, rubber, steel, chemical, textile, tobacco, telecommunications and airline industries. Even governments and their employees' unions are moving in this direction.² Many workplace

¹ I wish to thank Wilma B. Liebman, FMCS Deputy Director for National Office operations, for her valuable assistance with this paper.

² See, e.g., President William J. Clinton, *Executive Order 12871 of October 1, 1993, Labor-management Partnership* (The White House), 58 Fed. Reg. 52, 201

innovations have been tried and failed, however, because the parties did not adequately prepare themselves and had unrealistic expectations about the ease of making and sustaining genuine change. Too often, they did not account for the inevitability of workplace conflict, nor did they know how to manage it.

I believe that the conflictive partnership model that I offer should be considered by unions and firms that have a serious interest in transforming their relationships to achieve mutual gains. This model embraces both the inevitability of conflict and the value of partnership. Both can coexist in the American workplace. It is difficult to move from antagonism to cooperation in one quantum leap. In many ways what I offer is a transitional model for those set in the past but interested in moving towards the future.

1. Today's Extremes in Labor-Management Relations

A key constant to emerge from the marketplace transformation brought on by such changes as international competition, deregulation, technology, and the end of the cold war is increased competition. Those who have studied this phenomenon have found it unrelenting and unlikely to end. In response to these competitive pressures, labor-management relations have expanded in two diametrically opposed directions. On the one hand, collective bargaining has become more difficult, contentious, increasingly hard edged and, in the extreme, intractable. While strikes are fewer than at any time since World War II, those that do occur tend to last longer, are perhaps more bitter, and sometimes include the threat or actual use of replacement workers.³ A few well-known recent examples are the Autoworkers' strike against Caterpillar, the Rubber Workers strike against Bridgestone-Firestone, four unions' strikes against the Detroit newspapers, A. H. Staley's lockout of the Paperworkers, and, of course, baseball. This trend in collective bargaining may be interpreted as the traditional adversarial model taken to the extreme. It emphasizes conflict, too often in a destructive sense, and differences. It is more than arms' length; it is suspicious, hostile, and antagonistic.

Conversely, some companies and unions are increasingly exploring and experimenting with new and improved ways of working together, including new ways of organizing and performing work, new ways to conduct bargaining, new ways to improve product quality, customer service and customer satisfaction, new pay systems, and even new ownership and governance arrangements.⁴ This cooperative model emphasizes trust, common ground, sharing of information, joint problem solving, risk taking and innovation. A few important examples of these workplace innovations are Ford Motor Company and the Autoworkers, Nabisco and Philip Morris and the Bakery, Confectionary and Tobacco Workers, Xerox and Levi Strauss and UNITE, Harley Davidson and the Machinists, Magma Copper and

(Footnote Continued)

(1993) (Executive Order): *Report of the U.S. Secretary of Labor's Task Force on Excellence in State and Local Government Through Labor-Management Cooperation: Working Together for Public Service*, Washington, DC: U.S. Department of Labor, May 1996.

³ FMCS Annual Activity Reports, prepared by FMCS Mediation Information Services, Washington, D.C., reflect, for example, that in 1995 there were 385 strikes, in 1994 there were 471, and in 1985 there were 1016. Conversely, the average duration of a strike in 1995 was 56 days, in 1994 was about 54 days, in 1985 it was 38 days.

⁴ See, e.g., *Report of the Mediator Task Force on the Future of FMCS*, Washington, DC: FMCS, July 1994;

Fact Finding Report, Commission on the Future of Worker-Management Relations, Washington, DC: U.S. Departments of Labor and Commerce, May 1994; *The New American Workplace: A Labor Perspective, A Report by the AFL-CIO Committee on the Evolution of Work*, Washington, DC: AFL-CIO, February 1994; Barry Bluestone and Irving Bluestone, *Negotiating the Future*, New York: Basic Books, 1992; Thomas A. Kochan, Harry C. Katz, and Robert B. McKersie, *The Transformation of American Industrial Relations*, New York: Basic Books, 1986.

Reynolds Metals and the Steelworkers, Champion Paper and the Paperworkers, General Electric and the Electrical Workers, and Southwest Airlines and its unions.

To go from a traditional adversarial relationship to one of genuine cooperation requires breaking with the past, letting go of customs and traditions, changing habits, and learning new and, initially, a more demanding way of relating to each other and working together. This is very difficult to accomplish. Experts tell us you need to have trust between the parties to achieve a cooperative labor-management relationship. I do not disagree. But trust does not come easily, it must be earned over time and can easily be lost. I trust people to do what they perceive to be in their self-interest. That is what has led me to develop what I call the conflictive partnership model of labor-management relations.

II. Conflictive Partnership: A Transition Model

This is a practical, real world model of workplace cooperation, built upon a foundation of both institutional differences and institutional shared interests. Consider that for a moment: differences and shared interests. This framework thus attempts accommodation of differences and maximization of shared interests. It embraces both the inevitability of conflict and the value of partnership. Both can coexist compatibly. In my view this represents a realistic way of moving from antagonism to cooperation.

There are distinct institutional differences between labor and management. Their interests will inevitably collide. Conflict is inherently a natural part of their relationship. But it is only part of their relationship. Another part, and fully as important, are those interests they have in common, such as safety and health, quality of work life, employment opportunity and security, and the success of the enterprise which sustains everything else. These mutual interests provide common ground that helps to form the basis for development of collaborative workplace processes and labor-management partnerships.

Conflictive partnership conceptualizes the marriage of what may be considered polar opposites but what can become, when appropriately accommodated and maximized, a very powerful combination. The power comes from the synergistic energy and creative tension that such a partnership between union and firm can generate when harnessed into action for mutual gain. Conflict as we use the term here is a positive progenitor, it acts as a spur for creative thought and action, it causes the parties to rethink issues and redefine them in ways to fulfill each other's needs, it is a creative search for new ideas and improvement in everyday workplace interactions. It entails that the parties think and try harder to come up with better, more constructive solutions, and accommodate their differences so that these differences do not become injurious or destructive. The notion here is that conflict can and should contribute positively to the relationship. Partnership as we use the term is the traditional idea of parties joined together either voluntarily or by legal requirement, who share common interests, work together to solve problems, and add value and complement each other much like members of a team bound together in common cause.

III. A Framework for Conflictive Partnership

1. An Expanded Vision of the Collective Bargaining Relationship

The collective bargaining relationship is a simple phrase that denotes a rich, complex universe of interactions—a social relationship with incredible economic implications. It is how the hourly and salaried employees, and their leadership up

to the corporate and International Union CEO's interact and work together to run the business.

I define labor-management relations as having three levels of interaction. The first is the institutional level—the firm and the international union and their respective executives. The second is the site or plant level—the relations between managers and local union leaders. The third is the shop floor—the relations between workers, stewards and supervisors.⁵ Thus, the labor-management relationship includes traditional collective bargaining, contract negotiations and contract administration. But it is far more complex and complicated than this. It encompasses both the shop floor and the boardroom, the tactical and strategic decision making. It includes the way the parties at these three different levels interact and work together every single day. The success of the conflictive partnership model cannot be sustained without the interactions at all three levels and, critically, support from the highest level.

2. Recognition, Acceptance and Respect for Institutional Differences

It is fundamental that both parties recognize, accept and respect the fact that the institutional requirements of firm and union will upon occasion inevitably lead to conflict between them. Union leaders are elected by their peers to represent and advocate on behalf of wages, benefits, and conditions. Executives and managers are appointed by their superiors to maximize shareholder and owner value. These are real and critical distinctions. When both parties are performing their respective, traditional responsibilities, they will sometimes collide. This is the world of collective bargaining and labor-management relations. It is therefore important to recognize that this is part of the natural order of these two institutions, to accept this workplace reality, to have a full airing and respect for these legitimate institutional differences, and to use this discussion to improve mutual understanding and prevent unrealistic expectations. Only in this way can there be any hope of achieving a genuine workplace partnership.

3. Conflict Management and Resolution Mechanism

Given the inevitability of institutional conflict, it is imperative that time, attention and resources be used to manage conflict when it arises, and that agreed upon methods are developed and employed to bring resolution.⁶ The parties must squarely face this issue and jointly develop this conflict management approach and resolution mechanism. They could simply use a traditional collective bargaining system of grievance and arbitration. Or, they can design an alternative conflict resolution system, perhaps one modeled on interest based problem solving. Of course, the parties always can return to traditional bargaining if this more partnering approach does not work. Either way, conflict must be acknowledged, addressed, handled and resolved in a reasonable time frame, by an agreed upon mechanism. It can not be allowed to fester, worsen and become corrosive to the relationship.

4. Focus on Common Ground

Unions and firms have both competing and common interests. Traditionally, both sides in collective bargaining focus on their differences rather than on those

⁵ This conflictive partnership concept is modeled on an industrial setting, but is equally applicable to any workplace setting.

⁶ I am indebted to an article by John R. Stepp and Thomas J. Schneider, "Fostering Change in a Unionized

Environment," *Canadian Business Review*, Summer 1995, which convinced me that a conflict resolution mechanism is a critical component to a successful conflictive partnership.

things which they have in common. Obviously, there are times when an express focus on differences—such as wages and benefits—is appropriate. However, I am suggesting in this emerging model of labor-management partnership that, except when expressly focused on those institutional differences, the parties focus instead on their common ground. It is important that both parties either have or develop an appreciation of the many interests they share, leading to a recognition of their community of interests. This focus enables them to better understand and address the workplace and business interests and responsibilities they share.

What do the parties have in common? The same employer, therefore the success of the enterprise is important to both. Both can influence the success or failure of their common employer. Both are dependent upon their jobs to provide livelihoods for themselves and their families. Both share the same workplace, spend a considerable portion of their lives together and contribute to the other's quality of work life. Over time, labor and management will come to focus on and devote a majority of their workplace efforts to common interests instead of institutional differences. This is evolutionary, but is a crucial step in the development of a conflictive partnership.

5. Target Mutual Self-Interests

Darwin taught that all species of life will move towards their self-interest: it is about survival. Mutual self interests are those interests which are important to both parties, labor and management: important to them both as individuals and as leaders of a company or union. It is a short conceptual step from a focus on common ground and shared interests, to identification of mutual self-interests. Obvious examples of mutual self-interests are safety and health, job satisfaction, and workforce education and training.

Less obviously mutual, but similarly so, are issues of a more business oriented nature such as product and service quality, productivity, efficiency, and all sorts of workplace competitive measures. These are beneficial to the self-interests of both parties because they lead to the financial success of the enterprise and ultimate employment stability or security for everyone. Simply put, this means "profits and jobs," the bottom line for both parties.

Identification of these mutual self interests must be done through open discussion, with a clear understanding that they are important to all even if some interests are more immediately important to one party than the other. Once identified and agreed upon, they should be targeted in order of priority for joint attention and achievement.

6. Shared Purpose: Shared Vision, Shared Goals, Shared Strategies and Shared Action

What will happen here, over a period of successful experience, is that "what's in it for me" will become, "what's in it for us." From the joint identification and acceptance of mutual self-interests, important to both the union and firm, institutionally and individually, will develop a willingness to work together in cooperation for their achievement and emerge from this experience a sense of shared purpose. The mutual self interests of the parties—defined here in short-hand as "profits and jobs"—will drive the emergence of a shared purpose by their joint conceptualization and achievement of a shared vision for the future; shared goals to be accomplished; a shared strategy for attaining these goals; and a shared plan of action—how it is going to be done. Consensus decision-making is critical to the

success of this process. From this joint experience grows the notion and reality of running the business together. This is partnership.

7. *New Roles for Unions and Firms*

Increased competitive pressures require that both parties break out of their traditional mold of thinking and action. A degree of symbiosis is required to survive and prosper in this environment. If each is going to fulfill their basic and fiduciary responsibility—fair representation by labor and increasing shareholder value by management—it is incumbent for each to accept an expanded responsibility and accountability to the other.

a. *Unions help drive competitive strategy*

It is no longer enough for a union leader to advocate only for increased wages, benefits and conditions. In today's competitive world, unions must help employers achieve profitability. They can no longer afford to leave running the business profitably up to management alone. They must use their influence as elected leaders of the work force to help drive competitive factors at the workplace, such as quality, productivity, and efficiency, which together equals profits. The logic for the union is straightforward: a profitable employer with increasing margins and market share is less likely to lay off employees and more likely to hire than an unprofitable employer with declining margins and market share.

b. *Companies help unions achieve for their members increased employment opportunities and security.*

With increased profitability achieved with the union's support and assistance, employers will be in a position to return to workers and their representatives lessened layoffs and demands for concessions, taking these actions only in times of pending economic catastrophe. Also, as the firm expands operation and opens new facilities, the union is welcome to organize new employees. As the company increases market share and profitability, it provides analogous opportunity for the union to grow and prosper with it through increased membership and dues growth and for workers to realize greater gains and enhanced measure of employment security.

8. *Unions Become a Competitive Asset to Employers*

In this new conflictive partnership, unions become a competitive asset to their employers, and companies with a union with whom they have such a business partnership gain a competitive advantage over companies with unions with whom they have a traditional, adversarial relationship—and even over companies that do not have a union. Most labor relations professionals would probably agree with the first half of this statement, but might split according to their advocacy role on the second. I believe both parts of this statement are accurate.

Union leaders are elected by their peers. This gives them a certain influence, respect and power among the work force. If you multiply this power, influence and respect by the number of union officers and officials in the work force, this translates into a substantial grass roots leadership. This leadership forms a network of advocates for improved performance—quality, productivity and efficiency—across the workplace and can have enormous influence in driving it. Conversely, if they oppose such improvement strategies, it is unlikely that such strategies can succeed. Clearly, a company or facility where the union leadership advocates and supports improved economic performance has a competitive advantage over a

company or facility with an adversarial, traditional relationship in which the union opposes this or takes no part.

The non-union site is similarly disadvantaged since elected leaders of the work force are not there to help drive improvement strategies. While there may be appointed leaders, they do not generally have the same power, influence and respect as elected leaders. The act of election by one's peers in the work force conveys a certain legitimacy and credibility that cannot be extended by the act of appointment by one's superior. Elected union leadership support offers a dynamic dimension to workplace innovation and improvement processes that cannot be bought or manufactured. This is because an elected union leader is an independent source of power who chooses to endorse and support these initiatives by free will and by so doing conveys an acceptance and credibility among the work force.

Grass roots union leadership working in cooperation with plant management and supervision in support of common workplace goals translates into a comparative competitive advantage over unionized workplaces with traditional, adversarial relations or those without a union. Simply put, labor and management leadership working together equals competitive advantage in the workplace, more profits and jobs for firms and unions.

9. Collective Bargaining and the Labor-Management Relationship Become a Vehicle for Improved Economic Performance and Thus a Crucial Part of Business Strategy

Historically, the practice of labor-management relations was of far higher importance in American business and industry than it is today. A higher percentage of the work force was unionized, strikes were frequent occurrences and exerted real economic damage, and unions had greater power. This power was generally derived from the union's ability to inflict economic hardship.

In more recent years, labor-management relations have been marginalized. Whereas industrial relations previously attracted many of the brightest, most ambitious managers on the way up the corporation, today it is often seen as a peripheral way-station to be avoided. In the modern corporation, especially those that have a significant portion of their work force unorganized, labor issues do not attract the attention of principal corporate decision-makers, except during contract negotiations.

Implementation of the conflictive partnership model could change this. As unions and their infrastructure of leadership become advocates and practitioners for improved workplace performance, and generate work force support, plant and corporate-wide, they become the drivers of improved economic performance. Anyone who has spent time on a shop floor understands that indigenous union leaders, such as stewards and committeemen, can and do wield greater influence among their fellow workers than a corporate executive, a CEO even, if they so choose.

By this partnership scenario, the practice of labor relations becomes an important component of competitive strategy, a crucial means by which to attain business goals. Rather than being peripheral to the business, it is directly integrated into the business, becomes a driver of workplace competitiveness strategy, and achieves a far higher value and status in corporate decision-making. The partnership itself becomes a principal vehicle for achievement of economic performance and profitability.

10. Collective Bargaining and Labor Management Relations Become Both a Distributive Mechanism and a Mechanism for Wealth Creation

As practiced in this nation, collective bargaining has been a distributive mechanism, determining employee wages, benefits and conditions of employment and by so doing, apportioning a percentage of the wealth jointly created by workers, managers and owners. A new role for the bargaining relationship is fast emerging.

Increasingly, we find among the parties, especially those that are leaders in domestic sectors experiencing the most competition, a role, perhaps even a nascent responsibility, for collective bargaining to enhance the creation of wealth. This occurs as the workplace relationship itself becomes a tool for increased performance, with employees, union leaders, supervisors, managers and executives working together for the competitive advantage of their worksite and firm, encouraging, supporting, assisting and leading processes and strategies to achieve profitability and higher margins.

Assumption of this responsibility, helping to run and improve the business, marks the transformation of the collective bargaining relationship into a mechanism for wealth creation. It also signals that the bargaining and labor relationship has made a crucial adaptation to the competitive pressures of the marketplace. From this comes a strengthened institution of collective bargaining, and improved prospects for those parties—union and company—joined together by their contractual agreement. By this process they gain advantage for themselves and for each other. In fact, they gain self-advantage by assisting the other party to gain advantage.

At this stage of the partnership, a genuine interdependency is recognized, acknowledged and used for mutual benefit. They essentially work together in cooperation to “make a bigger and better economic pie,” and then fuss and wrangle in the old fashioned way over how to cut up the pie and apportion the wealth they have jointly created, as well as over contract interpretation issues. But, even in their adversarial moments, the interdependent nature of their new conflictive partnership is recognized and they conduct themselves in such a way as to nurture, not damage, their fundamental relationship. Conflict becomes a trigger for problem solving and not warfare.

CONCLUSION

The conflictive partnership is a conceptual bridge between the old and the new labor-management relationship, constructed upon a practical foundation of the every day needs and interests of modern American collective bargaining and labor relations. It is a model for consideration for those corporate and union leaders who recognize and understand that they must both change if they are to have a future together, but find the leap of faith and practice from their comfortable, traditional adversarial relationship to one of trust and cooperation too perilous to attempt. This new construct eases the transition from the past to the future and enables the institution of collective bargaining to adapt to a radically changing and less forgiving marketplace, where there is little tolerance or sympathy for those unable or unwilling to change.

It is too early to speak with authority and confidence about the permanence of this “conflictive partnership” model of industrial relations. The weight of history and tradition die slowly and it requires genuine leadership and commitment among the parties to change. But the simple fact is that a labor-management relationship

that is built upon a foundation of common ground and mutual self interest and, openly recognizes and respects the institutional differences and interests of the parties, is more liable to survive and prosper in the changing world of the last days of the twentieth century, than a relationship founded upon the traditional altar of antagonism and adversarialism.



THE FORM AND FREQUENCY OF UNION MERGERS

by Gary N. Chaison

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The public has always seemed most interested in high profile mergers that combine well-known, struggling unions (e.g., the merger of the Amalgamated Clothing and Textile Workers and the International Ladies Garment Workers in 1995), or merger negotiations that could create huge new unions (e.g., the recent talks between the American Federation of Teachers and the National Education Association or those between the Auto Workers, Steelworkers and Machinists). But from an academic and union perspective, the broad trends in merger activity can be far more revealing because they show how and why unions combine to adapt to hard times. Drawing on findings from my recently completed study¹, I review the form and frequency of union mergers in United States since 1980.

THE MERGER RECORD

Unions merge with each other through *amalgamations*, *absorptions* and *affiliations*. An *amalgamation* joins two or more unions of roughly equal size to form a new union. An *absorption* is the merger of a small union into a large one in the process of which the small union loses its separate identity and legal status. An *affiliation* is the absorption of a single-plant, single-company, or regional union into a national union.

Lists of affiliations are unavailable except for those of a few national unions, but information on amalgamations and absorptions is comprehensive and publicly available. My tabulations show a rising trend in the average number of national union mergers per year—a 40 percent increase from the 1970s to 1980-1994 (see Table 1). Since 1980, there has been an average of 3.8 mergers per year, compared to 2.7 mergers in the 1970s and 2.4 mergers in the 1960s.

Absorptions have always been the preferred way to merge because of the ease of negotiating the inclusion of a small union into a much larger one, compared to the more difficult task of creating a new union by amalgamating two or more unions of roughly equal size.² But the relative frequency of absorptions also increased in recent years and they now comprise more than 90 percent of national union mergers.³

Absorptions. Absorbed unions were primarily small, specialized unions that suffered substantial and persistent membership losses and sought the financial and staff resources needed for effective representation. For example, environmental issues and automation caused the Woodworkers to lose nearly two-thirds of its members in the 20 years before it merged into the Machinists in 1994. Aside from benefiting from the 500,000-member Machinists' research and organizing depart-

¹Gary N. Chaison, *Union Mergers in Hard Times: The View from Five Countries* (Ithaca, N.Y.: Cornell University Press, forthcoming).

²For an historical review of merger form and frequency see Gary N. Chaison, "A Note on Union Merger Trends, 1900-1978." *Industrial and Labor Relations Review* 34 (October 1980):114-120.

³For lists of national union mergers see Gary N. Chaison, *When Unions Merge* (Lexington, MA: Lexington Books, 1986); Chaison, *Union Mergers in Hard Times*, *op cit*.

ments, the 20,000-member Woodworkers hoped that the larger union's lobbyists would help in environmental battles over federal timberlands in the West.⁴ In the same year and industry, the 15,000-member Association of Western Pulp and Paper Workers merged into the 500,000-member United Brotherhood of Carpenters. Economies of scale in operations and greater lobbying and bargaining power were given as the reasons for the merger.⁵

In 1989, the 3,500-member National Brotherhood of Packinghouse and Industrial Workers merged into the United Food and Commercial Workers. Its membership was down from about 50,000 twenty years earlier because of restructuring in the packinghouse industry, automation and changes in consumer demand.⁶ In 1992, the 800-member Leather Workers International Union was absorbed by the Office and Professional Employees International Union. It had 6,000 members in the late 1950s but membership steadily fell due to contracting employment as American employers found themselves unable to compete with low-cost Asian producers.⁷

A few unions have become centers of merger activity, growing and diversifying their jurisdictions by absorbing small unions. The United Food and Commercial Workers absorbed eight unions since 1980, including those of barbers and beauticians, retail workers, insurance workers, packinghouse workers, and garment workers. The Service Employees absorbed five unions, ranging from jewelry workers to locomotive firemen and oilers. The Machinists also absorbed five unions with members as diverse as woodworkers and pattern makers. The Communications Workers took in unions of typographers, telegraphers, and broadcast technicians.

Absorbing unions found that membership diversification enhanced their growth potential by establishing footholds in industries and occupations where they have little if any bargaining or organizing experience. Also, diversity contributes to the financial stability of unions by eliminating sudden downturns in dues income. It reduces the chances that large portions of the membership will be on strike or suffer job losses or layoffs.

There is ample evidence that most unions recruit members outside of their traditional jurisdictions.⁸ Absorptions have become another means for such opportunistic expansion.

Amalgamations. Since 1980, amalgamations occurred among unions of aluminum, brick and clay workers, printers, flight attendants, glass, pottery and plastics workers, and clothing and textile workers. This last merger provides a classic example of why and how unions amalgamate.

The International Ladies Garment Workers Union (ILGWU) and the Amalgamated Clothing and Textile Workers Union (ACTWU) had most of their members in an industry where jobs were lost because of the surge in low price foreign imports. When they merged in 1995, the ACTWU's membership has fallen to about 200,000 from a 1976 peak of 400,000, and the ILGWU's 150,000 membership was

⁴ "Independent Paperworkers to Vote on Affiliation with Carpenters Union." *Daily Labor Report* (April 1, 1994):A8-A9; Proposed Paperworkers, Machinists Merger Sparks Conflict With Carpenters Affiliate." *Daily Labor Report* (January 6, 1994):A2-A4.

⁵ "Independent Paperworkers to Vote on Affiliation with Carpenters Union." *Daily Labor Report* (April 1, 1994):A8-A9.

⁶ "Independent Packinghouse Union Votes to Affiliate with UFCW." *Daily Labor Report* (July 24, 1989):A5-A6.

⁷ "Leather Workers Merger with OPEIU Affirmed." *Daily Labor Report* (May 15, 1992):A19.

⁸ Gary N. Chaison and Dileep G. Dhavale, "The Changing Scope of Union Organizing." *Journal of Labor Research* 11 (Summer 1991):307-322.

down from 457,000 in 1968. There had been intermittent merger talks for 50 years, and the present discussion lasted three years. Both unions had much in common including their campaigns against sweat-shops, and lobbying for protective legislation. A settlement was reached primarily because of recent membership losses and the slim chance that either union could expand in an industry with intense foreign competition and many small, non-union companies. The similarities in the unions' size, jurisdictions, activities and bargaining environment as well as their long history of merger negotiations made amalgamation the logical choice rather than absorption into unions with diverse memberships. During a 12-year transition period, the dues of the two unions will be equalized, each will have its own vice-president, and votes will be weighed so that both unions will have equal power in officer elections.⁹

Affiliations. Although their precise number is unknown, affiliations undoubtedly outnumber amalgamations and absorptions.¹⁰ Nearly all large national unions will enter into affiliation agreements with regional or local unions whose servicing will not be a financial drain. A few unions, however, aggressively pursue affiliations as growth and diversification strategies.

The American Federation of State County and Municipal Employees uses affiliations to establish its presence in areas where it sees organizing potential, for example, among groups of state employees who recently received the legal right to join unions and engage in collective bargaining. The United Food and Commercial Workers will affiliate with nearly any union that is not geographically isolated and whose members can be serviced on a cost effective basis. Among its affiliates are unions of leather workers in New York City and baseball players in Puerto Rico.¹¹ The Service Employees has become the most active affiliating union, taking in 47 regional and local unions from 1980 to 1993 with members ranging from school secretaries to prison guards. Since 1980, about half of the new members of the Service Employees came from affiliating unions.¹²

Small unions seek affiliation partners when their ability to grow and represent workers has been threatened. Affiliations have followed the end of once accommodative and predictable relationships with employers, the introduction of privatization in the public sector, membership losses because of organizing raids, and new production technologies and corporate restructuring that threaten union jobs. For example, in 1992 a 3,500-member union of nurses and other health care professionals in New Jersey and Delaware joined the Operating Engineers, an AFL-CIO union, because it had been raided and sought the protection of the federation's no-raid agreement.¹³

The transformation of the publishing industry from many small companies to a few large ones prompted the affiliation of the National Writers Union with the Auto Workers in 1991.¹⁴ When the *Boston Globe* was acquired by the New York

⁹ Muriel H. Cooper, "The Time to UNITE." *AFL-CIO News* (July 19, 1995):6-7; "ILGWU Merger with ACTWU to Form Fourth Largest Manufacturing Union." *Employee Relations Weekly* (July 24, 1995):794; Leonard Sloane, "The Two Big Apparel Unions to Outline Unions to Outline a Merger Today." *New York Times* (February 20, 1995):D1,D4.

¹⁰ Since 1980 the Service Employees had nearly as many affiliations as all unions have had amalgamations and absorptions.

¹¹ United Food and Commercial Workers, "Independent Union Affiliations With UFCW, 1985-1993." (Washington, D.C.: United Food and Commercial Workers, 1993) (unpublished).

¹² Service Employees International Union. "Service Employees International Union Affiliations Since 1970 (November)." (Washington, D.C.: Service Employees International Union, 1993) (unpublished); Chaison, *Union Mergers in Hard Times*, op cit.

¹³ "Independent Health Care Union Merges With Operating Engineers ." *Daily Labor Report* (July 20, 1992):A6-A7.

¹⁴ "Writers' Bloc: National Writers Union Votes to Join the UAW." *Solidarity* 34 (October 1991):22.

Times Co. in 1993, the members of the Boston Globe Employees Association voted for their union to affiliate with the Newspaper Guild. In both cases, the intent was to counter the bargaining power of new, larger employers.¹⁵

National unions find affiliations to be fast, inexpensive and high-yield alternatives to traditional organizing. The workers are already union members and affiliation votes can be carried out without jeopardizing bargaining status. There may be some opposition from employers who would rather not deal with larger, more militant or effective unions, but "vote-no" campaigns are far less intense than those directed against unions seeking to establish bargaining relationships. Furthermore, affiliations resemble absorptions in that they create footholds for future expansion in industries and occupations where the smaller unions alone are unable to organize.

CONCLUSIONS

Although it would be premature to predict a major wave of union mergers, there is clear evidence that unions increasingly rely on union mergers for growth and survival. The frequency of amalgamations, the most difficult mergers to negotiate, has changed little since the 1960s and 1970s, but there has been a significant increase in absorptions of small unions into large ones. Also, affiliations appear to play an important role in some national unions' strategies for union growth and membership diversification.

The rising trend in mergers is best understood in the context of the recent hard times faced by American unions—the escalating employer opposition to unionism during negotiations and organizing, the growth of foreign and domestic non-union competition, the widespread failure of unions to replenish lost members through organizing, and the decline in political and economic influence of the labor movement.¹⁶ Mergers are a reaction to this crisis but not a determining force in its resolution. For example, mergers cannot revive declining industries, increase the propensity of workers to join unions, reverse foreign import penetration in manufacturing, or halt the employers' retreat from collective bargaining and their resistance to the spread of unionism.

For small absorbed and affiliating unions, merger was not selected from a lengthy list of options; it was usually the least costly, quickest alternative to slow decline, eventual disbandment and the loss of employment for union officers and representation for members. For larger unions, amalgamating with each other or absorbing or affiliating small unions meant having a better chance of weathering the hard times, gaining new members without organizing, and maintaining effective, solvent organizations for the days when circumstances improve.

¹⁵ "Boston Globe Editorial Workers Vote to Join Newspaper Guild." *Daily Labor Report* (March 14, 1994):A3-A4.

¹⁶ For a brief review of the dimensions of the crisis of American unions see Chaison, *Union Mergers in Hard Times*, *op cit.*

Table 1
 The Form and Frequency of National Union Mergers in the United States
 1960 - 1994

Period	Amalgamations	Absorptions	Total	Average Number of Mergers per Year	Absorptions as a Percent of Total Mergers
1960 - 1969	5	19	24	2.4	79%
1970 - 1979	6	21	27	2.7	78%
1980 - 1994	<u>5</u>	<u>52</u>	<u>57</u>	<u>3.8</u>	<u>91%</u>
Total	16	92	108	3.1	85%

Source: Gary N. Chaison, *Union Mergers in Hard Times: The View from Five Countries* (Ithaca, N.Y.: Cornell University Press, forthcoming).



(A)(2) BRUTUS? THE PERILS AND PROMISE OF THE TEAM ACT

by Paul E. Sultan

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America is a country born in revolution and living with confrontation. Our founding fathers took note of our combative reality, along with the considerable measure of "rascality out there" and decided to mount a horse in the direction it was running: Faction v faction may not offer either tranquility or distributive justice. But the contest—not Congress—would define outcomes.

A second 1776 revolution was born with the publication of Adam Smith's *Wealth of Nations*. Its major premise—the need to release acquisitive impulses from ethical constraints—led to an astonishing transformation of how we work and live. Man's selfishness was transformed as God's providence, for it was through the individual's quest for riches that all of us could—in time—be enriched. Clearly the wealthy had the capacity to save, build capital, enhance worker productivity, to build a high performance workplace. Rivalries, the centerpiece in the political arena, were now joined with rivalries in the economic arena.

Historically, employers viewed their triumphs in the economic contest with obvious pride. Sources of restlessness within the corporate family were best resolved by father-knows-best paternalism. From their viewpoint, independent union leaders had their own agenda: the protection of labor's status. Most employers clearly believed that their own employees were already in good hands. Today's TEAM amendments to the NLRA would sanction unlimited corporate support for EP committees that companies could unilaterally create.

The union response to TEAM is unambiguous: The proportion of successful labor-management cooperative teams is higher in plants where unions are present. Unions have accepted the need for improved productivity and quality as critical to employee's economic interests. We already have 30,000 employee participation committees. Are we prepared—in the interests of winning a trade war—to sacrifice the legacy of independent employee advocacy?

The historical context for the case of independent unionism is critical. In 1929, the stock market crash led to unprecedented levels of unemployment and human misery. By 1935 Congress agreed that imbalances in the economic contest between labor and management had been instrumental in causing the Great Depression. Balances of power could best be secured by legalizing **independent** unionism. This indeed was the central thrust of the NLRA: Company unions, in all of their forms, were banned by the sweeping proscriptions in the Act's (2)(5) clause. And the Act's 8(a)(2) provision prohibited employer dominance, interference or support of a union.

Such New Age labor-management relations enjoyed an upward exponential sweep of acceptability and growth. But within three decades, we were confronted with new harsh economic realities. We faced the swift invasion of markets at home and abroad by Japan Inc. Intensified competitive pressures devastated a portion of our manufacturing base. Japan's market invasion strategy involved startling contradictions to our own value frame. Within its plants, it had 22 football players running to a single goal line. Contests within corporate families were foregone to

assure conquests of foreign markets. Lifting consumption levels was deferred so that the nation could, quite literally, increase America's appetite for Japanese goods. Japan's preparations for the trade invasion were exacting and exhaustive: They involved lifetime investments in disciplined education, sophisticated global network intelligence systems, assured keiretsu bank funding, and MITI endorsements, all honed with astonishing employee loyalties. Corporate Japan's credo? "The people are the castle." We might dismiss this as a single unique episode in history. But now SE Asian nations have replicated major portions of the Japanese formula to create their own "SE Asian Miracle."

As noted at the outset, our political and economic structures extolled rivalries while Japan's extolled cooperation and harmony. It was out of this ideological time warp that the case for TEAM reform found its inspiration.

ELECTROMATION'S "CHILL"

The effort to mobilize our intellectual resources, we are told, is now challenged by an NLRB *Electromation*¹ decision: The Electromation company, during a Christmas party, explained to its 200 employees (making around \$6.00 an hour) that regular pay increases were no longer affordable. Some 67 employees complained. The company created five "Action Committees," with appointments drawn from sign-up sheets, to deal with discontent. The NLRB, (then made up entirely of Republican appointees) ruled unanimously that the Action Committees were involved in "dealing with" collective bargaining issues under the NLRA provision 2(5), and therefore company support was in violation of the acts (a)(2). On appeal, the 7th Circuit Court (again, Republican appointees), confirmed the Board ruling. Out of the issue of employee complaints about inadequate pay, the charge was then made that virtually all of the nation's 30,000 employee participation plans could be found illegal. America's reach for competitiveness was, allegedly, "put on ice."

Labor Secretary Reich, sensing some threat to efforts to create high-performance work settings, called for NLRB tolerance of such committees or legislative clarification of (a)(2) might be necessary. Calls for clarification were issued on all sides, including William Gould IV, and the Dunlop Commission.

THE TEAM ACT DEBATE

The TEAM Act proposed by House Republicans simply included a provision that EP committees would be exempt from (a)(2) scrutiny for unfair employer practices. In a seven-hour House debate,² plan advocates contended:

(1) This is not a debate about company unionism. These were admittedly bogus or sham structures created by management in the early 19th century. They no longer exist. There is no plan for their creation. They remain illegal. (2) The core issue is the brain war: We cannot hope to win without the unconstrained capacity to advance productivity, quality and efficiency. Employers must be free to access the uninhibited support of all employees. (3) Only in unionized plants can labor and management share views on quality and productivity advancement. The 85% of uncovered employees lack that privilege. It is unfair that the protection now afforded the 15% should stifle freedom of expression for 85%. (4) "Safe harbor" provisions were included in the Act to assure unions that (a) EP plans would **not** be legal in shops where union had representation; and (b) Employers would **not** be able to negotiate contracts with their own EP committees. Admittedly, the EP's

¹ *Electromation Inc., v. NLRB* 33F.3d 1157 (7th Cir 1994) 1157.

² Congressional Record, September 27, 1995

agenda might impact on collective bargaining issues "incidental" to EP plans' own agenda.

The Democrats responded: (1) Ex-board chair and management attorney Miller's testimony to the Dunlop Committee was cited: (a)(2)'s reform proposals involve a sham: If passed, within a few months or years, one could expect the revival of company unions. (2) There was no evidence that company unionism was an ancient artifact of our history. Almost all (a)(2) cases involve unfair company influence to create the illusion of union presence with their existing committee structures. Company initiatives in union avoidance are blatantly illegal. (3) The prospect of unlimited company support for EP committees could set the stage for the extinction of unionism; employees fearing job loss unless showing "politically correct" attitudes towards their company's committee structure, may feel it prudent to acquiesce in the warm embrace of a participation plan, as an alternative to chancing the high risks of union support.

Tom Sawyers (D: Ohio) proposed that EP committees work with an agenda targeted to productivity, quality and efficiency, since this was the rationale for expanded employer authority. It was defeated by 17 votes. James Moran (D: Virginia), then proposed that employee representatives on EP committees be elected. This was rejected by 23 votes. Finally, Lloyd Doggett (D: Texas) proposed preventing employers from creating EPs while unions were trying to organize. That failed by 47 votes.³

RESPONSES TO TEAM PROPOSALS

Many of the advocates of (a)(2) clarification quickly protested amendments approved by the House.⁴ Those rejecting the proposal included John Dunlop, and most all of its committee members, including three ex-secretaries of labor. It was rejected by James Gould IV, NLRB chair. It was rejected by then president elect of the Industrial Relations Association, Hoyt Wheeler. Wheeler with Summers and Katz, invited IRRA members as well as other experts in labor-management relations to record their opinions. Close to 500 specialists in the field signed a petition noting that TEAM provisions would return us to the twenties and thirties, an era of company unionism. Reich said he would "strongly urge" the President to reject the proposal. Clearly, the bill—supported by a House vote of 221 to 202—was not veto free.

THE NATURE OF (A)(2) CASES

Cornell's James Rundle undertook a Lexis scan of (a)(2) violations, focusing on the years 1983 to 1993 where NLRB ordered the disestablishment of EP committees. He found that in all but two cases, employer organizations were created to thwart a union organizing drive or bypass an existing union. Focusing on (a)(2) violations alone, he concluded that "there is absolutely no evidence that the NLRB has ever, in the past 22 years, dis-established a committee of the type employers say they must have to be competitive."⁵

Since the issue centered on productivity, quality and competitiveness, I ran a Lexis check for the most recent 34 months since the *Du Pont* decision, scanning for

³ Congressional Quarterly, 1995, p 3028

⁴ An excellent compilation of both sides of HR 743 debate is provided in "Teamwork for Employees and Managers Act of 1995," House Report 104-248.

⁵ James Rundle, "The Debate Over the Ban on Employer-Dominated Labor Organization," in *Restoring the Promise of American Labor Law*, (1994) ILR Press, page 161

the above code words in conjunction with (a)(2) cases.⁶ Again, this more recent evidence, now giving attention to the productivity/quality issue, confirmed that the vast majority of all disputes involved union avoidance. From a total of 14 cases, six involved attention to productivity concerns. I screened the cases for an assessment of timeliness (was a union representation effort pending?) and clear evidence of quality and productivity advocacy. Only two cases represented obvious attempts to create a cultural or attitudinal shift within the plant. But even here, the zeal for quality was matched with a parallel intensity for union avoidance.

CONCLUSIONS

The search for legislative intent clearly acknowledges the possibility of an interface and overlap of agenda items "incidental to" the collective bargaining agenda. In essence, the proposed shift in the wording of TEAM for (a)(2) involves a dramatic redefinition of (2)(5).⁷ The "unbounded" constraints of NLRA are now replaced by the "unbounded" scope of company initiatives.

Given the uninhibited and unembarrassed impulse for companies to invoke clearly illegal initiatives to defeat union presence, one must ask why companies should now be relieved of the responsibility to declare their innocence by invoking (a)(2) reforms? By simply unfurling a "Quality" banner, TEAM amendment may readily legalize the injustices that (a)(2) was designed to eliminate.

The cascade of downsizing, along with dramatically increased uses of part-timers and subcontractors, has clearly shredded the trace elements of a social contract most major employers have with surviving employees. As one senior officer allowed, "Teamwork" "Empowerment" "Total Quality Control" I used to spout these right along with the best of them. No more. Even if I could believe them, I know no one else would."⁸ Trust, taking years to build, can—and is—being destroyed each day as downsizing continues.

The dominant reality of our time is fear, often accompanied with a substantial measure of rage. TEAM legislation that promises a full partnership in mental acuity, but without employee independence or power, can well be viewed with cynicism for those who have already given generously to the TEAM cause. "Thanks: You're fired"

Clark Kerr once speculated that our future may be threatened, not as our interest grows more—but less—divided. In the triangular relationship of government, business and labor, (a) government-business alliances may produce totalitarianism; (b) government-labor alliances may produce socialism. But (c), business-labor alliances may produce a new form of syndicalism in which the functions of committees are transformed as compliance divisions of corporate networks.

If this seems preposterous, scan the dramatic transformation of our medical markets into giant corporate conglomerates. Physicians have not only lost their venerated status, but their "voice." Violations of corporate strictures against sharing diagnoses with patients without prior approval can—and does—involve swift summary dismissals. Hayek's cautionary tale in a "Road to Serfdom" created by government has been transformed into a "Freeway to Servitude" created by enterprise capitalism. Physicians, after generations of fighting socialism, have been

⁶ Technical assistance by Professor Linda Lovata, SIU Edwardsville is gratefully acknowledged.

⁷ Vince Tracey, Memorandum, CRS, Sept 25, 1995, pp 4-5.

⁸ Tom Scott, "Downsizing: How It Feels to be Fired" New York Times, March 17, 1996, p 5.

blindsided by capitalism. If this can happen without ceremony or notice, the vulnerability for the rest of the work force, organized or not, is obvious.

The need for collaborative relationships in dealing with foreign competition is indeed critical. The (a)(2) controversy can be resolved by keeping its provisions intact. Instead, we need only add to 2(5): "For purposes of the Act, Employee Participation Committees dedicated to quality, productivity and efficiency enhancement shall not be defined as unions, so long as their creation has not been in anticipation of, or concurrent with, a bid by a union for representation." The NLRB should be given blanket authority to secure injunctive relief against firms unwilling to abandon a century-old reflex to create their own in-house associations to forestall a bid for union presence.

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LEGISLATION ON NON-STATUTORY CLAIMS IN DISMISSALS: A PROPOSAL WHOSE TIME HAS COME . . . AGAIN . . . AND AGAIN . . . AND AGAIN

by Walter J. Gershenfeld*

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Professors teaching introductory courses in industrial relations or human resources know that many college students believe they are somehow protected from arbitrary discharge when they enter the world of work. The students are surprised to find that, barring a public-policy or contractual violation, they are not covered by a just-cause or fairness standard. Actually, numerous efforts to create such coverage have taken place during the past thirty years. They include research and policy suggestions by such industrial and legal scholars as Cornelius Peck, Jack Stieber and Clyde Summers, as well as the work of the National Conference of Commissioners on Uniform State Laws led by Theodore St. Antoine. Unfortunately, contradistinct from most other industrialized societies, we do not provide a basic form of protection from arbitrary discharge.

The courts and governmental administrative bodies have, however, recently encouraged Alternative Dispute Resolution (ADR), including both mediation and arbitration. The collective bargaining standard in *Gardner-Denver* was that an arbitration case involving a statutory right did not preclude an agency appeal.¹ A new standard has emerged in non-collective bargaining cases involving statutory rights. *Gilmer*, at least in certain situations, holds that a pre-employment agreement to take disputes concerning employment to arbitration provides finality with the arbitration decision.² One circuit court has concluded that finality under *Gilmer* also applies to arbitration under collective bargaining agreements.³

Anecdotal evidence indicates that growth of employer-promulgated plans has taken place, requiring use of arbitration for dismissals in non-statutory cases. Concern for fairness in these plans led the Dunlop Commission to adopt what they termed "quality standards." The standards include equal opportunity to select a neutral, choice of advocate, use of discovery and availability of the same remedies as are possible under law.⁴ A Protocol Task Force representing many interested parties created a similar but perhaps broader set of standards.⁵ Appointing agencies for the selection of neutrals in employment disputes, such as the American Arbitration Association (AAA) and JAMS/Endispute (JAMS), have been urged by plaintiffs' attorneys to administer only those employer plans that provide essential

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¹ *Alexander v. Gardner Denver*, 415 U.S. 36, 7 FEP 81 (1974).

² *Gilmer v. Interstate/Johnson Lane Corp.*, 500 U.S. 20 (1991).

³ *Austin v. Owens-Brockway Glass*, 70 FEP 272, 1511, LRRM 2673.

⁴ *Report and Recommendations*, Commission on the Future of Labor Relations, U.S. Departments of Commerce and Labor, December 1994.

⁵ "A Due Process Protocol," *Dispute Resolution Journal*, October-December 1995.

fairness standards. While aspects of finality and use of mandatory agreements remain open in statutory cases following *Gilmer*, cases arising under non-statutory plans are far more likely to be final and provide the employee with the choice of using the employer plan or nothing at all. It is the thesis of this paper that the time has come for a more satisfactory system to handle non-statutory dismissal cases for unorganized employees.

The questions which flow include who should be covered, how the system would work and how can the problems raised by labor and management be addressed.

COVERAGE

Coverage should be limited to those dismissal cases which do not involve a claim that a statutory right has been breached. Thus, the plan would not address dismissals covered by Title VII of the Civil Rights Act, the Americans with Disabilities Act or, for example, a claim involving a whistle-blower statute. Such cases would go to an administrative agency, unless the courts support a pre-dispute agreement to use arbitration. In any event, a case can be made that statutory claims do not belong in a system providing coverage for those individuals whose dispute has no statutory basis.

Other suggested exclusions include executives and companies with fewer than ten employees. I recognize that a definition of "executive" may create some difficulty, but, aside from a threshold monetary level, the emphasis should be that the status of the individual permits some parity in bargaining with the hiring organization on employment standards.

At least initially, to avoid system overload, I recommend that a minimum number of years of continuous full-time, or near full-time service be present for coverage under the law to exist. My suggestion is at least two years of service.

THE OPERATIVE SYSTEM

The basic operating standard should be a just-cause determination. The discharged employee should have the choice of proceeding under the employer's plan, a mutually agreed-upon arrangement which can include such appointing agencies as AAA or JAMS or use of the services of the Federal Mediation and Conciliation Service (FMCS) to administer the case. In all cases, an individual's decision to use any of the above options should be voluntary. I do not consider creation of a labor court to be desirable from both cost and unnecessary complexity points of view.

My suggestion of the FMCS playing a role will likely raise some eyebrows and trigger the comment that their mission is limited to collective bargaining. Their statutory role is collective bargaining, but they are familiar with employment cases since they informally administered thirty to fifty employment cases per year during the period 1982-1994. Clearly, some change in their statutory task will be needed if they are to play a broader role in these cases in the future. I opt for the minimum legislative change possible, that is, adding the administration of employment cases to their mandate plus a remedy provision covered below. I do not dispute that passing such a law will be difficult, but, as the discussion will show, it is possible that such an arrangement might carry the endorsement of both labor and management. This would confuse Congress no end.

I am fully aware of the fear on the part of both labor and management that opening the Labor Management Relations Act to amendment might result in

unacceptable broad-based changes. It's certainly possible. The other side of the argument is that the limited changes proposed are necessary if we are to enter the 21st century on an employment-protection par with almost every other industrialized society. Most important, the change is needed as unorganized, non-statutorily covered workers are increasingly disaffected by the almost non-existent job protection available to them. The proposal involves FMCS doing something (panel administration) it knows how to do well at low cost. Finally, it doesn't make sense to ignore the majority of American citizens who have little protection from arbitrary dismissal. They've taken too many hits from down-sizing, restructuring, low-pay jobs and some of the short-term impacts of globalization to be treated cavalierly in the employment area. Selig Perlman's message about job-scarcity consciousness is very much with us.

Rather than specify numerous quality standards in the law, I would generally depend on the FMCS's rule-making power. In handling these cases in the past, FMCS adopted a relatively simple set of five standards before it would deal with these cases. These are:

1. Is the grievance and arbitration system spelled out in a personnel manual or employee handbook?
2. Do employees have access to the grievance and arbitration procedure as a matter of right?
3. Does an employee have a voice in the arbitrator selection?
4. Does an employee have a right to representation of his or her choice in the grievance and arbitration process?
5. Is the arbitrator's award final and binding?

The list of questions is elemental and may need some revision, but, with two possible exceptions, I do not believe we need face the difficulty of legislating quality standards for employment cases administered by FMCS. These can often be handled by arbitrational authority under both FMCS rules and existing legislation. For example, arbitrators can arrange for needed information to be provided to parties by use of subpoenas.

Two areas of possible concern are remedies and attorney fees. Some collective bargaining agreements limit an arbitrator to a determination as to whether or not an incident occurred. If an alleged employee violation occurred, the arbitrator has no authority to modify the employer's penalty. There is a difference between such a plan which is negotiated and one imposed unilaterally. Here, I favor the approach of the Uniform Employment Termination Act with regard to remedy. Essentially, it provides for reinstatement with full or partial back pay or benefits (reduced by interim earnings) or a monetary award limited to a maximum of 36 months' coverage. No damages would be permitted.

The Uniform Act also recommended payment of attorney fees as a possible remedy. At least initially, I hesitate to adopt this recommendation. The built-in quality standards discussed above should make employer plans more acceptable to a discharged employee than has been true in the past. However, the problem of a relatively impecunious, discharged employee, whether under an employer plan or FMCS coverage, being required to pay for an advocate's cost raises the attorney-fee issue. As will be discussed below, unions might elect to provide free or reduced-fee advocacy coverage for discharged employees. A discharged employee is free to seek advocacy on the basis of a contingent, shared remedy. Attorney fees may prove to

be necessary for an effective system, but my preference is to let emerging events suggest that requirement.

FMCS would not be mandated as the automatic administering agency under law. It would be the fall-back alternative for a discharged individual. The effectuating law does not have to deal with all the possible permutations and combinations which can occur; it basically needs to spell out that FMCS is available to administer a case if the employee involved so desires.

FMCS presumably would use its labor-management roster members for these cases. If special training emerges as a necessity for this type of case, attendance at scheduled sessions might become a prerequisite for status as an employment-panel member.

While labor-panel members might be pleased to hear employment cases, I recognize the possibility that members of the plaintiffs' bar or the employers' bar might have reservations about the use of labor-management arbitrators. Advocates representing discharged employees might want an environment perceived to be more conducive to damages than make-whole remedies. However, since we are not dealing with the possibility of statutory remedies in these cases, the type of remedies which apply to labor-management cases appear to be appropriate. On the employer side, the use of the just cause standard has been raised as unsatisfactory by some defendant attorneys, but I find no good reason why it should not apply to non-statutory employment cases.

Again, in order to get the system started, I lean to minimal legislative intervention. Modest change is more likely to be acceptable, and the relatively low cost of the changed system has additional attractiveness in a budget-conscious period. I tend to be more sanguine than most as to whether or not employer-promulgated plans will otherwise provide a reasonable degree of fairness. My reasoning is that absence of fairness may raise the likelihood of reform legislation. The potential impact of employer plans on unionization will be discussed below as part of the roles of the roles of labor and management in an employment-arbitration system.

LABOR AND MANAGEMENT ROLES

Labor has long had the concern that an employer-promulgated plan for arbitration of discharge cases may take away one of the union's principal reasons for existence. Certainly, some plans have that as one of their goals. There are two major reasons, however, why unions should re-examine their position in this area.

One, as noted earlier, the opportunity to represent discharged employees provides the labor movement with one of its best organizing opportunities in a long time. This has been recognized by elements of such diverse unions as the International Brotherhood of Teamsters and the American Federation of State, County and Municipal Employees. Two, unions admittedly need a better image with the general public. Refusal to support employment protection for unorganized individuals who have been discharged is not going to advance the cause of unionism. Union support for protection of this type should, in fact, improve the popular image of unions. Certainly, the organizing efforts of labor must be respected by providing that a unilateral, employer-promulgated plan must be held in abeyance when an organization drive is present.

There are sound bases for management to consider a proposal to have the FMCS administer non-statutory dismissal cases. One of the reasons companies have adopted such plans themselves is to avoid the threat of potentially costly law suits.

The availability of the FMCS alternative might well reduce the number of such suits. The employer can have the benefit of finality before major cost outlays have to be made.

Another reason for employer support of the proposed system is that, as employer plans grow in internal fairness, they are more likely to be selected by discharged employees. The fact of such voluntary selection, when an alternative is available, will probably provide court support for the outcome in the event of a challenge and, again, has the virtue of low cost and early finality.

CONCLUSIONS

Now that statutory dismissal cases are being addressed as suitable for ADR, it would appear that the time has come to encourage the same activity for non-statutory, non-collective bargaining dismissals. Employer-promulgated plans are growing and many questions abound regarding quality standards and mandatory arbitration agreements. A fall-back legislated system provides useful answers to many of the problems which have been raised.

The creation of an alternative dismissal dispute-resolution system will require some legislation. The legislation can be minimal and simply provide for the FMCS to be an alternative administering agency for this type of dispute. Ideally, the legislation would provide for a just-case determination and limit remedies to the traditional non-punitive ones in collective bargaining cases. FMCS has experience with such disputes and can offer the services at no cost to participants, as they now do in the labor-management area. With a rather modest incremental cost for FMCS, they can create the larger number of panels which will be needed.

The bottom line is that we are out of step with much of the world. In my research, I found that the next country likely to adopt a proposal providing for worker protection from arbitrary dismissal is South Africa. It would be good to see both the United States and South Africa adopt a worthwhile system.



EMPLOYER-PROMULGATED ARBITRATION: NON-STATUTORY APPLICATION

by Gladys W. Gruenberg,*

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As exemplified during this session, discussions of non-union arbitration tend to concentrate on statutory application, that is, cases where the grievant is a plaintiff alleging violation of some legal right relating to workplace conduct (Crane & Gerhart 1992). A recent report of the U.S. General Accounting office estimates that almost all private employers use alternative dispute resolution (ADR) for discrimination allegations of non-union employees (GAO 1995). It is no surprise that judges and lawyers generally consider ADR as an alternative to litigation.

However, as those of us who have had long experience in labor arbitration know, collective bargaining agreements rely on the arbitration process, not as a substitute for court action, but to resolve disputes which might otherwise result in a work stoppage, traditionally a sign that employees are dissatisfied with employer conduct. Since arbitration has been successful in resolving, even preventing, disputes in the unionized sector, what has kept non-union employers from adopting the same procedure for resolution of all workplace disputes?

The usual human resource management answer to that question cites the danger of losing control over decision making on matters of wages, hours, and working conditions. Many employers equate arbitration with outside interference, akin to unionization without the limitations of a collective bargaining agreement. But that fear should not prevent employers from taking advantage of the best elements of the arbitration process while at the same time limiting its application and controlling its outcome.

As far back as the 1950s some airlines devised a three-step grievance procedure for non-union employees, including management, patterned after that contained in a typical labor agreement (Wolf 1986). By 1970 that process was well established, as a representative described it:

The noncontract grievance procedure is administered by the personnel department, where considerable care is taken to assure that it operates objectively, so that it continues to be a credible process. ... [With] 60 to 80 Step 3 hearings a year we have found that it is nearly a full-time job to handle all the arrangements (Ibid).

This latter caveat points up the necessity of bona fide dedication on the part of management to make employer-promulgated plans employee-friendly and fair. Employee feedback emphasizes the importance of fastidious administration to assure grievants that their concerns are taken seriously. Another interesting comment at the time was that the benefits of using professional arbitrators far outweighed any perceived problems. This conclusion runs contrary to the current thinking of many employers that so-called labor arbitrators tend to favor grievants.

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In fact, initially the American Arbitration Association (AAA) avoided using its labor panel for employer-promulgated requests. Today the AAA still has separate panels for union and non-union arbitration but permits labor arbitrators to appear on both for a fee.

Because statutory and non-statutory cases are likely to involve totally different situations, both as to adversarial considerations and potential outcomes, human resource management might be better served by devising a bifurcated grievance/arbitration system—one for handling grievances which are not subject to litigation, the other for cases which are likely to end up in court. Thus, the costly mediation/arbitration process which is currently being touted for cases with highly emotional and adversarial content could be reserved for statutory claims, and run-of-the-mill grievances could be handled in a more routine fashion through a less complicated procedure. To subject routine grievances to the same in-depth fact-finding and discovery process that applies to statutory claims is self-defeating, particularly in its effect on employee morale and productivity. Employees with routine grievances involving matters like performance evaluation or promotion decisions have no desire to get involved in a complicated process. They merely want to air their concerns, to find out the facts, to question decisions, and to get a fair hearing. An employer's failure to provide a simple remedial procedure, ending preferably in impartial arbitration, can cause employees to seek remedies elsewhere, with litigation and/or unionization as the more likely alternative.

In fact, most union representatives and even some arbitrators were convinced that employer-promulgated arbitration was an anti-union device when it was first introduced (Walt 1990). At the 1990 Annual Meeting of the National Academy of Arbitrators, that attitude was summed up by one arbitrator as follows:

I do not believe that an employee who is not represented by a bargaining agent, but who is required to accept arbitration as the only means of redress for a dispute arising out of the employment relationship with the employer, can be said to have agreed voluntarily to the process or that the arbitrator acts in these cases as the result of "conferred authority," even when the employee has signed an agreement accepting the employer-provided arbitration system (Ibid).

This view questions the arbitrator's ability to remain impartial when the employer foots the entire bill and is responsible for determining whether the arbitrator will be recalled for subsequent cases. Although that matter has been partially resolved by placing all such arbitration under the Code of Professional Responsibility for Labor Arbitrators, there is still some uneasiness in the profession about handling these cases (Sinicropi 1992).

From a human resource management point of view, arbitration should be a welcome solution to work force problems. Credibility remains the highest hurdle between employer and employees. Assurance that all grievances can ultimately be resolved by an impartial outsider brings good faith to workplace decisions. Employees are more likely to accept management decisions knowing that they are subject to scrutiny by an impartial and knowledgeable outsider. Limitation of employer-promulgated arbitration to grievances involving discipline and discharge may avoid arbitral second-guessing in other critical areas, but such limitation loses the important benefits of a more liberal application of the arbitration process, namely, enhanced management credibility and proof of fair dealing among employees.

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DOES OUR ARBITRATION HAVE A PLACE IN THE WORLD OF ADR?

by Arnold M. Zack

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As the IRRA approaches its fiftieth birthday we naturally reflect on the changes in the organization over the past half century. Labor management dispute settlement has been a focus of the organization throughout that period. But now the focus seems to be shifting to statutory rights of workers in a work force that is 85 percent unorganized. It is time to extend *our* arbitration to such issues

LABOR-MANAGEMENT ARBITRATION FIFTY YEARS AGO

Fifty years ago OUR arbitration was just gaining national acceptance as the preferred means of resolving workplace disputes.... the trade off of the unions' surrender of the right to strike in mid-contract in exchange for the the employers' commitment to adhere to the decisions of their mutually designated arbitrators. In that era, unions had not yet achieved their greatest growth, and our economy was sufficiently inbred and self-sufficient that we did not have to worry about foreign competition, or NAFTA job drains, and "down sizing" was not yet even applied to automobiles, since foreign automobile competition was still a thing of the future.

In 1947 our society had not yet seen fit to develop statutory protections against discrimination based on gender, religion, race, or age, or protections against unsafe and unhealthy work places, or against whistleblowers, or against those seeking what has turned out to be family and medical leave.

The Evolution of Labor-Management Arbitration as the Standard

Although union membership was then at less than one third the eligibles, unions did negotiate grievance and arbitration systems which provided workers with protection against unjust discipline and discharge.

In the ensuing decades, management and labor developed a system of private dispute settlement which has become accepted as the model of equitable conflict resolution. Unions and management as partners in the negotiating process developed the standards of fairness and due process over years of negotiating collective bargaining agreements. Their agreed upon language was bolstered by the decisions of their arbitrators interpreting and applying their negotiated language. In addition the practice of the parties themselves in administering their systems added a patina of past practice to complete the model of a mutually accepted system of conflict resolution.

The dedication of the parties in formulating a fair system of dispute settlement bore fruit in the endorsement of the process by the US Supreme Court in the Steelworkers Trilog in 1960.

Grievance arbitration in the United States has been effective in virtually eliminating wildcat strikes, and has been accepted as the standard of dispute settlement machinery by those eager to emulate its success. When society talks about the success and impartiality of arbitration, they are in reality talking about *our* arbitration.

THE INCURSIONS OF THE EXTERNAL LAW

The era of arbitrator deference which we perceived as flowing from the Steelworkers Trilogy applied only to our authority over the four corners of the parties agreement. And although we had been given great credit in deciding issues also covered by the jurisdiction of the National Labor Relations Act through the Spielberg Deferral of the NLRB, we had little role to play in the expanding federal legislation that flourished in the field of discrimination law. Title Seven of the Civil Rights Act, the ADA, ADEA, the Family and Medical Leave Act all created a new set of rights for the 100,000,000 in the work force, far more than the 15,000,000 in the organized sector.

The advent of these new statutes, leading to a fourfold increase in federal litigation with priority for criminal cases and with no commensurate increase in the budget or size of the judiciary, has augmented an already serious backlog in handling such civil cases. The EEOC now has an "inventory" of some 100,000 unresolved cases running back several years.

EMPLOYERS' RESPONSE TO LEGISLATION'S DEMANDS

This gridlock has led many employers to seek a less expensive and less time consuming alternative to litigation to resolve claims of discrimination statute violation, particularly if they can assure a result that is less costly than a jury verdict, and all without the need to negotiate such procedures with a union. They have resorted to what they label as arbitration to resolve such claims. The landmark case is the *Gilmer*¹ Case, where an employee who signed a commitment on hire, a binding contract, to submit any dispute the employer to arbitration. The Supreme Court held that even though the employee might not have contemplated that someday he would have a viable claim under the Age Discrimination in Employment Act, he was bound by his employment contract to take such a case to arbitration.

Ironically then, though the Supreme Court held in 1974 that a professional arbitrator selected through fair negotiated collective bargaining structure would lack the requisite expertise to apply a discrimination statute in *Alexander v. Gardner-Denver Co.*², it now ruled that a dispute resolution system created unilaterally by the employer without comparable employee representation and which may lack the negotiated due process protections of the collectively bargaining arbitration system was now binding on the employee and enforceable in the courts.

It is no wonder then, that when employers seek to impose such structures on employees they call them arbitration, even if they lack the protections and due process safeguards of the union management systems.

Due process has been lost in the shuffle. The very due process which has gained court respect for labor-management arbitration may easily be ignored or abused in employer created systems, and the court decisions since *Gilmer* show an uncomfortable tilt in favor of protecting the arbitration agreement instead of assuring that the employer's arbitration structure provided the same due process protections that would be afforded if the case were appealed through the expected administrative agency or statutory enforcement route.

¹ *Gilmer v. Interstate/Johnson Lane Corp.*, 500 U.S. 20 (1991)

² 415. U.S. 36(1974)

THE DRIVE TO THE PROTOCOL

Those organizations most familiar with and proud of their contributions in developing the due process protections that prevail in the labor management arbitration, including the Labor and Employment Law Section of the ABA, the American Arbitration Association the Federal Mediation and Conciliation Service and the National Academy of Arbitrators joined with other organizations dedicated to the preservation of due process standards, including the American Civil Liberties Union, the National Employment Lawyers Association and the Society of Professionals In Dispute Resolution to establish a Due Process Task Force. The result of its efforts was to set forth a unanimously agreed upon standard of due process protections which it urged be included in any arbitration system for the resolution of statutory discrimination disputes.

The Impact of the Protocol on the New IRRA Universe

Although the individual Task Force organizations may have had differing objectives in endorsing the Protocol, its widespread adoption will improve the landscape in employment dispute resolution. This would seem to be the case for several reasons:

First, the Protocol brings together the many diverse elements of due process into a single document which, by its breadth, establishes a single standard of due process endorsed by all the major players and users in the employment law field.

Second, it provides a benchmark against which to measure employer promulgated schemes which deprive employees of one or many of the requisite elements of due process.

Third, it suggests to government agencies those standards which the "users" consider to be essential to the development of a fair and equitable ADR system for resolving disputes prior to litigation.

Fourth, it offers to employers seeking to develop new procedures for mediation and arbitration of their employees disputes or claims, a set of fair standards to protect the viability of such systems against agency or court challenge.

Fifth, it provides those arbitrators who undertake to do employer promulgated arbitration, a set of guidelines against which to weigh the fairness of the employer systems when deciding whether or not to hear and decide such cases.

Sixth, it demonstrates to the courts what the creators, administrators and users of such systems deem to be due process, in anticipation of the courts undertaking to review such employer promulgated systems for the fairness of their internal procedures.

Seventh, it demonstrates to state and federal legislatures that arbitration is an acceptable procedure for those groups which are most concerned with employment law issues, and may pave the way for permitting or encouraging such procedures as a means of avoiding costly and time consuming litigation.

Eighth, it encourages government agencies to embrace such procedures as a means of expediting their case processing and reducing their burgeoning backlogs. The experience of the Massachusetts Commission Against Discrimination and of the Department of Labor show that the Protocol provides an effective tool in furthering the goals and programs and enforcement authority of such agencies.

Ninth, for the designating agencies administering such Protocol programs it helps to withstand the onslaught of employers seeking to fend off legitimate

employee claims of statutory violation through rigged and blatantly exploitative arbitration structures, by asserting they will administer only those systems which conform to the protocol standards. In so holding they may also protect themselves from the litigation which might result from challenges to such rigged structures.

Tenth, it will hopefully lead to such widespread adoption of the Protocol as the standard as to provide a rational benchmark against which systems now endorsed by *Gilmer* and its progeny may be compared to permit expansion of the courts' view into the fairness of such employer created systems.

The Impact of the Protocol on the Collective Bargaining Community

But beyond the obvious conclusion that the Protocol is important to bring fairness to arbitration in the non-union sector, there are also benefits to be gained for those in that original IRRA family of 50 years ago.

For unions, implementation of the Protocol by government agencies may provide a valuable opportunity for organizing in the unorganized sector. Since the Protocol does provide representation of the claimant by a representative of the claimant's choosing, it offers the opportunity for identifying and attracting those disgruntled employees for representation and for potential organizing. With unions already representing 40 percent of the work force in the public sector, such a representation role in discrimination cases would be a logical extension of unions providing full service to their members. Even in the unionized sector, with *Alexander v. Gardner-Denver* precluding arbitrators from imposing statutory discrimination remedies, the parties could negotiate grievance procedures which permit employees to grieve statutory violations up through the step before arbitration, and then give the employee the option to elect to proceed with his claim, with union representation, before the state agency as the exclusive forum for appeal. The Massachusetts Commission Against Discrimination has already indicated its endorsement of such a procedure provided it finds the grievance procedure meets the test of fairness.

For the organized employer, the Protocol may also open the door to speedier and more efficient resolution of discrimination cases if the unions or union attorneys were permitted to process such cases outside the constraints of the collective bargaining agreement and *Alexander v. Gardner-Denver*.

For the neutral community, arbitration of discrimination cases is not a personal panacea, nor an economic windfall for present arbitrators. The down side is in part due to the fact that parties to a discrimination claim may not agree on an arbitrator so comfortable with the traditional standards of just cause. Traditional arbitrators are wedded to equity while these new cases involve a diversity of statutes about which most arbitrators are woefully unfamiliar. Certainly some of our existing arbitrators will find some work in this area, but it must be remembered that the market for such work is a work force of 100,000,000 employees, that a great many, if not most of the claims of discrimination and denial of family and medical leave claims will involve women and minorities, and that the present labor-management community just does not have the numbers of neutrals this new era will require. With only 10 percent female membership of the 700 in the National Academy of Arbitrators, those women will certainly not meet the need. But the upside is that the women and minorities doing arbitration in this new field, most presumably coming from the ranks of the litigators, will constitute a new cadre of potential arbitrators of labor management disputes, in a labor management arena which will hopefully expand. The new arbitrators will do much to infuse new, knowledgeable blood into our 50 year old institution.

WHERE DO WE GO FROM HERE?

The Protocol is only one year old. It has received endorsement from the chief participants in the new employment field. It also has the endorsement of many of the old players of 50 years ago.

It has been adopted as the preferred instrument for assuring fairness and due process in resolving disputes involving state and federal discrimination statutes. The innovative government agencies who have embraced the Protocol as the preferred path for attaining their agency goals and fulfilling their legislative responsibilities are at the forefront of what promises to spread as the most efficient, most cost effective, most expeditious, and most reasonable means of resolving discrimination claims. If we believe in the Protocol as helping to achieve those goals, it is incumbent on us all to preach the gospel, advise the government agencies on federal state and local levels of the progress that has been made and how adoption of Protocol standards of due process can assist them in fulfilling their mandates. It is equally important to spread the word to the employers and unions of our 50 year old partnership that our original precepts of fairness and due process are still alive in an increasing hostile and unorganized world, and that the Protocol may help appreciably in bringing to that enormous outside world some of the precepts of fair dealing and equity which originally guided the creation of the IRRA. Maybe we can even expand our tent that widely to bring them all into our fold.



TEACHING RESOURCES AND PATTERNS OF ASSOCIATION ON THE NET

by Richard L. Hannah

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The Internet is one component of a much larger and dynamically evolving electronic infrastructure for today's teaching delivery systems. This spectrum also includes multi-media, distance learning (broadcasting), and master classrooms. How we elevate the quality of IR and HR teaching through these media, and eventually how we integrate and institutionalize these systems for a more comprehensive electronic learning superstructure is of immediate importance. While new instructional technologies can be exotic, even seductive, in diverting our resources and attentiveness, we must take a more critical view of whether (or how) they can produce a more learned student.

The public fascination with the Internet reflects very little serious inquiry into the academic potential of this medium. Teaching applications and implications have received little systematic review, and the teaching possibilities for IR and HR in particular are essentially unexplored.

Venturing into this unfamiliar terrain, this article offers a general overview of potential teaching applications, including examples of web pages. The focus then moves to the evolving patterns of expertise via discussion list association. Preliminary research findings with respect to the geographic and academic/practitioner blend of IR and HR professionals emerging on the net are reviewed. This is an important fundamental in the information age because the advancement in and dissemination of knowledge will largely depend on the transmission mechanism for ideas and research. Discussion lists can be an excellent catalyst for this activity.

EXAMPLES OF INTERNET'S POTENTIAL FOR IR & HR TEACHING APPLICATIONS

Yielding to brevity, this article is confined to the Internet only, and direct analytical inquiry is specific to only one aspect of the net, discussion lists. This narrowness excludes a detailed presentation of many important and currently available Internet resources which can serve instructional purposes. By example, the power of the World Wide Web (www, or web) can be demonstrated within this constraint, essentially bypassing the special print restriction set for this document. Three public web pages developed by the author are cited below which are applicable to teaching IR or HR. The pages contain far more information and examples than could reasonably be conveyed in the hard print medium. The possibilities for projection of articles and traditional textbooks into Internet resources is also suggested by these examples.

[Http://www.mtsu.edu/~rlhannah/IR+HR.HTML](http://www.mtsu.edu/~rlhannah/IR+HR.HTML). This page is a general resource page with a comprehensive list of employment related discussion lists,

legislative and judicial resources, BLS data sources, and other U.S. Department of Labor and international documents.

The few exhibits of on-line course materials which can be found are also linked. In preparation for this article, a message requesting citations for such material was posted to the HRNET and IRRA lists, with a combined total of approximately 3000 subscribers. One usable response was forthcoming.

[Http://www.mtsu.edu/~rlhannah/econ442.html](http://www.mtsu.edu/~rlhannah/econ442.html). The second page is a specific example of a web page constructed for instructional purposes. This version was developed in the Spring of 1996 to support a graduate course, Labor and Human Resource Economics, taught at Saturn Corporation. Given the location of this class, the example also highlights the importance of electronic information and instructional material for those of us teaching at sites remote from our home campus.

[Http://www.mtsu.edu/~rlhannah/Netteach.html](http://www.mtsu.edu/~rlhannah/Netteach.html). The third page was not developed specifically for IR or HR, but does contain a summary of ideas, links to examples, and a review of threads of discourse which reveal Internet related teaching applications. These threads were derived from the Tch-Econ (Teaching Economics) discussion list archives.

Currently, the real instructional payoff for Internet is not the glitzy images. If we consider only the need for remote access and speed of transmission for text and data, there are sufficient issues to command a re-thinking of how we teach. For example, the numerous configurations of hardware and software students rely upon at their access points (either home, work, or branch campuses) currently require a low tech common denominator approach to development of instructional text and data. Essentially we are in a phase of development which should place heavy emphasis on content quality. The visual stimulation of dynamic graphics and video will come later, if IR and HR teachers begin now to explore and develop the right products.

A SAMPLING OF PEDAGOGICAL ISSUES

Evaluative evidence in general is sparse, sparser still for IR and HR disciplines. The best that can currently be offered is anecdotal and experimental, and a bit of commentary on the implications of the democratization of information.

Quality Control. Some, perhaps many, faculty would argue that mass education via electronic media will have negative outcomes, including a denigration of teaching quality and a decline in demand for teachers. This is a likely scenario if faculty ignore or do not unite to assert quality control in this new educational environment. Such inaction will default to administrators and marketers. Thus, an intellectual disinterest by faculty risks our being bleached out by technology. A reasonable and constructive position is that direct instructional time (real contact hours) must not be reduced, but re-allocated. Mass conveyance of information (e.g., electronic lectures) is efficient, but maintaining educational quality still requires evaluation of individual efforts. Examples of time re-allocation include more in-class exercises, projects, and presentations by students, thus requiring a much more active learning posture. Students reading this article should take note that this also asserts more intense scrutiny of their work. Teachers should also recognize that a much broader range of teaching tools is necessary for success in this environment.

Examinations. A reconsideration of traditional testing procedures is important. In our world in which information overload appears more of a challenge than information deficiency, testing by denying access to information seems nonsensical.

Students must learn how to find, transfer, process, and draw conclusions from the Internet and other electronic sources. Memorization, regurgitation, (and for some, erasure) no longer suffice. Oral exams, or oral follow-up to written exams, and even allowing students to contest scores (perhaps by wagering points) by oral argument before the instructor and the class place a greater premium on intellectual preparedness.

E-mail. Though no longer novel, the simplicity and convenience of e-mail applications to teaching are worthy of remark. My experience has been that rather than reducing personal interaction with students, this medium enhances communication and greatly economizes record keeping. Electronic files are easily kept for ongoing projects and for students engaged in independent studies. One of the most gratifying benefits is the propensity of students to maintain contact long after course completion.

Student Forums. Students can participate in course specific, department specific, or college-wide electronic forums which encourage them to post messages to the instructors or each other, and which facilitate their receipt of forwards by faculty from other electronic sources. In more controlled situations, exams, pop quizzes, or bonus point questions can be posted.

Information as a Universal Resource. We should not forget that, as with traditional library resources, students have access to as much information as do faculty. But there are important differences with respect to Internet. Students will also have ready access to other faculty and other students, sometimes on a global scale, either in private exchanges or in public discussion lists. This discussion list networking potential is the second focus of this article, and represents an effort to move beyond the anecdotal to a more quantifiable description of this dimension of the Internet's potential.

PATTERNS OF ASSOCIATION

IR and HR Discussion Lists. Table 1 introduces this topic by itemizing most of the Internet discussion lists related to IR and HR. As the names imply, some lists are rather tangential, reflecting an inclusive effort. Only those lists for which the subscribing address could be verified (as of Spring 1996) are included. The list name, brief description, and listserver address to which one can subscribe are given. Internet novices should note that "subscribing" is free, and the technicalities can be mastered with a few minutes coaching by a colleague. However, the etiquette of the net (netiquette) is equally important and one should rapidly develop familiarization with appropriate methods of electronic discourse.

Some lists are moderated, meaning that messages are screened by a list manager before they are distributed to list members, but most lists are unmoderated. A strong caveat offered here is that lists come and go; some are very active and some are not, and many will have a very narrowly defined interest group agenda. One can only settle into a comfortable zone of preferred lists through experience and advice from list veterans.

Can discussion list participation contribute to teaching quality? The most simplistic answer is affirmative, if one wisely chooses lists which broaden horizons of ideas and information. These broadened horizons can be on a global scale with internationally oriented lists which provide a vehicle for instructors to introduce current international developments into courses. Other lists offer a deeper technical content, such as the intricacies of employee benefits (Benefits-L), and some lists satisfy the need for long discussion threads on historical or philosophical issues (e.g.,

H-Labor or Futurework). Other motives are expanding one's network of like-minded academics and in some cases participating in the emerging academic/practitioner blend on the net. Discussion lists also spin off many productive private exchanges. Finally, we should not forget our obligation to introduce students to professional networks, an important niche now being the Internet offerings.

OBTS-L was the only list found with exclusive origins in teaching. H-UCLEA get closest to the mark with respect to a formal labor related educational focus, but there is no dedicated list for IR and HR instructional pedagogy or technology. However, these fields probably do not yet have a critical mass of interest to sustain a dedicated list. Furthermore, there appears ample room for discourse, and there have been teaching related exchanges on existing lists.

Subscribership Patterns. One very interesting feature of the Internet is the capability to develop readily accessible deep pools expertise within discussion lists. To gain a better perspective, the subscriber files from nine prominent IR and HR related lists were examined more closely. These are indicated by an asterisk in Table 1 and are the basis for Table 2, which profiles the international dimension of subscribership. The master file for these lists contains 5981 subscribers, of which 4378 are from the U.S. This piece of the pattern is consistent with the general literature reflecting the overwhelming dominance on the net by U.S. addresses. This sampling of lists illustrates the potential number of contacts for targeted inquiries, whether from faculty, students, or practitioners.

Within the U.S. the subscriber frequencies of the top five states were; NY (230), PA (132), CA (115), TX (102), and GA (98). The lowest five states were; WY (3), ND (2), AK (3), and ID, MT, and SD tied at four each. Two somewhat tenuous observations can be made. High frequency subscribership tends to track states with some notoriety in IR or HR studies, and the IR and HR offerings of the net, at least as defined by this dissection of lists, has not appealed to the more remote regions of the U.S.

Of the U.S. subscribers, 53.9 percent were from the educational domain and approximately 33.6 percent were identified from the commercial domain. The remainder were from the government, military, and other domains. There are complicated methods of refining these data for a more precise identification, in particular correcting for multiple subscribership by individuals, but the essential observation remains that of an emerging electronic commercial/educational blend. At this point we can only speculate as to whether a new synergy will evolve from this mixture, but without question the ability and efficiency of teachers to draw from practitioners in the same discussion lists (and vice versa) are greatly enhanced.

Also noteworthy is that the messages from these, and most, lists are electronically archived and retrievable for review. This is very tedious work, but can yield informative series of exchanges on current issues. For advanced students, this is an excellent source of research to acquaint them with technical aspects of electronic research and the specific content of lists. Still, one should be aware that list messages contain an incredible amount of useless dribble, even from the best lists. Based on extensive archive reviews, this author follows the general rule that the quantity of useful information is approximately the cubed root of the volume of archived messages.

CONCLUSION

The Internet embodies neither panacea nor demise to quality teaching. It's another teaching tool, but one with pervasive potential to change the nature of education and intellectual development of students. This article has offered practical applications and some hint of the scale of Internet participation in IR and HR related discussion lists.

Lest we be naive about this new world order of information, students will not likely start dedicating more time to broader schemes of inquiry in addition to other assignments we heap upon them. Our challenge is to ensure that our use of the net for teaching purposes is efficient and yields learning results. To travel this path we must be versed in the resources the net offers, and start changing the blend of material, medium of delivery, and process of evaluation. In these respects, the Internet has increased the options available to those who wish to pursue quality teaching.

Table 1

IR and HR Internet Discussion Lists

(Listserver addresses confirmed in Spring 1996.)

<u>List</u>	<u>Description</u>	<u>Listserver address</u>
AFFAM-L	Affirmative Action Info.	listserv@cmsa.berkeley.edu
BENEFITS-L *	Employee Benefits	listproc@frank.mtsu.edu
COLLBARG	CB for Librarians	listserv@cms.cc.wayne.edu
DISPUTE-RES	Alt. Dispute Resolution	listserv@listserv.law.cornell.edu
EU	European Union Network	listproc@knidos.cc.metu.edu.tr.
FLEXWORK	Flexible Work Environments	listserv@hmc.psu.edu
FORENSICECONOMICS-L	Economic Loss Valuation	listproc@acc.wuacc.edu
H-LABOR	Labor History	listserv@msu.edu
HRD-L	HR Development	list.serv@mizzoul.missouri.edu
HRIS-L *	HR Info. Systems	listserv@yorku.ca
HRNET *	Human Resources Network	listserv@cornell.edu
HRNZ-L *	HR in New Zealand	listproc@list.waikato.ca.nz
H-UCLEA	Labor Studies/Educ/Res/Tch	listserv@H.NET.msu.edu
IERN-L *	Intl. Employee Relations Net.	listserv@ube.ubalt.edu
IOOB-L	Industrial Psychology	listserv@uga.cc.uga.edu
IKRA *	Ind. Rel. Res. Assn.	listserver@relay.doit.wisc.edu
IWW-news	IWW updates, history, etc...	majordomo@igc.apc.org
IWW underground lists--	Muni. Trans. Workers Health Ser. Workers Education Workers Recreation Workers Park/Hwy Maint. Workers	iu540-l-request@iww.org iu610-l-request@iww.org iu620-l-request@iww.org iu630-l-request@iww.org iu650-l-request@iww.org
JOBANALYSIS	Job Analysis & Classification	listserv@listserv.vt.edu
JOB-TECH	Job Technologies	listserv@uicvm.uic.edu
LABNEWS	U.S. Labor News	listserv@cmsa.berkeley.edu

Table 1
IR and HR Internet Discussion Lists (cont'd)

<u>List</u>	<u>Description</u>	<u>Listserver address</u>
LABOR-EMP	Labor/Emp. Law Group	e-mail: rrunkel@willamette.edu
LABOR-L*	Labor in the Global Econ.	listserv@vm1.yorku.ca
LABOR-PARTY	Union Activists	majordomo@igc.apc.org
NWAC-L	Nat. Workforce Assistance	listserv@psuvm.psu.edu
OBTS-L	OB Teaching Society	listserv@bucknell.edu
ODCNET-L	Organizational Development	listserv@psuvm.psu.edu
PAYHR-L*	Payroll & HR in Higher Educ.	listserv@vm1.ucc.okstate.edu
PEN-L	Progressive Econ. Net.	listserv@anthrax.ecst.csuchico.edu
PRIR-L*	Pacific Reg. IR	listproc@list.waikato.ac.nz
PSN	Progressive Soc. Net.	listproc@csf.colorado.edu
PUBLABOR	Public Labor Relations	Listserver@relay.doit.wisc.edu
TRDEV-L	Training and Development	listserv@psuvm.psu.edu
WORK-at-EDU	Work/Emp. at Universities	listserv@yorku.ca

Table 2
International Pattern of Association for All Lists Combined
 (From subscriber files as of January 1, 1996)

<u>Country</u>	<u>Number of Subscribers</u>
Australia	289
Canada	609
Germany	17
Hong Kong	14
Ireland	12
Israel	25
Japan	19
Netherlands	28
New Zealand	207
Sweden	25
Singapore	25
United Kingdom	137
United States	4378
South Africa	36
Other countries identified (33)	125
Unidentified	35
Total	5981

NEEDED SKILLS FOR HUMAN RESOURCE PROFESSIONALS: A PILOT STUDY

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ABSTRACT

This pilot study identifies the skills needed by human resource/industrial relations (HR/IR) practitioners and contrasts them with the emphasis currently placed on developing these skills in a single master's degree industrial relations program. The findings are based on surveys of 1994-95 graduate students, faculty members, and recent alumni of the UW-Madison's Industrial Relations Research Institute. Students and faculty were questioned about how much the various skills identified in this analysis are and should be emphasized in this particular industrial relations programs. Alumni, viewing themselves as employers, were asked to contrast the levels of skills needed by newly hired, entry-level HR/IR practitioners with the skills possessed by job applicants. The survey information is combined to indicate gaps in the training of newly graduated masters degree entrants into the HR/IR job market. The paper closes by discussing how to reduce the skills gap and the usefulness of bringing together employers, faculty, and students to determine the most effective ways of infusing skills training into a traditional, subject matter oriented curriculum.

I. INTRODUCTION

What knowledge and skills are most needed by master's degree holders in human resources/industrial relations (HR/IR) to perform effectively as practitioners? Much has been written about the new human resources orientation of the industrial relations field. While the subject matter to be mastered can be identified fairly readily, much less is known about the particular skills practitioners need on the job. Because academic programs focus primarily on subject-matter knowledge, students often enter the job market without well-developed skills to complement their content knowledge. Thus, it is important to identify not only the skills needed by human resource graduates but also how the development of these skills can be fostered within masters degree industrial relations programs. This paper assesses the closeness of the match in skill levels between what employers seek in applicants for entry-level HR/IR jobs and the emphasis given to developing these skills in masters level HR/IR programs.

II. Framing the Issue

The approach adopted in this study differs from the typical assessment of academic degree programs. Rather than looking at how effectively this particular

* Hansen is Professor of Economics and Industrial Relations; his coauthors participated in an Industrial Relations Seminar at the University of Wisconsin-Madison during the Spring Semester of the 1994-95 academic year. The authors are grateful for the support

provided by the Industrial Relations Research Institute and its staff, and the many students, faculty members, and alumni who responded to the project's survey questionnaires.

industrial relations program serves its students in terms of academic requirements, course content, and intellectual enrichment, we focus on its role in facilitating the development of a broad set of skills which, typically, are not the central objective of most academic programs. Viewing a program from this perspective shifts attention away from subject matter knowledge to the skills needed to perform entry level jobs and simultaneously enhance future job performance.

This pilot study rests on two assumptions, one concerning the division of knowledge and the other the tightness of the link between labor market needs and program outcomes. First, we assume that knowledge can be divided into two categories, substantive and enabling. Substantive knowledge embraces the concepts, theories, analytical tools, and what we think of as the subject matter of a field or discipline.¹ Typically, this knowledge is conveyed through texts and course lectures; mastering this knowledge requires intensive individual study. An example of substantive knowledge in HR/IR is might call for identifying the components of a seniority or merit pay system. Individuals with no more than this substantive knowledge may be unable to make recommendations for changing an organization's compensation system because they lack needed analytical and decision making skills which are in the domain of enabling knowledge.

Enabling knowledge represents the skills individuals possess that allow them to apply their substantive knowledge and at the same time gain expertise in applying that knowledge. The importance of enabling knowledge is recognized in recent research that seeks to identify what skills and proficiencies are and should be developed by academic programs² and are needed for successful labor market performance.³

We also assume that academic programs established to train professionals view potential employers of their graduates as their program's customers.⁴ Regardless of how these professional programs may be evaluated within the confines of academe, no program can deviate too far from satisfying the needs of its particular labor market. An almost inevitable tension exists, however, between what employers want in the way of skill development and what faculty through their programs provide, with students caught in the middle. A tighter linkage is likely to satisfy students who are the intermediate customers of faculty services and anxious to utilize their skills in challenging and satisfying careers. But, how tight should be the linkage between the skills employers seek and what these professional programs provide?

This study examines this terrain by surveying not only students but also their professors and potential employers to learn more about what kinds of skills are sought in the labor market for HR/IR professionals, what kinds of skills are being produced in HR/IR masters degree programs, and what gaps exist between the two. Doing so is important because relatively little seems to be known about what skills HR/IR professionals need in this changing world⁵

III. Methodology

Most thinking about academic programs focuses on their content knowledge. The result is a paucity of information about what skills are required by HR/IR professionals and how to develop these skills. To assemble a comprehensive list of

¹ Siegfried, et al., 1991.

⁴ Hansen, 1993.

² Hansen, 1986; Hansen, 1991; Schneider, 1991; Stevenson and Weil, 1992.

⁵ Kaufman, 1994.

³ U.S. Department of Labor, 1991; Stampen and Stampen, 1995.

skills, we searched the academic literature, empirical studies, and government reports, to identify the skills needed by college graduates generally, graduates from professional programs, and graduates from HR/IR programs.⁶ Through an iterative process, relying on the literature as well as our own work experience (most had such experience), the list was condensed to include the 20 key skills, exhibited in Figure 1, we believe employers seek in new hires.⁷

Figure 1

Key Skills and Proficiencies that HR/IR
Graduates Should Possess

Active Listening Skills	Oral Communication Skills
Adaptability	Planning/Organization Skills
Analytical Skills	Presentation Skills
Computer Skills	Research Skills
Creativity	Resourcefulness
Decision Making Skills	Risk Taking
Facilitation Skills	Sensitivity to Diversity
Group Problem Solving Skills	Team Building Skills
Leadership Skills	Understanding Organizational Dynamics
Negotiation Skills	Written Communication Skills

Sources: Secretary's Committee on Achieving Necessary Skills, 1994; Kaufman, 1994; Higgins, 1992; Carnevale, 1990; Porter & McKibbin, 1988; Hansen, 1986

Though the survey was to be administered to three different population groups, the core items had to be similar so that meaningful inferences could be drawn from the responses. Thus, though the survey questionnaires contained identical lists of skills, the employer survey had to focus on the labor market while the surveys for graduate students and faculty centered on their academic program.

Due to time constraints imposed by the academic calendar, the population of HR/IR students and faculty was selected from the University of Wisconsin-Madison's Industrial Relations Research Institute (IRRI). The employers were drawn from the IRRI's 1990-92 master's degree recipients who were thought to have enough job market knowledge and experience (some were already on hiring teams) to provide useful information on the skills needed by employers and those possessed by job applicants.

Data on the responses appear in Table 1. Both the numbers surveyed and responding are small because the program itself is small. The response rates for students and faculty, at 76 and 75 percent respectively, were gratifyingly large, and mean that the results reflect the attention given to skill development in this particular program. The response rate for program alumni, though somewhat lower at 56 percent, is viewed as sufficient to reflect the experience of employers.

⁶ Carnevale, 1990; Hansen, 1986; Higgins, 1992; Kaufman, 1994; Porter and McKibbin, 1988; and Secretary's Committee on Achieving Necessary Skills, 1994.

⁷ Several additional caveats are in order. First, the skill requirements for entry level HR/IR jobs may well differ from those needed for a successful career in the HR/IR field. Second, the skill requirements being re-

ported now may be in a state of transition due to the ongoing transformation of the workplace and global competitiveness, among many things. Third, the skills being emphasized in HR/IR programs reflect the current status of these programs, reflecting the presence of some courses that provide explicit training in these skills and others that give only incidental attention to them.

TABLE 1
Survey Response Rates

Response Group	Population	Valid Responses	Percent Responding
MA Level Industrial Relations Students	25	19	76%
Industrial Relations Faculty	12	9	75%
1990-92 MA Level Industrial Relations Alumni *	36	36	20
Industrial Relations Seminar Members	11	10	91%

* Note: Data exclude one response from a person no longer in the field, and three other questionnaires were returned for lack of proper address.

Students and faculty were asked to indicate how much emphasis is and should be given to these skills, and employers were asked to indicate the level of skill new HR/IR professionals do have and should have.⁸ The surveys used a four-point scale for market entry skills and program skills emphasis, respectively: 4 — very skilled/strongly emphasized, 3 — skilled/emphasized, 2 — somewhat skilled/somewhat emphasized, and 1 — not skilled/not emphasized. While not directly comparable, this wording is sufficiently similar to facilitate inferences about gaps between what the HR/IR labor market seeks and what HR/IR programs provide. Averages were computed for each skill to facilitate the comparisons which are anchored to the ranking of skills sought by employers. A variety of skill gaps calculated from the averages provides the focus of the discussion.

IV. Results

The 20 skills previously identified are ranked by their importance to employers, as shown in Table 2, column 1. Written Communication Skills tops the list with a perfect 4.0 ranking, followed at some distance by Oral Communication and Active Listening (each at 3.6). The remaining skills are arrayed below them, with the lowest ranking of 2.6 going to Research Skills. The overwhelming importance of the several varieties of communication skills is apparent. Paradoxically, Research Skills which are so highly regarded by faculty show up at the bottom of the employer list of needed skills.

The average levels of skills found in current HR/IR job applications appear in Table 2, column 2, and the gap between what employers seek and what they find is shown in column 5. For the 20 skills, the gaps range from a high of 1.2 to an excess of -0.2. The gaps exceed 0.5 in 14 of the 20 cases, and they equal or exceed 1.0 in 5 of the 20 cases. The most glaring gaps are in Written and Oral Communication Skills, Presentation Skills, Negotiation Skills, and Understanding Organizational Dynamics. By contrast, no gap exists for Creativity or for Research Skills; indeed, new job applicants possess more of both these skills than employers say are needed. Overall, these results indicate that employers would like to see HR/IR applicants equipped with considerably higher skill levels across almost the entire spectrum of skills.

⁸ Other information was obtained but is not reported here. Students were asked to indicate how much emphasis (using the same four-point scale) is and should be given to the major areas of knowledge within industrial relations and also to selected HR/IR topics extracted

from course syllabi. In addition, graduate students enrolled in the seminar were asked to rate the emphasis given to skills in the various HR/IR courses they had taken in the program. Brief reference is made to these results later in the paper.

Table 2

Gaps Between Needed and Actual Market Entry Skills, and Between Needed Market Entry Skills and Actual Program Skills Emphasis

HR/IR Practitioner Skills	Market Entry Skills As Seen by Professionals		Actual Program Skills Emphasis as seen by		Gaps Between Needed Market Entry Skills and		
	Needed (1)	Actual (2)	Students (3)	Faculty (4)	Actual Market Entry Skills as seen by Professionals (5)*	Actual Program Skills Emphasis as seen by Students (6)*	Faculty (7)*
Written Communication Skills	4.0	2.9	2.8	2.3	1.1	1.2	1.7
Active Listening Skills	3.6	2.4	2.0	2.0	1.2	1.6	1.6
Oral Communication Skills	3.6	2.8	2.2	2.3	0.8	1.4	1.3
Decision Making Skills	3.4	2.7	2.0	1.8	0.7	1.4	1.6
Analytical Skills	3.4	2.7	3.0	2.9	0.7	0.4	0.5
Adaptability	3.3	2.6	2.1	2.0	0.7	1.2	1.3
Computer Skills	3.3	2.5	2.0	2.3	0.8	1.3	1.0
Planning/Organization Skills	3.3	2.7	2.3	2.1	0.6	1.0	1.2
Presentation Skills	3.3	2.3	2.2	2.0	1.0	1.1	1.3
Sensitivity to Diversity	3.3	2.8	2.1	1.8	0.5	1.2	1.5
Resourcefulness	3.2	2.7	2.1	1.8	0.5	1.1	1.4
Group Problem Solving	3.1	2.4	2.6	2.1	0.7	0.5	1.0
Understanding Organizational Dynamics	3.0	2.0	2.7	1.9	1.0	0.3	1.1
Team Building Skills	3.0	2.3	2.0	1.8	0.7	1.0	1.2
Leadership Skills	2.9	2.2	1.8	1.6	0.7	1.1	1.3
Facilitation Skills	2.9	2.1	1.5	1.6	0.8	1.4	1.3
Creativity	2.8	2.6	1.7	2.1	0.2	1.1	0.7
Risk Taking	2.7	2.2	1.4	1.4	0.5	1.3	1.3
Negotiation Skills	2.7	1.7	1.9	2.0	1.0	0.8	0.7
Research Skills	2.6	2.8	3.3	3.1	-0.2	-0.7	-0.5
Averages	3.2	2.5	2.2	2.0	0.7	1.0	1.1

Note: Needed and Actual Entry Skill levels are averages of Very Skilled = 4; Skilled = 3; Somewhat Skilled = 2; and Not Skilled = 1.

Needed and Actual Program Skills Emphasis levels are averages of Strongly Emphasized = 4; Emphasized = 3; Somewhat Emphasized = 2; and Not Emphasized = 1.

* Column 5 is difference between columns 1 and 2; column 6 is difference between columns 1 and 3; and column 7 is difference between columns 1 and 4.

The actual emphasis on skills in the program, as reported by HR/IR students and faculty members, appears in column 3 and 4. For only two skills is the level of emphasis close to 3.0 or higher: Research Skills (3.3 for students, 3.1 for faculty) and Analytical Skills (3.0 for students, 2.9 for faculty). Indeed, the actual level of emphasis given to roughly half the skills by both students and faculty is 2.0 or below.

The average gap between the skill levels employers seek and what the program provides is substantial and virtually identical, at 1.0 for graduate students and 1.2 for faculty (columns 6 and 7, bottom line). Both graduate students and faculty agree that one skill is "overemphasized" relative to employer needs, namely, Research Skills, with excess emphasis of -0.7 and -0.8, respectively.⁹ For graduate students, large gaps exist between what the labor market seeks and what skills their program actually emphasizes, for example: Active Listening Skills (1.6), Oral Communication skills, Decision Making Skills, and Facilitation Skills (all with 1.4), and Computer Skills, Understanding Organizational Dynamics, and Risk Taking (all with 1.3). The gaps differ somewhat for faculty but many are equally large. Taken together, these results indicate substantial gaps between the skills actually emphasized by the program and the level of skills employers seek in entry-level hires.

Another perspective comes from comparing the levels of skills sought by employers and the levels of emphasis that graduate students and faculty believe should be given to these skills. How comparable are the views of employers about the skill levels they seek in new employees and the emphasis, as perceived by graduate students and faculty, that HR/IR programs should give to these skills? The results are presented in Table 3, columns 1 and 2. Clearly, the average gap is negligible, +0.1 for graduate students and about +0.3 for faculty, suggesting that graduate students are more closely attuned than faculty to the labor market demand for entry skills.

Hiding behind these averages are substantial differences. For example, faculty seriously underrate the importance of the skills of Resourcefulness (1.1), Active Listening (1.0), Sensitivity to Diversity (0.8), and Written Communication, Adaptability, and Risk Taking (all 0.7). By contrast, they overrate the importance of Creativity and Research Skills (both at -0.8) and to a somewhat lesser degree, Negotiation Skills (-0.2). The absolute size of the skill gaps for graduate students is somewhat lower, at 0.5 for both Written Communication Skills and Active Listening Skills. Graduate students, however, believe that for seven skills the needed emphasis exceeds, though not by much (about -0.2), what the labor market demands.

⁹ It is possible that Research Skills embrace a variety of other skills associated with being good students.

Table 3

Gaps Between Needed Market Entry Skills and Needed Program Skills Emphasis,
and Between Needed and Actual Program Skills Emphasis

HR/IR Practitioner Skills	Gap Between Needed Market Entry Skills and Needed Program Skills Emphasis as seen by		Gap Between Needed and Actual Program Skills Emphasis as seen by	
	Students (1)	Faculty (2)	Students (3)	Faculty (4)
Written Communication Skills	0.5	0.7	0.7	1.0
Active Listening Skills	0.5	1.0	1.1	0.6
Oral Communication Skills	0.1	0.4	1.4	1.0
Decision Making Skills	0.2	0.3	1.2	1.3
Analytical Skills	0.2	0.0	0.2	0.5
Adaptability	0.2	0.7	1.0	0.6
Computer Skills	0.1	0.5	1.2	0.5
Planning/Organization Skills	0.2	0.5	0.8	0.7
Presentation Skills	0.0	0.0	1.1	1.4
Sensitivity to Diversity	0.1	0.8	1.1	0.7
Resourcefulness	0.4	1.1	0.7	0.3
Group Problem Solving	-0.3	0.2	0.8	0.8
Understanding Organizational Dynamics	-0.2	0.0	1.5	1.2
Team Building Skills	-0.2	0.2	1.2	1.0
Leadership Skills	-0.1	0.6	1.3	0.6
Facilitation Skills	-0.1	0.5	1.5	0.8
Creativity	-0.2	-0.8	1.3	1.5
Risk Taking	0.3	0.7	1.0	0.6
Negotiation Skills	0	-0.2	0.8	0.9
Research Skills	-0.2	-0.8	-0.5	0.3
Averages	0.1	0.3	1.0	0.8

See Notes to Table 2

Putting aside what skills the labor market seeks, what differences exist between the level of skills now emphasized in the program and the skills both graduate students and faculty believe should be emphasized? The results, shown in Table 3, columns 3 and 4, indicate that students perceive a larger skills gap than do faculty—the gap between what students believe the program should emphasize and what the program currently emphasizes. The average gap for graduate students is 1.0 compared to 0.8 for faculty, with the perceived gap greater among students than faculty in 12 of the 20 skills. Indeed, graduate students perceive a gap of 1.0 or more between what is and should be emphasized for 13 skills in contrast to only 6 for faculty. The largest gap is for Research Skills, with students indicating an excessive emphasis (-0.5) whereas faculty believe that Research Skills deserves somewhat greater emphasis (0.3), for an overall disparity of -0.8 between students and faculty.

Students seem most aware of program gaps in the emphasis on Facilitation Skills and Understanding Organizational Dynamics (both 1.5), Oral Communication Skills (1.4), Leadership Skills and Creativity (both 1.3), and Decision Making Skills, Computer Skills, and Team Building Skills (all 1.2), followed by Active Listening Skills, Presentation Skills, and Sensitivity to Diversity (all 1.1). In all, graduate students perceive program gaps in all but one of the 20 skills. Faculty see the largest program gaps in Creativity (1.5), Presentation Skills (1.4), Decision Making Skills (1.3), and Understanding Organizational Dynamics (1.2). Among the 11 largest perceived gaps identified by graduate students (those greater than 1.1), only 4 are similarly identified by faculty.

V. Discussion

The relatively low attention in this program to skill development is neither unexpected nor likely to differ much from other similar programs. Academic programs and their associated courses typically concentrate on subject matter rather than skills. Not that skills development is completely neglected; rather it varies by course. Theory courses inevitably place less emphasis on skills and more on content. Research methods courses highlight some skills and not others. Small seminars can give greater attention to skill development, particularly communication skills. Regardless of the course, differences in faculty teaching objectives and teaching styles also affect the attention given to skills. Despite some emphasis in the program on skill development, substantial gaps remain between the skill levels employers seek and the program's current attention to skill development.

What remains unclear is how graduates can be assured of developing the skills necessary to compete in a difficult job market. If we consider employers and students as the program's customers, as the continuous quality movement suggests, does the onus fall on institutions and their faculties to ensure that students have the requisite skills to succeed? We believe faculty in professional programs do bear responsibility for imparting skill-based knowledge to students, but, this responsibility must also be spread among students and employers.

Students must be viewed as being responsible for taking a more active interest in their education. They must adopt a proactive approach and seek out opportunities to develop skills both inside and outside the classroom. Even if classroom opportunities are limited, they must do what they can to enhance their skills through participation in student-faculty committees, extracurricular activities, internships, and parttime work; ideally, they would have developed these skills while still undergraduates. To the extent that masters level students arrive with more fully-developed skills, it becomes easier for professional programs to enhance

these skills than to build many of them from scratch. Some provision must be made, however, for students to exercise and develop these skills while in the program.

Employers cannot expect academic programs to tailor student skill preparation to suit their exact needs. As a matter of strategic human resource management, they must invest to enhance the skills of their employees. According to the Porter and Lawler¹⁰ expanded expectancy model, training can increase the expectations of employees in their ability to perform the tasks at hand, leading to greater job satisfaction for themselves and greater productivity for the organization. Thus, employers must establish skills training programs, nurture on-the-job learning opportunities for skill development, and created skill mentoring programs.

Finally, academic programs and their faculties can and should play a more significant and dominant role in skill development of their students and subsequent HR/IR practitioners. Educational institutions by virtue of their mission are best poised to take a more active role than they now do. They are limited, however, by the system which trains their faculty. Most doctoral training programs do little to impart anything more than content knowledge and research skills, largely because their faculty were themselves never exposed to broader skill development in their training. Simply put, faculty are not trained to help students learn even though instruction is one of the faculty's principal responsibilities.

VI. Recommendations

We offer two major recommendations. First, the teaching of skills needs to be infused into content courses so that the close interplay of knowledge and skills is emphasized. This will require increasing the capacity of professional programs to offer skill development. Doctoral training programs need to include some training to enhance student learning of both knowledge and skills. This recommendation poses a catch-22 situation because existing faculty are not well positioned to offer such training. In the meantime, faculty members must be shown how to infuse skill development into their courses. While some faculty may volunteer, the wider success of this approach hinges on demonstrating that the benefits of infusion exceed the costs of implementation and/or produce substantial increases in student learning.¹¹ Without more careful study, however, the potential for infusion and the challenges of implementing an infusion strategy remain unclear.

Second, a continuous quality improvement approach is required to address the skills training gap. Rather than allowing each participant group to seek its own solution to what is a collective problem, a more creative and potentially effective approach would bring together employers, faculty, and students to explore the opportunities for and constraints in developing a tighter linkage between labor market skills needs and professional program capacities for enhancing student skill development. Students represent the only group that talks to the other two groups but are not in any position to exert much pressure for change. Contact between faculty and employers, the producers and the customers of student knowledge and skills, is quite limited and certainly does not focus on skill development. Some vehicle must be found that can bring together employers, faculty, and students where they can begin discussing what it takes to develop more effective strategies

¹⁰ Porter and Lawler, 1968.

Writing Across the Curriculum movement (Hansen, 1993).

¹¹ Some success has been achieved recently in helping faculty develop undergraduate writing skills through the

for skill development within and around HR/IR programs.¹² The results of these discussions may reshape the views of students, faculty, and employers about their individual and collective responsibilities for skill development and lead to cooperative ventures that neutralize existing barriers to change.

VII. Conclusions, Implications, & Limitations

This study identified twenty skills needed by newly hired human resource professionals. Based on surveys of graduate students, faculty members, and recent graduates of a single masters degree HR/IR program, several results emerge. HRIR practitioners see major deficiencies in the skill preparation of job applicants. Though graduate students and faculty members are in close agreement about the skills employers seek and the levels of skills their program should emphasize, substantial gaps exist between what skill are and should be emphasized in these programs.

How then do we remedy the skill gaps? The most obvious solution is to bring together employers, faculty, and students to establish more clearly what skills, and what skill levels, HR/IR practitioners need to perform effectively and then figure out how to close the gap in the emphasis given to these skills in HR/IR programs. Through the resulting dialogue each group will gain a sharper vision of what it can and cannot do. The hope is that a collective dialogue may identify a comprehensive approach, involving employers, students, and faculty, for infusing a much broader array of skills into HR/IR programs, without compromising the intellectual integrity of these programs.

Several limitations to this study must be acknowledged. As a pilot study, the main goal has been to build a foundation for future research into the relationship between skills and professional academic programs. Whether the skills list is broad enough needs further study. The comparability of the responses to market entry skills and program skills emphasis may also be open to question. Finally, the time constraint of a semester limited the analysis to a single program. Despite these limitations, we believe the results call for replicating this study for a broader set of programs and employers.

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A SURVEY OF CURRICULA OF IR/HR MASTER'S PROGRAMS: COMMON FEATURES, NEW DIRECTIONS

by Philip K. Way

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The last half-century has seen significant change in the curricula of master's programs in the field of industrial relations (IR), broadly defined. Indeed, prior to the Second World War, no American university had a separate degree program in industrial relations (Kaufman 1993: 47), but, in the postwar period, programs dedicated to industrial relations burgeoned (Caples 1959; Wheeler 1989). Later, the names of some programs were changed to include employment relations (Leftwich 1989) and human resource (HR) management (Dworkin 1989). This indicated a metamorphosis in curricula: for instance, human resource management courses became more common (Krislov and Mead 1987; Begin 1988), and more programs included innovative courses wholly or partly devoted to subjects such as ethics (Dibble 1993) and computer applications (Industrial Relations Research Association (IRRA) 1990). It has been argued that this was a result of the changing labor market for graduates (for example, Rehmus 1985).

Periodically, the state of master's programs and curricula has been assessed, most recently in 1988 by Wheeler (1989). The aim of the present paper is to provide a more current picture of, and trends in, master's IR and HR programs and curricula in the United States. The literature concerning curricula indicates that three issues deserve particular attention. First, a common concern is the viability of IR/HR as a teaching field (for example, Kaufman 1993): it is therefore appropriate to ascertain the current number of programs in the field and whether it has continued to grow. A second issue relates to the curricular emphases of programs, particularly the mixes of IR and HR, and how they have changed (for example, Krislov and Mead 1987; Cappelli 1991). Of relevance are the formal names of programs and the types of required graduate courses that give programs their character (Wheeler 1989). The third issue is whether programs adequately prepare students for the labor market (Hansen 1984). This requires an analysis of the degree of congruence between curricula and the knowledge, skills, and abilities that employers wish new hires in IR and HR to have.

The data were gathered from two sources. One source was program catalogs and brochures. This analysis was conducted in 1996. The second source was the responses to a questionnaire survey sent to program directors in 1994. The universe of programs was defined to include all U.S. master's programs in IR, HR, and Labor Studies and to exclude MBA programs with concentrations in HR. The locations of such programs were determined from lists of programs published by the IRRA, from the mailing list of the University Council for IR and HR Programs, and from a directory of programs (Herman 1984).

THE NUMBER OF PROGRAMS

The teaching field of IR/HR appears to be vibrant at least in terms of the number of specialized IR/HR programs. In 1958, there were twelve schools offering master's programs (Caples 1959). Thirty years later, Wheeler's survey (1989) found 28 IR or HR or Labor Studies master's programs in the United

States. Since non-respondents were believed to number only two or three, it can be assumed that there were approximately 30 programs in 1988.

In 1996, it appears that there are 39 master's programs dedicated primarily to the study of IR and HR, variously labeled. Even allowing for underreporting in the 1988 survey, there has been a significant growth in the total number of programs over the last eight years.

While developments in the IR/HR teaching field appear favorable in aggregate, it is important to note that the net increase in the stock of programs masks significant flows caused by the 'births' and 'deaths' of programs. On the positive side, programs were introduced at, for example, Marquette University, Pennsylvania State University, Appalachian State University, Mercy College, Texas A&M University, and in HR at Rutgers University. On the negative side, the period saw the demise of specialist degree programs at, for instance, the University of Iowa, Virginia Polytechnic University, the University of Utah, the University of Georgia, the University of Missouri, and Northeast Missouri State University.

CURRICULAR EMPHASES

Within the growing number of programs, there is evidence that the declining emphasis on industrial relations has continued in recent years. The 1988 survey identified 18 IR and Labor Studies programs without the terms personnel, HR, or employment relations in the title (64 percent of the total). In 1996, there are 13 programs fitting this criterion (only 33 percent of the total). The remainder comprise programs with a combination of IR (or Labor Relations) and HR (or Employment Relations) in the name (28 percent) and programs with only HR (or equivalent) in the name (38 percent).

The changes in program names have been more than window-dressing: the composition of required courses has also shifted. Following Wheeler's practice of excluding Labor Studies programs and using the same categories, Table 1 shows the percentages of programs requiring each type of graduate course in 1988 and 1996.

TABLE 1
Percentage of U.S. Master's Degree Programs in IR/HR
Requiring Selected Courses

Course	1988	1996
Labor Relations/Collective Bargaining	92	83
Organizational Behavior	58	54
Human Resource Management/Personnel	77	83
Labor Economics/Markets	77	60
IR Systems/Theory	38	11
Labor or Employment Law	54	63
General Business	27	23

Note: 1988 data are from Wheeler (1989).

Clearly, while labor relations/collective bargaining courses remain common features of most programs, there have been marked declines in the proportions of programs requiring IR systems/theory courses and labor economics/markets courses (although the latter type of course is still required in a majority of programs).

Of course, program names and required courses are not a foolproof guide to curricular emphases because programs typically allow 40 percent of credit hours to

be taken as electives. However, earlier analyses of the 'hidden curriculum' indicate that students have been changing the mix of their overall curriculum in the same direction as the required courses and program names (Franke 1988).

RESPONSIVENESS TO EMPLOYER NEEDS

According to the survey data collected, the majority of graduates of IR and HR master's programs are placed in management positions. Kaufman (1994) argued that, in the changing world of human resource management, students need to be educated about the economic and legal environment of human resources; increasingly salient technical areas of human resource management (for example, training and development, HR information systems, employee relations (including alternative dispute resolution), and international HR); the links between HR and business (such as strategic HR and the financial implications of HR); and business subjects including quality, organizational change, leadership and management skills. It can also be argued that students need to be aware of topical issues in HR like ethics, diversity, and new forms of work organization.

TABLE 2
Percentage of U.S. Master's Degree Programs in IR/HR
Offering Selected Courses in 1996

Course	Percentage
Training and Development	58
HR Information Systems	47
Employee Relations/Alternative Dispute Resolution	58
International HR	33
Strategic HR	39
Financial Implications of HR	22
Quality	22
Organizational Change	64
Leadership and Management Skills	33
Ethics	19
Diversity	39
Work Organization	22

Table 2 shows the proportions of programs with master's level courses wholly or partly relating to these topics. An obvious caveat is that these themes may be interwoven with subjects in other courses, yet not appear in course titles or descriptions. Working in the opposite direction, there is no guarantee that students enroll in these courses.

It is clear that while many master's curricula are going in new directions, courses that employers would be likely to favor in the education of their recruits outside the disciplinary domain of HR and IR are not widely seen. As the previous table shows, roughly two-thirds of programs offer courses in economics and law as they pertain to IR and/or HR. Table 2 indicates that approximately half of programs now offer courses in training and development, employee relations, HR information systems, and a third offer international HR courses.

Other than IR and HR courses, only organizational change courses are available in a majority of programs. Courses relating HR or IR to the bottom line or to business strategy are seen, respectively, in only one-fifth and two-fifths of cases. Courses concerned with quality, leadership and management skills, and

issues such as ethics, diversity, and work organization are offered in only one-quarter to one-third of programs.

Kaufman (1994) also recommended that students obtain experience, such as through internships. Thus a further issue is whether programs are requiring internships, perhaps as an alternative to theses, and are encouraging extra-curricular networking opportunities. The 1994 survey provides some indications. The historical data are drawn from Wheeler (1989).

Very few programs require an internship: 10 percent in 1994 (up from 8 percent in 1988). However, 66 percent of programs have an optional internship (78 percent in 1988). Theses are still more common requirements - in 14 percent of programs in 1994 - but the trend is downward, from 22 percent of programs in 1988.

Networking opportunities are widely available. The 1994 survey data show that all responding programs afforded students the opportunity to interact with alumni. In 71 percent of cases, there was a student chapter of the Society for Human Resource Management (SHRM). Students were also able to attend meetings of local professional chapters of SHRM (68 percent of programs), the IRRRA (64 percent), and, less commonly, the American Society for Training and Development (29 percent).

CONCLUSIONS AND IMPLICATIONS

In summary, recent years have seen curricula take many new directions so that today's common features are different from those of 1988 when Wheeler conducted the last survey of this kind. First, more universities and colleges are moving in the direction of providing IR/HR education at the master's level. While such programs are more common than in 1988, some programs have been eliminated. Second, curricula are continuing to change their emphasis from IR to HR. In 1996, program names including HR (or equivalent) dominate; they were a minority in 1988. Curricula now require courses in IR theory/systems and labor economics less frequently. A third new direction is toward new courses that are appropriate to the changing professional environment of IR/HR. However, except in narrow IR/HR subfields, the new courses are far from common to all programs.

Finally, there are implications for both the supply and demand sides of the market for master's degree programs in IR/HR. Students now have a wider choice of programs because the number and the variety have increased. The increased orientation to HR means that for most students the programs are more relevant than previously. Curricula are also more useful because they are including more salient subjects within HR, albeit slowly. For similar reasons, employers are likely to be more attracted to the graduates of these master's programs.

Program administrators need to consider their curricular strategies carefully in view of the changes that are occurring. The market is increasingly competitive due to the increase in programs, the real possibility of elimination in some universities, and the curricular innovations in many programs. This argues for the need to conduct frequent curriculum surveys and analyses of employer and student needs. At the same time, the greater variety of programs indicates that there is room for niche programs.

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TRANSFORMATION OF THE CORPORATE HR/IR FUNCTION: IMPLICATIONS FOR UNIVERSITY PROGRAMS

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By most accounts the human resource management/industrial relations function (hereafter labelled HR/IR) in American firms is undergoing significant change. This article identifies major aspects of this change process and assesses the implications for university degree programs with HR/IR majors. Evidence on the dimensions of change in the HR/IR function and their impact on the skills and job functions of HR/IR professionals are assembled from practitioner publications (e.g., *Personnel Journal*, *Human Resource Executive*), reports issued by nonprofit business groups (e.g., The Conference Board, Corporate Leadership Council), responses from a mail survey of Georgia business firms concerning changes in their HR/IR departments, and a series of telephone interviews with HR/IR executives and consultants in Atlanta.

DIMENSIONS OF CHANGE IN THE HR/IR FUNCTION

The human resource/industrial relations function in American companies has evolved steadily over the 80 years since it first appeared in a handful of pioneering firms. In this respect, change in HR/IR is nothing new. A reading of the literature suggests, however, that the change process has recently picked-up speed and is transforming the HR/IR function in some potentially significant ways. Indeed, some observers question the very survival of the traditionally organized and operated HR/IR department. In this vein, a recent Conference Board report (Csoka, 1995:9) states:

"As firms address the challenges of competition with dramatic changes to their strategies, structures, and processes, HR finds itself facing a crisis of confidence and credibility with line managers and business people. HR executives are being forced to address the most fundamental aspects of human resource management (HRM) in general and the role of the HR function specifically.... Confronted with charges of being too costly, providing no measurable business value, and decreasing customer satisfaction, human resources has two basic choices: engage in fundamental transformation or face extinction."

This alarmist view is, in my opinion, overstated, for it comes from over-concentration on Fortune 500-type companies where downsizing and restructuring are most pronounced. Nonetheless, no doubt exists that significant change—mostly incremental but some revolutionary—is transforming the way HR/IR is structured and implemented in most American firms. Listed below are some of the most important of these changes.

HR/IR as a Business Partner. Global competition and vigilant financial markets are forcing companies to pay ever-closer attention to growth in earnings and shareholder returns. In reaction, operating and staff departments are under mounting pressure to reduce cost and add value. The HR/IR function, once viewed as an overhead cost, a non-strategic administrator of various personnel programs,

and the employee advocate in the company, is thus trying to reposition itself as a "business partner (Raimy, 1995). This means that HR/IR professionals are expected to have a better grasp of the fundamentals of the company's business, to more closely align the HR/IR department with the needs of external and internal customers, and to produce and deliver services that add demonstrable value to the bottom line.

A Long-Run, Strategic Perspective. The second most oft-cited requirement for change is that HR/IR needs to become more "strategic" in orientation (Solomon, 1994). The frequent charge is made that in the past HR/IR has focused too much on short-run, tactical issues of program administration, delivery, and compliance. While efficient delivery of personnel services remains very important, the broader task for HR/IR is to effectively manage the company's portfolio of human capital—a task that requires a long run, strategic business perspective.

Support of TQM and Organizational Change. Many companies have implemented a total quality management (TQM) program or some form of process reengineering or organizational downsizing. Too often, it is charged, HR/IR acts as a "blocker" of these programs and, for that reason, is either excluded from the planning process or brought in later as a junior partner. Yet all of these efforts inevitably involve significant "people" issues that involve HR/IR, such as effective management of headcount reduction, new training programs, and revised compensation and performance evaluation procedures. Because of this, many companies are broadening the boundaries of HR/IR to include a partnership role for it in these efforts—albeit with a clear expectation that HR/IR staff approach this assignment with a broader set of organizational skills and a more proactive management perspective.

Impact of New Technology. New technology is reshaping the employment relationship and the HR/IR function. E-mail, notebook computers, fax machines, modems, remote access software, car phones and other such technologies are precipitating a host of new developments in the organization of work, such as telecommuting, the "virtual office," and greater use of contingent and contract employees. Besides creating many new HR/IR challenges within firms, these new technologies are also fundamentally reshaping HR/IR itself. New human resource information systems (HRIS), for example, allow companies to automate or eliminate much of the administrative work traditionally done by HR/IR staff. These systems also facilitate reengineering of the HR/IR function and integration of hitherto separate activities (e.g, consolidation of payroll and benefits records). New technology in the form of interactive voice response and electronic kiosks also give employees more opportunities for self-service.

Shift of HR/IR Responsibilities to Line Management. Another trend is the decision of a number of companies to shift a greater portion of HR/IR back to line management (Corporate Leadership Council, 1995). The motivations are diverse—a desire to reduce HR/IR overhead cost, break-down functional barriers between line and staff, and locate responsibility and delivery of HR/IR as close as possible to the point of production—but the end result is to take tasks traditionally done by HR/IR staff and transfer them to the operations side. One example is where employee teams are empowered to interview and select new workers, a second is when supervisors and team leaders are permitted to resolve grievances on the spot rather than calling in an HR/IR staff person. In these situations, HR/IR staff transform from the "doers" to internal consultants and facilitators.

Decentralization of HR/IR from Headquarters. New technology and greater competition are causing many large companies to adopt a more decentral-

ized organizational structure. For example, a regional telephone company may decide to break itself into four or five subsidiaries organized around key product lines or customers. When organized as one large unit, this type of company is likely to have a large staff of several hundred people in a headquarters department designing and administering a "one size fits all" set of HR/IR policies. Decentralization, or break-up and sell-off, leads to a concomitant decentralization of HR/IR as headquarters staff are shifted to the separate business units and HR/IR services are tailored to their specific needs.

Outsourcing and Service Centers. Corporate HR/IR departments are also being transformed by outsourcing and creation of HR service centers operated by external vendors. Companies find that they can contract-out administrative tasks, such as administration of 401K plans or recruitment and selection of entry-level nonexempt employees, cheaper than they can do the same tasks internally. Outsourcing also frees-up time of HR/IR staff for higher value-added activities. A number of companies have also outsourced administration of their benefit plans to an externally operated "service center." The center is often located in a different state, serves numerous companies, and offers 24 hour access to employees who may obtain information or make record keeping changes by dialing an 800 number.

Greater Emphasis on Measurement and Quantification. Along with the increased emphasis on adding value comes additional emphasis on measuring and quantifying the financial and organizational impact of HR/IR programs and services. Outsourcing, investing in new HRIS technology, reengineering HR/IR processes, and other parts of the "new" HR/IR all require more technical and financial sophistication if HR/IR executives are to be taken seriously as business partners.

More Lateral Movement In and Out of HR/IR. As companies try to break down functional barriers and integrate HR/IR with the operations side of the business, many have decided one way to promote this is to foster greater cross-functional training among managers. Thus, in the old model many people were HR/IR specialists for their entire working life, though they may have worked in different areas of HR/IR and for different companies. Today, more companies are rotating people in and out of HR/IR management positions, particularly at the senior level, and place greater emphasis on operations experience for all levels of HR/IR staff.

Decline in the Union Threat Effect. The final factor that has facilitated the transformation of HR/IR is the marked decline in the threat of unionization. Many of the features and practices of the traditional HR/IR model, such as standardized, company-wide personnel practices and the role of HR/IR as the employee advocate, were implemented by companies in an attempt to reduce inequity and favoritism—the most common catalysts of union organizing among employees. Most large companies now perceive a much-reduced threat of unionization and thus feel more freedom to re-orient HR/IR toward direct bottom line goals.

IMPACT ON HR/IR JOBS AND SKILLS

The various dimensions of change in the HR/IR function outlined above have had significant effects on the demand for labor in this field in terms of employment growth and the job skills and competencies companies desire. Among the most important of these are the following (also see Kaufman, 1994):

Slower Growth in HR/IR Jobs. According to projections by the Bureau of Labor Statistics, over the next decade HR/IR employment should register net annual growth of between 2,600 and 4,500 jobs (Silvestri, 1993). This is a significantly lower growth rate than in previous decades. Job opportunities in most Fortune 500-type companies have declined markedly and will continue to decline. New HR/IR jobs will appear in small-medium size companies and among management consultants and external vendors.

Greater Business Knowledge Essential. Companies uniformly want HR/IR professionals to be more savvy about other functional areas of business, such as accounting and finance, and to have a better grasp of the economic fundamentals of the firm and industry.

Management and Leadership Skills a Key. Increasingly the emphasis in human resource management is on the latter word—management. Technical knowledge and administrative skills in HR/IR remain very important, but what companies place higher value on is people with excellent management and leadership skills, such as ability to complete a project under budget and the vision and interpersonal skills to lead a special employee task force.

More Demand for Consulting, Advising, and Negotiating Skills. With the delegation of more functions to line management and greater emphasis on employee involvement and organizational change, HR/IR staff assume a larger role as facilitator, coach, internal consultant and problem solver. Well developed consulting, interpersonal and conflict resolution skills thus become more highly valued.

Analytical Skills also More Important. Analytical skills, such as problem solving, financial measurement, and abstract reasoning, are lower order needs as long as HR/IR staff focus on the day-to-day minutia of personnel administration. They become far more important, however, if HR/IR staff are expected to participate as strategic business partners.

Shift from HR/IR Specialists to Generalists The decentralization of HR/IR at large Fortune 500-type companies, and the growth in job opportunities at small-medium size companies, both result in a demand shift from HR/IR specialists toward generalists.

Operations Experience More Important. Companies want HR/IR staff to understand the needs and perspectives of their internal customers in the operating departments. Previous experience in a line position or demonstrated familiarity with operations is thus very prized.

Quality and Organizational Change Skills a Big Plus. Relative to a two decades ago, many more firms are involved with quality, reengineering and restructuring programs. Because these efforts have significant HR/IR ramifications, companies want their HR/IR staff to have a broader, more in-depth set of skills in these areas.

Computer and Information Technology Skills Grow. Computer literacy has become practically a prerequisite job skill in HR/IR and will only grow in importance. Ability to keep-up with developments in HRIS, and to effectively implement and manage HR/IR information technology in the organization, is much desired by companies.

Oral and Written Communication Skills Crucial. Last but not least among skill sets that are growing in importance is facility in oral and written communication. Whether serving as an internal consultant to line management,

presenting a feasibility study to top corporate executives, or negotiating with an external vendor, effective oral and written communication skills are crucial to success.

IMPLICATIONS FOR UNIVERSITY HR/IR PROGRAMS

The trends noted above have numerous implications for university HR/IR programs. Among the most important are the following:

Program Growth Prospects Limited. To a significant degree HR/IR enrollments are driven by student perceptions of job market prospects. The slow growth in new job opportunities, and the absolute decline in positions in many large companies, suggest that HR/IR programs will face stable or only modestly positive overall enrollment growth prospects. Enrollment prospects are particularly problematic for programs with a heavy labor relations orientation, given the relative dearth of job opportunities in this area. Slow growth in credit hours, combined with university budget pressures, also implies scant growth in new HR/IR faculty positions. Programs that wish to grow must either exploit a favorable geographic location, innovate with an effective marketing program, or demonstrate superior ability to place graduates in good jobs.

Shift Toward Business School Programs. The enrollment shift from HR to IR and the greater emphasis on the "business partner" role for HR/IR favor programs housed in business schools. Programs outside of business schools (principally the free-standing IR schools and institutes) typically require negligible to modest coursework in business subjects—a distinct competitive handicap today from the perspective of both students and employers. These programs can, of course, add more business courses but doing so can run into administrative and philosophical roadblocks. The old "social science" model of IR education is slowly dying and HR/IR is increasingly becoming a subfield of management.

More Foundation Courses in Business. HR/IR programs need to augment the coursework undergraduate and master's students take in basic, non-management business subjects, such as accounting, finance, and operations. Too often undergraduate HR/IR students take the bare minimum of such courses, and a number of master's level programs outside of business schools require even fewer. Employers want specialized master's level HR/IR graduates (e.g., in MS or MILR programs) to have MBA-level business courses, not undergraduate level courses as required by AACSB (American Association of Collegiate Schools of Business) accreditation standards. Keeping coursework hours within reason, however, is a major challenge.

MBA Programs Gain over Specialized Master's HR/IR Programs. The movement from HR/IR specialists to generalists, the greater emphasis on general business knowledge and management skills, and the growing tendency of companies to staff HR/IR positions with people from the operations side of the business, all work to shift student demand from specialized master's HR/IR programs toward MBA programs. This is particularly true for students who do not have an undergraduate business degree. For those that do, an MBA program is duplicative and a specialized HR/IR program is the better option, although students are deterred by the belief that employers favor the MBA because of its greater perceived rigor and higher quality of student. What employers and students really want is a combination MBA/MS degree.

More Emphasis on Business Impact of HR/IR. Programs need to do a much better job in integrating business subjects and analysis into HR/IR courses.

Too often the business concepts studied in the finance and accounting courses are never utilized or applied in the HR/IR courses. Many students will read about outsourcing in their HR/IR courses but few will ever be asked to demonstrate how an HR/IR manager should determine, for example, whether outsourcing the company's benefits function is a good business decision.

Organizational Behavior Courses Need More HR/IR. Most undergraduate and master's business programs (BBA and MBA) require students to take an organizational behavior course, but often no HR/IR course is required. With greater delegation of HR/IR responsibilities to line management, and the greater likelihood that staff from operations will rotate into HR/IR, it is becoming increasingly important for all BBA and MBA students to have a basic understanding of HR/IR subjects and practices. This may necessitate a combined two semester (quarter) course that integrates OB and HR/IR. This development is a "plus" for HR/IR faculty growth prospects.

Structure of HR/IR Programs Too Functional. Most HR/IR programs are organized around a set of HR/IR functional subjects—for example, students take a series of courses on compensation, employee selection, labor relations, etc. This approach is increasingly too narrow. Greater integration is required across HR/IR courses, more emphasis is needed on strategy, and more integration is also required with general business subjects.

Courses on TQM and Organizational Change Needed. Subjects such as TQM and organizational change have traditionally been viewed as on the periphery of HR/IR. Programs that want to satisfy their corporate customers will strongly consider making courses on these two subjects not only available but quite possibly mandatory.

Applied HR/IR Research Course a Must. With the additional emphasis on measurement and quantification in corporate HR/IR, programs need to respond by making sure students know how to *apply* statistics and research methods to HR/IR problems. The emphasis on the word "apply" is added because of the tendency of some faculty to teach statistics and research methods without much, if any, hands-on application to real world HR/IR issues.

Provide Opportunity for Field Research. Students also need an opportunity during their programs to apply and test the subject matter learned in the classroom to a real world situation. Some type of field research course or project in which a team of students investigates an HR/IR issue at a local company and then works-up a written report and gives an oral presentation to company executives is wonderful training for students and a competitive advantage for programs.

Provide More Experiential Training in "Process" Skills. Companies want HR/IR graduates to have better "process" or "enabling" skills in such things as leadership, working in groups, interpersonal communication, and problem solving. These skills are difficult to acquire through traditional means, such as lectures and textbooks, and typically require a more experiential approach. Although most programs already feature some training along this line (e.g., mock dispute resolution exercises), much more is needed. Effective delivery may require non-traditional methods (e.g., a series of non-credit one day modules featuring, for example, a "ropes" course and other team building exercises) and perhaps even non-faculty trainers.

More Case Studies. Case studies have fallen out of favor at many universities, or are used only sparingly in select HR/IR courses. They are particularly effective, however, in giving students a more integrated, strategic and real world

perspective on HR/IR and, hence, more use of them is desirable. Many younger faculty, however, don't have the practical experience and breadth of training to effectively teach the case method—one possible reason for its decline.

Stress Computer Literacy. Every HR/IR student, as an absolute minimum, should be conversant with personal computers and standard software programs. Of greater challenge, university HR/IR programs need to integrate computers and information technology into at least a portion of the courses, such as in compensation and applied research methods. Non-credit modules may also be an effective delivery vehicle.

More Emphasis on Communication Skills. Company executives are almost unanimous in wanting universities to do a better job in the area of communication skills, both oral and written. As with computer literacy and "people" skills, non-traditional approaches may be required as faculty generally have neither the training nor time in their courses to seriously tackle this problem. Examples include non-credit modules on effective communication skills, hiring graduate students or faculty from the English or Speech departments on a project basis to coach students and evaluate papers and oral presentations, and giving students the opportunity to make presentations before company managers or other practitioners.

Develop HR/IR Strategy and Integrate It with Business Strategy. Most BBA and MBA students take some kind of capstone business strategy or "policy" course. Too often, however, these courses slight people management issues, and HR/IR concerns in particular, and dwell mostly on applications of marketing, production, and finance. Because more line management people will have to deal with HR/IR issues in the future, this imbalance needs to be addressed. With respect to HR/IR programs, all should have some kind of capstone HR/IR strategy course and those that want to do it right will make sure that it is integrated with material from other functional business courses and general business strategy.

Student Recruitment. HR/IR programs need to reorient and upgrade their recruitment efforts in order to attract and graduate a higher "quality" of student. Master's programs, for example, should discourage enrollments from students that do not have significant work experience. Since management and leadership skills are of greater importance, improved selection methods, such as personal interviews or a personal skills inventory test, need to be added to help screen applicants for these qualities or potentials. Programs also need to target their recruitment efforts and financial aid to attract students that otherwise might go into finance, production and related "hard" subjects, as they tend to have the experience, quantitative, and analytical skills companies prize in HR/IR managers.

Form Partnerships with Companies. University HR/IR programs need to form closer relationships with their corporate customers. Forming a board of advisors is a useful step, but only if their opinion is actively sought and taken seriously. Other possibilities include a quarterly HR/IR roundtable, a research consortium with local companies, an annual HR/IR "hall of fame" dinner and awards ceremony, and an effective executive education program. These partnerships can yield many benefits to HR/IR programs, such as internship opportunities for students, job openings for graduates, company sites for student field research projects (and faculty research), and financial gifts. Partnership is a two way street, however, and faculty must recognize that these benefits will accrue only to the extent they are willing to spend significant time interacting with business people, listening and responding to their suggestions, and being open to

incorporating these suggestions into the degree programs, courses, and teaching practices.

Invest in Faculty Development. Most faculty are graduates of PhD programs which stress scholarly research. They often do not have much practical experience in HR/IR, particularly in the early years of their academic careers. Also, the pace of change in the business world is quickening and even those faculty with close business ties find it increasingly difficult to stay abreast of new technologies and organizational practices. These facts, combined with the breadth and depth of new skills and competencies outlined above that faculty are being asked to provide to students, makes it imperative that universities invest more resources in faculty development. Possible vehicles to accomplish this are faculty involvement in executive or labor education, faculty internships with companies, a research consortium with local companies, teacher development workshops, and so on. The larger constraint, however, is getting faculty to actively participate in these efforts. Given the research environment at most universities, the bulk of faculty view non-research "development" as an obligation, not an opportunity.

CONCLUSIONS

I will end with a caveat and a prediction. The caveat is that we must clearly keep in mind that business firms are an important customer or stakeholder of university HR/IR programs, but they are not the only or even most important one. Academic institutions also serve broader social interests, as well as the needs of other stakeholders (e.g., employees and labor organizations). Thus, a balance must be struck in the degree to which we shape the structure and content of HR/IR programs to suit business firms. If we go too far, universities become glorified vocational-technical schools serving narrow business interests; if we do not go far enough then we graduate students who add little economic value to companies and society. My sense is that universities need to be more responsive to *all* their external customers and, thus, many of the items listed above deserve action—but not uncritically or slavishly so.

My forecast concerns the degree to which most university HR/IR programs will adopt the types of innovations listed above. I feel confident that tangible progress will be made, but that the extent of change will be relatively modest absent a crisis in enrollments or a direct government mandate. On one hand, universities are under greater external pressure to improve the quality of their educational product and this pressure is leading to heightened performance standards and greater innovation in the classroom. On the other hand, the reward systems, culture, and governance structures of most universities represent significant barriers to change. Although universities are called institutions of higher education, it is research, not education, that commands the bulk of the faculties' time and interest (Kaufman, 1991). This is a product of both preferences (research is generally regarded as more interesting than teaching) and the structure of rewards (pay increases and professional status come from research accomplishments—being a master teacher often yields little pay-back). These problems are then compounded by relatively weak standards of faculty accountability for teaching performance—a product of the tenure system and loose, poorly managed performance evaluation methods—and a professional mindset among a sizable minority of the faculty that views customer feedback from students and business people as an intrusion on their professional prerogatives.

In sum, the good news is the United States has the best universities and HR/IR programs in the world and the education provided promises to get even better.

The bad news is, first, that a noticeable and growing gap exists between the quality of the educational product desired by the customers of universities (e.g., companies, students) and that which is provided and, second, the pace of quality improvement in universities will be distressingly slow due to constraints embedded in their reward systems, culture, and governance structures.

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SOME PRINCIPLES OF ECONOMICS FOR HUMAN RESOURCE MANAGEMENT

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A course that takes an economic approaches to many human resource management issues sounds like an oxymoron. Economists focus on hard data (employment, wages); HR experts obsess with the hard-to-measure (attitudes). Economists are cynical, believing people lust after lucre and leisure. HR experts are optimistic, believing performance can be managed with training and feedback.

Both groups are going through hard times. The job market for economists is grim, as documented recently by the *Wall Street Journal* (Vogel 1996). Meanwhile advances in information technology and changes in organizational structure are having such an impact on HR that *Fortune* columnist Thomas Stewart (1996) has asked, "Why not blow the sucker up?" As director of NC State's graduate program in management, I also have seen both disciplines get squeezed in many business schools (including ours) as curricula are restructured.

Both economists and HR experts will continue to be imperiled species in management education until a convincing case can be made that we add value. A course that combines the best aspects of both disciplines does this in the following ways:

Students learn to adapt tools from their core microeconomics course to examine tradeoffs and sometimes even provide quantitative solutions to real problems.

Students learn that one discipline cannot provide the answers to all HR-related questions.

Economics brings a dose of business reality to the HR classroom by focusing attention on how HR decisions affect the bottom line.

Recent work in personnel economics provides new and sometimes surprising insights that have not worked into the HR mainstream.

All managers must be prepared to structure jobs, hire workers, manage performance, and promote training. They also need to understand the incentives created by the pay and benefits system, even if they do not have much leverage over it. Economics has a lot to say about some (but not all) of these topics.

TRADITIONAL TOPICS

The first day of the course covers labor market trends, including globalization of the labor market, changing demographics, rising skill requirements, and trends in pay levels and pay inequality. I spend little time on the facts, but a lot of time on the explanations. For instance the changing volume and mix of immigrants is a consequence of policy decisions made over the last 30 years. Companies that base their labor market strategy on a low-skill, low-pay workforce are betting that these decisions will not be altered.

The standard approach to employment levels is well known – adjust the input mix until the ratios of marginal products to labor costs are all equal. No manager

thinks in these terms directly, but many try (perhaps not consciously) to select the option with the highest ratio of average product to labor cost. For instance, suppose that there is a upturn in business that requires additional staff. There are many options – hire a full-time person, hire a full-time person on a short-term contract, hire a part-time person, use a temporary agency, etc. At a minimum managers can cost these out and compare the costs to their best estimate of the productivity differentials. The answer depends on such variables as the duration of the work (both the mean and the variance) and the costs of finding and training a worker. The same models indicate when companies should pay overtime instead of hiring additional workers.

Labor economics has always had a lot to say about pay, and this is reflected in the standard HR course. Adam Smith's original insights into compensating differentials are now Hay points. Economic logic also pervades the discussion of pay-for-performance and individual or group incentive plans. There are a number of excellent Harvard cases that bring these theoretical points alive in the classroom, including Megalith-Hay Associates (job-based salary determination and administration), Merck & Co. (A,B,C) (pay for performance), RKO Warner Video (individual incentive pay, moving carrots), and Prepare/21 at Beth Israel Hospital (A, B) (group incentives).

There is only time for one session on unions, where incentives of firms, workers, and unions are discussed, along with evidence (much of it collected by labor economists) on how unions affect HR activities and firm performance. The First National Bank of Lake City (A) case is effective in getting students to focus on the options facing a firm when faced with a union organizing campaign.

Although the phrase "human capital" is starting to infiltrate management education, Gary Becker's Nobel-winning insights into the subject are often ignored. Becker emphasizes the role of the reward system in motivating both firms and workers to invest in skills. Some skills have a wide market, so workers should pay for them by accepting a lower wage. Most training has an employer-specific component. Workers will not be willing to pay the entire cost of such knowledge, because it has zero value elsewhere. Workers will bear some cost, as long as salaries grow after training.

These conditions speak more to the design of pay structures and career paths than to the decision to train Dogbert next month. With some simple manipulation of Becker's model, this becomes similar to a capital budgeting decision. Cost allocation is more subtle, because one must include not just the cost of trainers, materials, and equipment, but also the lost output of the trainees (which is not always the same as their salary). With TQM some companies now have a pretty good idea of how much training affects productivity, but this payoff is still unknown in most firms because the only evaluation is end-of-session reaction from participants. I think managers will make better decisions if they know costs and make judgments about payoffs instead of trying to guess both. I use a series of numerical examples and problems based on those examples to make sure the students have mastered this material (including an economically nonsensical capital budgeting analysis that I found in an HR handbook).

RECENT DEVELOPMENTS

In the last 15 years, the area of personnel economics has become an important component of labor economics. Here are topics which I think merit coverage: *Efficiency wages*. Economic models provide useful guidance in deciding whether a pay level adjustment would pay for itself. To justify a pay realignment, you still

have to know (1) how much it costs to find and train a worker, (2) how much turnover will fall for a given pay change, (3) how much upgrading to expect in the applicant pool, and (4) how much extra work effort can be successfully demanded.

Although the models cannot be used to calculate the optimal efficiency wage for an organization, they provide a useful checklist of conditions that are conducive to a particular pay strategy. Firms that have high hiring and training costs, work settings where extra effort has a big payoff, or a problem attracting qualified applicants need to think about paying above-market rates. Henry Ford's experience with the \$5 day is still the most dramatic example of this tradeoff.

Job security issues. Graduate students in management stand an excellent chance of being both prey and predator in the series of downsizings and restructurings they will endure over their careers. I start with a discussion of what to do in a situation where labor costs are going to have to be cut in half for six months. Students are often surprised to learn that workers will usually prefer a three month shutdown over a 50 percent cut in pay (or a switch to part-time work) for six months. The exact conclusion depends on factors such as the value of continuous blocks of free time, costs of going to work (day care, commuting), and unemployment benefits.

The system of lifetime employment in large Japanese firms gets explored in some detail here, along with the history of no-layoff policies in the U.S. Economic models emphasize the tradeoff between the short-term labor cost savings that can be obtained from breaking the job-for-life promise and the long-term costs associated with less training, higher turnover, and reduced loyalty. Firms are increasingly communicating the cold-hearted truth – the ultimate source of job security for WalMart associates is the continued success of WalMart.

This also is a good opportunity to look at severance pay, whether dictated by the company handbook or government regulations. The conventional wisdom is that the expected cost of severance pay is factored into the cost of hiring a worker, and thus reduces employment. But in a very insightful article, Edward Lazear (1990) pointed out that as wages can be adjusted, workers will pay for their likely severance through lower earnings so that there will be no impact on employment.

Wages and productivity over time. Believe it or not, but most personnel economists have discarded the notion that wages must always equal the value of marginal product. Instead, output and lifetime income can be enhanced by a scheme in which workers are paid less than what they produce in the early stages of their career and are paid more than they produce at the end. This must be put in the proper context—job matches of lengthy duration and that the present value of wages and output still must come out equal on the margin (by the way, keep reminding the students that you keep the stockholders happy with all the money made off the n-1 nonmarginal workers).

The output enhancements come from the tilt in the compensation profile. Employees have a choice between working and shirking. By accepting a contract where they get paid less than their output, they are participating in a deferred compensation scheme. The difference between pay and output in the early stages of their career is just like a bond that they post with the firm. If they work, they get their reward – a salary above their productivity level in their later years. If they shirk, the firm defaults on the bond and the worker gets fired. But shirking is irrational under such a scheme and should not happen. Thus output and income end up being higher than it would without the bond. Most students find that this theory matches well with the patterns they observe at the workplace. Of course

most MBA students are in the early stages of their career. This theory also helps explain why firms want mandatory retirement policies.

Agency problems. The key insight from agency models for HR is the tradeoff between incentives and insurance. The value of labor increases with effort, but also depends on forces beyond workers' control. Salaries lock in income, but provide no incentives for effort; incentive schemes reward effort, but provide no insurance. The optimal pay schedule must balance these conflicting demands.

Realism that has been added in recent years by explicitly modeling of the way in which pay decisions are made (Gibbons 1996). For instance, effort is usually measured via performance appraisals. As the accuracy of these appraisals increases, so should the use of pay-for-performance or individual incentives. Similarly, firms should have relatively little within-job pay variation in jobs where monitoring is costly or error-prone.

Incentives created by employee benefits. Decisions about pension characteristics receive little attention in most HR texts. Although this looks like dry stuff best left to actuaries and accountants, these choices have huge HR implications. Companies that still have defined benefit plans usually promise their retirees a percentage of their average salary over a given time span times the number of years they worked. Workers accumulate very little pension wealth until their final years with the firm, creating a powerful incentive against quitting and a nasty stigma for firms that fire workers at mid-career. As workers near retirement, the choice of eligibility criteria (some combination of age and service) largely predetermine when workers leave. There has been a great deal of empirical work estimating the magnitude of these effects in a variety of contexts. Similar work is now being done on the behavioral response to changes in medical insurance parameters.

Does it matter? Research can help motivate student learning if a clear connection can be made between HR policies and organizational performance. The most convincing evidence on this matter is Ichniowski, Shaw and Prennushi (1995). Using longitudinal data for 26 steel plants, they found that plants that adopted a system of new work practices (teams, extensive screening, flexible jobs and multitask training, employment security, information sharing *and* incentive pay) obtained much higher productivity than plants with traditional approaches. Further, they found that it was the system that mattered; in firms that adopted individual innovations in isolation (e.g., teams but nothing else), there was no productivity boost. I have not taught HR since this study came out, but my intention is to mention the overall results on day one of class and then come back to it in more detail near the end.

PEDAGOGY

The above material could be covered in about half a semester in a graduate course or could be combined with other HR topics (where economic analysis currently has fairly little to say) into a full semester course. I have gradually weaned myself away from most of the graphs and algebra that accompany these models. I still use some numerical examples to explain these concepts and follow up with problem sets upon which I will base an exam question or two.

Over the last five years, I have gradually shifted from the standard "sage-on-a-stage" lecture method to a 50-50 mix of Harvard cases and lecture/discussion (with overheads available in a course pack). I have used an excellent simulation by Ichniowski and Preston (1989), but it has unfortunately gone out of print.

Until recently, the text situation was fairly depressing to those who abhor the idea of making students buy two hardcovers at today's prices. Most of the economic concepts were covered in various chapters of Ehrenberg and Smith (1996), which can be supplemented with a short text on HRM, such as Greer (1995). The latest edition of Lewin and Mitchell (1995) has a blend of economics and traditional HR topics that makes it a strong candidate for adoption the next time around. Lazear (1995) is a good summary of much of the literature, but is at too high a level for most management students. They will be better served by the text he is developing (Lazear 1996). Two of Lazear's colleagues at Stanford—Jim Baron and David Kreps—also are collaborating on a text (Baron and Kreps 1996). They base their analysis around what they call the "five factors" determining the fit of HR policies: external environment, work force, culture, strategy, and technology.

The careful reader will note that I have not mentioned anything about economic models of three very important HR topics—job design, performance measurement, and hiring. The latest thinking on job design by economists since Adam Smith's pin factory is best explicated in Brickley, Smith, and Zimmerman (1996; chs.9, 10) and Milgrom and Roberts (ch. 12). Lazear (1995, ch. 8) has some thoughts about the frequency and timing of appraisals, but economists have little to say about what gets appraised, who does the appraising, and how the appraisal gets used—all very serious matters. I find economic models of signaling and screening to be useful descriptors of the hiring process, but not so helpful in providing insights into choosing predictors or structuring the hiring decision (multiple hurdles versus compensating differentials). In teaching these subjects, I tend to stay within the HR mainstream. I also do not cover some topics in personnel economics because I think they have limited applicability for the average MBA who is to choose or rewarding a CEO.

MARKET TEST

Personnel economics has come into its own as an area of research in the last 15 years, but what about its influence outside of the journals? One market test is the extent to which business schools have adopted personnel economics as part of the core HR course. Out of *Business Week's* top 20 business schools, only seven have an HR course as part of their core curriculum. In four schools (UCLA, Chicago, MIT, Stanford), some or all sections of the course have a significant economics component; in the other three (Purdue, Indiana, North Carolina), the traditional approach is taken. Stanford's commitment to have a team of economists, sociologists, and social psychologists teach the course is especially noteworthy in this regard. Courses emphasizing economic approaches to HR also have been taught recently as electives at UC-Berkeley, Columbia, Cornell, Dartmouth, and Michigan.

A better market test is the application of these principles on the job. Economists have acted as consultants in the areas of pay, benefits, and collective bargaining for some time. We will know that the field has come into its own when they get involved in designing job structures, performance evaluations, and hiring processes.

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STRATEGIC DIRECTIONS FOR NORTH AMERICAN INDUSTRIAL RELATIONS ACADEMIC UNITS: THE LAVAL EXPERIENCE

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Higher education in North America is facing numerous problems and challenges, including declining enrollments, growing financial constraints, concerns about the balance between "theoretical" and "applied" elements of curricula and questions about the relationship between universities and the wider community. In the field of Industrial Relations, these problems are compounded by what many recent commentators claim are fundamental problems of identity and direction. This dual challenge—coping with the general pressures facing most other disciplines while simultaneously grappling with deeper problems of self-identity and distinctiveness from other fields of study affect all scholars associated with the field of IR, but it is particularly pressing for the small number of free-standing industrial relations academic units built upon the "sovereign discipline model."¹ This group of departments or schools, as one of the key sets of institutions binding together the field, will play a key role in determining how these problems are tackled; and the strategic directions they take will have a major influence on whether IR revives and prospers or continues its slide into academic oblivion.

To address this issue, we begin by briefly setting out the specific challenges confronting industrial relations academic units, situating these challenges within the broader transformation of North American industrial relations and the debate about the future of industrial relations *qua* discipline. We then describe the strategic planning process launched by Laval University's Industrial Relations Department, one of the largest free-standing IR units in North America, to adapt to both the broader change in the environment of university education and the specific difficulties faced by the field of industrial relations. This process included a survey of the major academic IR units in Canada and the United States, and we summarize the main findings here. Finally, we comment on the strategic choices that lie before industrial relations academic units.

THE CHALLENGE FACING INDUSTRIAL RELATIONS

The problems and opportunities facing industrial relations academic units are just one aspect of a broader questioning of the role and future prospects of industrial relations as a field of academic study, a debate which is, in turn, the by-product of far-reaching changes in work and employment relations. Although the origins, extent and implications of these changes are the subject of much lively debate, for our purposes they need only be summarized in general terms (for more extensive discussions, see Kochan, Katz and McKersie 1986; Appelbaum and Batt 1994; Chaykowski and Verma 1992; Drache and Glasbeek 1992; Smith 1993).

* The authors thank Bruce Kaufman for his detailed comments and suggestions on an earlier draft of this paper.

¹ Chaykowski and Weber (1993: 89) define this model as "the study and teaching of industrial relations as a

distinct domain of inquiry in free-standing units" as compared to the "dependent field model" where IR is taught within other academic units.

Since the mid-1970s, the postwar system of industrial relations in North America has been crumbling under the combined pressure of economic, political and social change. On the economic front, the 1970s saw the collapse of the 30-year postwar economic boom and the onset of a phase of restructuring. Firms and governments sought to respond to a more open and competitive international economic environment, as well as to changes in financial and product markets, technology and social values, with a number of strategies that challenged the essence of the Fordist model of production and work relations and the pattern of labour-management relations upon which it had been constructed.

Four aspects of the resulting transformation of industrial relations are important in understanding the crisis of academic industrial relations. First, unions, collective bargaining and collective labor relations more generally have come under intense scrutiny and pressure the point of actual decline in the United States and stagnation in Canada. Second, the rise of the "new Human Resources Management" as the preferred strategy of large employers has resulted in a marked change in the standing and influence of traditional industrial relations functions, a change that has had an impact on all of the actors in the system. Third, traditional industrial relations issues have not only slipped down the political agenda, they have come to be framed more and more explicitly in terms of considerations of efficiency, productivity and competitiveness, thus posing a direct challenge to the liberal-pluralist balance which characterized the dominant postwar labor relations ideology. Lastly, the organization of production and work relations has been dramatically altered, with such new strategies as "employee involvement," "teanworking," "flexibility," and "total quality management" displacing and undermining the social bases of the whole system of collective bargaining and representation that was erected in the 1930s and the early postwar years.

These trends in work and employment relations, in tandem with increased financial pressures on universities, demographic and labor market changes and growing questions about the role of universities and their relationship to the wider community, have sparked a great deal of soul searching in recent years regarding the status and future prospects of industrial relations as an academic discipline (e.g., Kaufman 1993; Cutcher-Gershenfeld 1991; Strauss 1994; Kochan 1995). Spurred by the recognition of a host of alarming trends and looming threats—including, for example, the growth of HRM as an alternative paradigm, the skepticism of employers and students alike about the relevance of the traditional IR curricula, the decline in enrollments experienced by many programs and the disappearance of some others—the debate about the future of industrial relations has perhaps been most keenly felt in the small number of free-standing academic units that form the core of the field's presence in universities (see Meltz 1988; Chaykowski and Weber 1993).

In the following section, we relate how one of the largest academic industrial relations units in North America, the Department of Industrial Relations at Laval University, is seeking to respond to the rapidly changing environment. In the conclusion, we return to the more general debate and reflect upon the strategic options that lie before the field.

LAVAL'S EXPERIENCE

Industrial Relations at Laval

Established in 1943, the Industrial Relations Department at Laval University has developed a full range of teaching programs in industrial relations. At the

undergraduate level, it offers a bachelor's degree as well as major and certificate programs in industrial relations. At the graduate level, it offers two types of master's degrees and a Ph.D. Total enrollment in all these programs was 600 in the fall of 1995. The faculty is composed of 32 full-time professors.

Laval houses the secretariat of the Canadian Industrial Relations Association and is the home of the only Canadian scholarly journal in the field, *Relations industrielles/Industrial Relations*. It also runs an annual conference which brings together some 500 practitioners from the leading private and public sector employer and labor organizations, as well as representatives of many government agencies and consulting firms.

In the fall of 1994, the department set up a Strategic Planning Committee with a fourfold mandate: 1) to analyze the environmental context (both internal and external) in which the department was evolving; 2) to identify threats and opportunities to our activities and resources; 3) to formulate strategic orientations for the future; and 4) to put forward a series of measures in order to give concrete meaning to the proposed strategic orientations.

Three factors were responsible for the setting up of the committee. First, the department was faced with declining enrollments in both its Bachelor's and Master's programs. The former had dropped from 845 students in 1990 to 432 in 1994, while the latter was down to 60 in 1994 after having reached a high of 99 in 1987. (Enrollment in the Ph.D. program, however, was stable at 12-14.)

Secondly, the depressed economic situation in Canada and Quebec in the early 1990s was making it more difficult for our undergraduate students to find employment in their field of study. This phenomenon was not only reinforcing the decline in enrollments, but was also leading to a growing feeling among the students that their curriculum was "too theoretical" and hence discouraged potential employers from hiring them. To make matters worse, many students were dropping out of the program before graduating. For example, less than 50% of the students entering the Bachelor's program in the early 1990s were graduating at the end of the normal period of study.

Finally, informal contacts with alumni who had recently hired some of our graduates confirmed that the latter were ill-equipped to deal with "real-life situations" and that we needed to pay more attention to the applied dimension of our teaching if we wanted to improve the hiring rates of our graduates.

Strategic Planning at Laval

The department's activities and resources were thoroughly reviewed by the Strategic Planning Committee in order to identify its strengths and weaknesses in relation to the threats and opportunities that had been previously identified in the environment.

One of the first steps taken was to organize a focus group made up of practitioners from organizations that had previously hired our graduates. The purpose was to validate the informal diagnosis referred to above, to identify ways to improve our programs, and to send a clear message to the community that the department was taking seriously its responsibility to provide unions and employers with graduates who were well equipped to face the challenges of modern employment relations.

The committee also consulted faculty members, staff and the undergraduate and graduate student associations, and undertook detailed studies of enrollment patterns and the labor market experience of recent graduates.

The committee was particularly interested in bench marking the department's activities against those of similar units, mainly in Quebec, but also elsewhere in Canada and the United States. In particular, we wanted to know whether the same phenomenon that we were experiencing, namely the decline in enrollments, was present elsewhere. We were also interested in learning about the basic characteristics of these academic units in relation to the following topics: student profiles, program structure and pedagogy, research, publication and dissemination of knowledge, links with the community, and faculty profiles.

Thus, a questionnaire was devised to gather information on the above mentioned topics and was sent to what were considered to be the most important industrial relations academic units in North America. Given the fact that very few offered an undergraduate degree, we decided to limit the survey to graduate programs.²

Results of the Survey of Industrial Relations Units

The questionnaire was sent to 35 units selected from the April 1989 IRRA Newsletter entitled "Industrial Relations Degree Programs in the U.S. and Canada." Because we wanted to cover as wide a spectrum of units as possible given the nature of information that was needed, we did not limit ourselves to the members of the University Council of Industrial Relations and Human Resource Programs (UCIRHRP). However, as it turned out, most of the returned questionnaires came from the most active UCIRHRP members.

Our survey covers all 11 academic units offering both a Master's and a Ph.D. degree in IR/HR that have participated in the last three UCIRHRP annual enrollment surveys. They are: Cornell, Georgia State, Illinois, MSU, Minnesota, Ohio State, Rutgers, and Wisconsin in the U.S.; and, Laval, Montreal, and Toronto in Canada. Among the 8 academic units that have also participated in the last three UCIRHRP surveys but that offer instruction at the Master's level only, 3 returned the questionnaire: Rhode Island and South Carolina in the U.S. and Queen's in Canada.

Finally, three other units that do not participate in the UCIRHRP surveys returned the questionnaire: MIT and Princeton, both offering instruction at the Ph.D. level only, and Ecole des Hautes Etudes Commerciales (HEC), in Montreal, a business school which offers a specialization in IR/HR at both the Master's and Ph.D. levels. Because the Princeton Ph.D. program is in labor economics, it has been excluded from our data.

HIGHLIGHTS OF THE SURVEY³

Enrollments

Contrary to the situation prevailing at our university, applications for admission and enrollments in most master's programs have either "gradually increased"

² It should also be noted that the questionnaire did not seek to obtain information on the strategic orientations of these academic units since its original purpose was to provide background materials. However, we intend to follow up with an examination of the strategic directions currently being taken by other IR units.

³ The overall results of the study can be obtained by contacting the authors, by e-mail, at jean.boivin@rli.ulaval.ca, or by fax at (418) 656-3175.

or shown "stability" over the last five years. Some have experienced "irregular fluctuations" and very few have "gradually declined." The situation of Ph.D. programs is not as bright, with the majority showing "irregular fluctuations" in applications for admissions and "stability" in admissions. Only 2 units reported an increase in registrations.

Half of the respondents indicated that 50 percent or more of their master's students were enrolled on a part-time basis and this trend has been either stable or increasing over the last five years. At the Ph.D. level, part-time registration is almost non-existent.

The percentage of female students has been increasing in almost every institution in both the Master's and the Ph.D. programs. The overall averages are 58.4 percent for the former and 37.8 percent for the latter.

Degrees Awarded

When considering the ratio of degrees awarded in relation to the number of registered students in Table 1, one should not jump to the conclusion that such ratio yields an automatic "efficiency rate" of the various academic units. Many factors warrant some caution in the interpretation of these results. First, as regards Master's programs, both the presence of part-time students and the structure of the programs have to be taken into account. All else equal, we would expect to find a higher ratio of degrees awarded in programs that have fewer part-time students. However, there is a wide variety of Master's degrees, ranging from one-year, course-only programs to two-year programs requiring a thesis.

Two other factors must also be borne in mind: the size and the status of the faculty and the existence or not of an undergraduate program.

The size and status of the faculty (full-time vs part-time) is certainly an important variable that can contribute to the number of Ph.D. and master's graduates that are "produced" by the various academic units. However it is difficult to give a meaningful interpretation of our results because, as Table 1 shows, in some units the number of faculty indicated do not match those of the 1995 UCIRHRP enrollment survey. Such discrepancy is probably due to the fact that the respondents who completed the two different questionnaires were not the same, but it nevertheless raises serious question on how some academic units define an IR/HR faculty member (or, indeed, an IR/HRM student, because similar differences were reported in enrollments)

Finally, even if we could use more reliable data, we would also have to take into consideration the fact that some units like Cornell, Laval, and Montreal must allocate a significant portion of their resources to undergraduate instruction.

Faculty Characteristics

We were interested in five particular characteristics of the IR/HR faculty: their academic background as measured by the discipline in which they achieved their highest academic degree; the field in which they specialize; their age; their geographic origin; and their capacity to teach in a second language.

With regard to academic background, in only four institutions did at least 50 percent of the faculty hold their highest academic degree in industrial relations: Laval, MSU, Queen's and South Carolina. Economics was the highest academic degree of more than 50 percent of the faculty at Toronto and Minnesota, while Business Administration-HRM represented more than 50 percent at Rutgers and

HEC, Cornell, Montreal and Wisconsin had a balanced distribution of disciplines with none representing more than 25 percent of the faculty.

The fields in which the faculty specialize are almost equally distributed between labor relations and HRM (30-35 percent each) with labor economics not far behind (20-25).

The age distribution of IR/HR faculty is skewed toward the "golden" rather than the "prime" end of the scale. In 10 of the 15 units, 50 percent or more of the faculty is 46 and over. The youngest faculty is located at Rutgers, Illinois, HEC and Montreal where 60 percent of the teaching staff is under 46.

Links with the Community

The results pertaining to links with the community lend credence to Kaufman's (1993) assertion that it is the problem-solving rather than the science-building approach that has dominated the field so far. First, almost half of the units have an advisory board or a program committee that is made up of persons from outside the university. Secondly, more than 60 percent of the units have "institutional links with professional associations," while barely 50 percent have similar links with "academic associations." The same difference is found as regards the organization of conferences, colloquia, and seminars aimed "principally at practitioners" in comparison to similar activities aimed "principally at academics." Finally, and more significantly, almost every institution is involved in continuing education or courses aimed "principally at practitioners" and more than 50 percent organize such activities "at the request of particular organizations."

STRATEGIES AND ACTIONS DEVELOPED AT LAVAL

Against the background of this bench marking exercise, and taking into account other sources of information consulted, the Strategic Planning Committee made a series of recommendations dealing with both our activities and our client groups, namely students and organizations within our community. The recommendations were extensively debated by the whole department, which finally adopted a formal strategic plan. This plan set out a list of general and specific objectives as well as a list of actions that were to be undertaken to improve the delivery of our services in order to better satisfy the needs of our constituents.

Basically, these actions reflect the two major preoccupations that guided the committee throughout its work: 1) that the department develop a client-oriented approach vis—vis all its constituents; and 2) that our teaching activities not be limited to the dissemination of knowledge but include also the acquisition of practical, interpersonal and behavioral skills and attitudes among our students. Since the strategic plan was developed in a context of declining enrollments, it was partly oriented toward developing means to attract students, even if, at a "low" level of 600 students we were still the second largest IR academic unit in North America.

Among the many actions that were included in the strategic plan, the following may be of some interest to other free-standing industrial relations units.

Pedagogical reform aimed at providing students with practical skills: an internship (worth three courses) has been incorporated into the bachelor's program and the Graduate Program Committee has recommended that one of the two Master's tracks also include a similar internship as part of the curriculum; faculty members have been asked to give special attention to the practical application of

the concepts and theories that are presented in their courses; and external representation on the undergraduate program committee will be increased and will be introduced for the first time on the graduate committee.

Increased support activities for students: a tutoring system has been put in place to provide guidance to first-year undergraduate students in order to reduce the drop-out rate; more courses will be scheduled at the end of the afternoon and in the evening to accommodate part-time students; and closer relationships will be established with the university's placement service to facilitate their hiring.

Reinforcement of links with the community: continuing education activities will be substantially expanded (in the past, the department has only organized an annual (although huge) two-day conference, but over the last two years more than 15 one- and two-day sessions have been organized); and the department will take steps to improve its international linkages.

Recruitment efforts: a range of recruitment activities have been initiated, including the production of a short video presenting the department's resources and activities that is sent to prospective students and an open-door day for the benefit of prospective students and for the public in general.

Integrated approach to IR: in order to promote a more coherent interdisciplinary understanding of the field, the new master's program will be based on a set of core interdisciplinary courses taught by teams of faculty members instead of the traditional model of a mixture of discipline-specific required courses; and efforts have been made to foster the development of interdisciplinary research teams.

Conclusion: Strategic Directions for North American Academic IR Units

Some of the elements of Laval's new strategic direction will undoubtedly be familiar to other free-standing academic industrial relations units. The more pronounced focus on client needs, pedagogical reforms aimed at providing students with practical skills, the new emphasis on continuing education, the reassertion of the value of teaching, the concern with developing international linkages—all of these directions are part of a broader shift within higher education generally and "applied" fields in particular.

But, as we suggested at the outset, the strategic challenges facing free-standing IR departments are more complicated, since these units are associated with a field of study that, according to many scholars, is threatened with extinction.

It is of course possible that a small number of such units, providing that they adapt to the general pressures on higher education, could survive as recognized centers of excellence catering to a small market of students and employers interested in the traditional labor relations subjects at the heart of the field. However, among those who have considered the plight of contemporary industrial relations, it would appear that the preferred strategy is to broaden the definition of "IR" in such a way as to better balance what Kaufman (1993) has called the "internalists" and the "externalists." Or, to put it another way, traditional IR needs to open its doors to the more internally oriented HRM/OB-type scholars and courses, perhaps even cementing the shift with the adoption of a new name such as "employment relations."

In fact, many of the leading free-standing IR units, including Laval, have been pursuing this strategy in recent years. Nonetheless, we are convinced that this strategy is ultimately unsatisfactory, for it accepts the continued relevance of the

distinction between "traditional" IR (the externalist ILE school) and the HRM/OB approach, thereby condemning efforts to reconcile the two wings to perpetual ambiguity and rivalry.

In our view, the only viable long-term solution is to go beyond the divide, to challenge the notion that *either* HRM or traditional IR is an adequate framework for understanding work and employment relations and to strive for a broader integration of the two. Such a synthesis would entail not just a juxtaposition of the two approaches and their location within a single academic unit, but would encourage a focus on the study of the links between internal and external processes, structures and outcomes. Nor would such a wider approach require an ideological consensus favoring either of the two traditions. After all, ideological, theoretical and methodological differences coexist quite fruitfully in most social science disciplines, and there is no reason why the same cannot be true for our field.

We do not wish to claim that the strategic direction adopted by Laval has achieved this synthesis, at least not yet. Nevertheless, progress has been made. In terms of faculty composition, for example, there has been a significant broadening of the disciplinary base, a shift that has involved more than simply adding a few HRM specialists in the hope that this will solve the problem. Thus, although HRM-oriented scholars and HRM courses play a central (and growing) role in the department and its teaching and research programs, it is just one of several specialities within a broader definition of the field. At the same time, "traditional" industrial relations scholars (i.e., those primarily interested in unions, collective bargaining and related public policies) do not rule the roost. Indeed, the department is best characterized as a coalition of social scientists, including sociologists, lawyers, ergonomists, psychologists, economists and political scientists united by their mutual interest in employment and work relations. On the basis of faculty composition, it would appear that units such as Wisconsin, Cornell, Montreal and Rhode Island also seem to be following this route.

But the ultimate test of this strategy will be whether a shift from a loose, pluri- or multidisciplinary approach toward a more coherent and genuinely interdisciplinary understanding of the field can be accomplished. Although it is too early to say whether Laval will succeed, we might note that the recently launched graduate program review has led to a fundamental rethinking of the definition of the field.

In closing, it seems appropriate to point to one of the more sensitive issues involved in forging a new strategy for IR academic units. In the course of our strategic planning exercise, we learned that the term "industrial relations" is increasingly viewed as outdated and too closely associated with a traditional conception of the subject. Thus, the department has been considering changing its name (to, for example, the Department of Work Sciences, the Department of Employment Relations, etc.). Perhaps not surprisingly, a possible change of name, especially in an institution that rests on some 55 years of tradition, has stirred up greater passions than issues like program curricula and pedagogy. Nevertheless, the field as a whole might well consider seriously the need to put a new face on a scholarly tradition that must adapt if it is to survive.

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TABLE 1. PROFILE OF LEADING IR SCHOOLS

	Master's Programs*			Ph.D. Programs*			Faculty**		
	Avg. Enrollment	Degrees awarded	Ratio of degrees to enrollment	Avg. Enrollment	Degrees awarded	Ratio of degrees to enrollment	Laval Survey	UCIRHRP Survey	
	Last 5 yrs.	Last 5 yrs.		Last 5 yrs.	Last 5 yrs.			Full-time	Part-time
Cornell	100	217	43%	30 (40)	44	30% (23%)	50	53	2
Georgia State	12 (52)	60	100% (23%)	1 (7)	1	20% (3%)	6	6	1
Illinois	100	204	41%	12	11	18%	23	6	13
MSU	130	426	66%	10	5	10%	23	10	4
Minnesota	220	225	20%	18 (22)	10	11% (9%)	19	17	21
Ohio State	97 (77)	193	40% (50%)	17 (13)	19	22% (29%)	33	10	0
Rutgers IR/HR	173	214	25%	11	3	5%	16	18	2
Wisconsin	45	98	44%	17	14	16%	50	0	28
Laval	72	65	18%	14	9	13%	32	32	0
Montreal	150 (85)	74	10% (17%)	25 (18)	4	3% (4%)	18	16	14
Toronto	57	128	45%	9	8	17%	6	6	10
Rhode Island	29 (50)	60	41% (24%)				12	4	11
South Carolina	40	100	50%				4.5	17	0
Queen's	35 (42)	160	91% (76%)				4	4	2
MIT				7	3	8%	6		
HEC	NA	NA		NA	NA		12		

* Figures in the table are from Laval's survey. Where the difference between that survey and the annual UCIRHRP survey are more than 10%, the latter are included in parentheses.

** In view of the differences between our survey results and the figures reported by the UCIRHRP, we include both in the table.



TEAMWORK AND THE NEED FOR COOPERATIVE LEARNING

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INTRODUCTION

Recent years have seen waves of change cascading through our workplaces. Quality and productivity have been emphasized as never before. Layers of management have been stripped away in hundreds of organizations, with traditional bureaucratic controls being replaced by structures emphasizing employee participation and involvement. Teamwork is no longer just a sports metaphor. It is now a fact of everyday working life for a growing number of U.S. workers.

The emphasis on teamwork has important implications for the education of human resources/industrial relations professionals. They need to be thoroughly familiar with the social skills involved in teamwork and with effective methods for developing these skills among employees. All of this should be covered in their professional education. Cooperative learning provides a highly relevant model on how teamwork can be taught in a human resources/industrial relations curriculum. Students who have learned to cooperate on classroom tasks acquire skill-sets directly applicable to workplace teams. That is the promise of cooperative learning.

My intent in this paper is both advocational and practical. I see cooperative learning as a model of choice in part because of its direct focus on group process. It addresses all of the basic issues in team dynamics. The fact that cooperative learning has been tested—and validated—under a wide variety of classroom conditions is also of considerable import. These background ideas and findings are discussed in the next section. I then turn to the practical issues associated with implementing cooperative learning techniques. Here I review findings from a number of "expert" sources as well as results from a pilot study I have done of classroom teachers of human resources/industrial relations.

BACKGROUND: ON TEAMWORK AND COOPERATIVE LEARNING

The growing use of teamwork is part of the on-going reorganization of workplace relationships. Managerial theorists have for years been touting the value of employee participation and teamwork over traditional top-down control structures. And, increasingly, their ideas have been put into practice. In a recent analysis of a group of national surveys of workplace reform, Appelbaum and Batt (1994, p. 68) concluded that from one-quarter to one-third of U.S. firms have made "significant changes" in workplace management practices (towards a participative model)—and that the pace of change "has accelerated and is occurring even faster than anticipated."

Evidence from an annual corporate survey by *Training* magazine shows that teamwork has become an increasingly common practice; its 1995 survey found that 78 percent of U.S. organizations had some employees working on teams. Teams exercising "self-management" responsibilities are less common, but they do occur in about a third of the corporations—and, states the magazine, "more self-managing teams than ever are taking on tasks formerly the purview of supervisors or managers" (Staff, 1995, p. 72). With self-managed teams, notes Boyett and Conn

(1991), the traditional bureaucratic structure is drastically altered; here the teams not only have responsibility for setting performance standards, maintaining production and solving work-related problems but they also make all the key decisions formerly made by supervisors and managers. Boyett and Conn predict a continuing evolution of U.S. companies towards the self-managed model.

With the rapid growth of teamwork (and expanded managerial responsibilities of teams), there has been a noticeable increase of employer concern about teamwork training and education. In its 1995 survey, *Training* found that 70 percent of its corporate respondents were providing some form of "team building" training. Much of the education in teamwork techniques is done by corporate trainers, but there also is a large contingent of independent consultants now giving workshops and short courses and writing books and articles on teamwork. These "how to do it" references typically offer lots of sensible tips about developing effective communications, leadership and decision-making skills (Scholtes, 1988, for example). But they tend to be somewhat vague about the psychological processes underlying team dynamics.

The cooperative learning approach to teamwork has received little attention in the spate of current writing on workplace teams. This is unfortunate, since cooperative learning encompasses a highly relevant set of theoretical ideas, research findings and practical stratagems. As envisioned by the Johnsons (1994), Slavin (1990) and other educators, cooperative learning involves students working together in small groups on curricular tasks. The key factor is the social interdependence of the students and its effects on their interest, motivation, achievement and social relations. This linkage tends to promote a group belief that everyone "sinks or swims together." As the Johnsons (1989, p. 6-7) explain it: "The basic premise is...cooperation exists when positive interdependence is structured, which results in individuals interacting in ways that promote each other's success which, in turn, generally leads to higher productivity and achievement, more positive relationships among individuals, and greater psychological health and well-being."

Since the 1960s, researchers have conducted dozens of studies (in both laboratory settings and real-life classrooms) comparing students working in cooperative groups to students working in individualistic or competitive situations. The findings have been quite consistent. Students working in groups typically score higher on tests of recall, comprehension and mastery of subject matter; they also score higher on measures of interpersonal attraction and social support, self-esteem and psychological well-being (Johnson & Johnson, 1989). These cooperative group effects on learning, social skills and psychological attributes have been documented at all classroom levels, from pre-school on through college.

Explanations of why cooperative learning works as it does focus on the way cooperation shapes and affects relationships in a group. To achieve a mutual learning goal, students need to provide each other with help and assistance, exchange needed resources, give accurate feedback, question and challenge each other's conclusions, act in responsible and trustworthy ways, and urge each other on towards the common goal. But all of this depends on the social skills of the students. "Groups cannot function effectively if students do not have and use the needed leadership, decision-making, trust-building, communication and conflict-management skills," note Johnson, Johnson & Smith (1991, p. 1:19). "These skills have to be taught just as purposefully and precisely as academic skills." The higher levels of learning in groups is related to the fact that students have more opportunities to explain ideas and concepts to one another. As Slavin (1990, p. 16) notes: "Research in cognitive psychology has found that if information is to be

retained in memory and related to information already in memory, the learner must engage in some sort of cognitive restructuring, or elaboration, of the material...[And] one of the most effective means of elaboration is explaining the material to someone else."

The research on cooperative learning has had a substantial impact on educational practices. Future teachers are routinely exposed to cooperative learning ideas in their textbooks and coursework at many education colleges. The technique is a popular topic for teacher in-services. And mainline educational publishers like Scholastic Books have put out detailed guidebooks (Ellis and Whalen, 1990, for example) on how to implement cooperative learning. Throughout the practical writing on cooperative learning, there is a stress on several basic ideas: teachers need to organize their groups around common goals with opportunities for frequent face-to-face interaction, provide regular instruction on interpersonal and small group skills, and have regular group meetings to discuss issues of group process. A failure to fully implement these principles is likely to create "social loafing," "free riders" or other group problems (Hertz-Lazarowitz, Kirkus and Miller, 1992). Teacher resistance to cooperative learning stems mainly from the fact that it demands major changes in classroom organization and practices (Kohn, 1992).

IMPLEMENTING COOPERATIVE LEARNING

What relevance does cooperative learning have for the human resources/industrial relations classroom? My answer to this very practical question splices together some personal observations, a few expert opinions, and—perhaps most importantly—views and experiences from colleagues. The latter come from a short questionnaire I sent out to a sample of the teaching membership in the Industrial Relations Research Association (IRRA) this spring. The form was sent to those in the academic occupational listings for business administration/management, human resources and industrial relations in the IRRA membership directory. A total of 52 of the 146 included in the sample (36 percent) completed the survey.

The decision to adopt cooperative learning techniques can be motivated by a number of factors. Perhaps you have been impressed by something you read about the theory and research on cooperative learning. Or maybe you have a colleague who uses the technique. Perhaps you experienced some form of group learning as a student. Or maybe you just like the idea of promoting teamwork. Among colleagues who use group methods on my campus, I have found that prior experiences with teamwork (in work situations or the military) seem to be a bigger motivator than knowledge of cooperative learning techniques. This is especially true among those teaching in technical areas. My survey of IRRA colleagues also found the experiential factor to be important. The vast majority of respondents (49 out of 52) said they used small groups or teams in their teaching. And when asked what influenced their decision to use small group methods, the leading factor (cited by 50 percent) was "experiences with group work" (either as a student or in workplace or other contexts).¹

Once you have made the decision to use collaborative techniques, you have to deal with a series of practical issues about redefining your role as a teacher and restructuring the activities in your classroom. And this, as Smith and MacGregor (1992, p. 18) note, can be quite challenging: "Collaborative learning situations require a demanding yet important rethinking of one's syllabus, in terms of course content and time allocation....Teaching in collaborative situations puts the tension

¹ Other cited influences included discussions with colleagues (35 percent), conference or workshop presenta-

tions (10 percent), journal/magazine articles (8 percent), and other training (8 percent).

between the process of student learning and course content front and center." Decisions about restructuring a course can, of course, be greatly aided by conversations with colleagues. Most campuses now have a few "early innovators" who have been working with cooperative methods for a number of years. It is essential that they be consulted, even if they teach in a field quite different from your own, because some group techniques are very widely applicable. This was brought home to me by a colleague in our university's education college, who noted that she uses the same technique of focused group discussions in her undergraduate classes as she used to use when she taught middle school students.

The practical literature on college-level applications of cooperative learning is somewhat limited. By far the most comprehensive source of ideas is a manual by Johnson, Johnson and Smith (1991). It covers the different types of groups, appropriate group size, need to limit lecture time, importance of paired informal discussions, exam techniques and even includes a sample course syllabus. All of these ideas and suggestions are explained in detail, with much attention to the underlying factors of positive interdependence, promotive interaction and group process. Another useful "how to" collection on cooperative learning was published by the National Center for Postsecondary Teaching, Learning and Assessment (Goodsell, Maher and Tinto, 1992). The articles here are based in part on research into effectiveness of different collaborative techniques, and offer various guidelines for group selection, class activities, teacher roles and grading practices. *Cooperative Learning* magazine also occasionally publishes useful practical accounts on higher education.

The adoption of a cooperative learning methodology will require a reworking of your course syllabus. You may be able to cover all of the material you normally cover during a semester. But you won't be covering it in the same way. All of the time you allocate to group activities will reduce your time for lecturing. In restructuring your course syllabus, you will have to plan out a program of activities for your groups. If you deal with conceptual or factual material, as I do in my labor relations course, you might want to give your groups case studies to work up. But if you deal with problem-solving skills, as I do in my statistics and quality control courses, you would want the groups to focus their work on problems. The most commonly used group activity by those in the IRRA survey is a contract negotiations, arbitration or other type of role-playing game; 82 percent said they used such an activity. Their use of group work with other classroom activities is more difficult to access. Over 50 percent did say they used either group methods or a combination of individual and group methods for "class discussions," "short papers," "term papers/projects" and "speeches/presentations." But their answers included no information on how any of this groupwork was organized.

The planning for a cooperative course also needs to deal with the issue of student evaluation. When students are working together on a common task, then it makes sense to assign a group grade. But when everyone gets the same grade, this opens up an opportunity for "free riding." One way of coping with this problem is to include student peer evaluations in your grading. In the IRRA survey, 52 percent reported they included "peer grading within groups" as part of their course grading system. Quizzes and exams for a cooperative learning course can be dealt with in a variety of ways. A practice which has worked well for me is one described by Johnson, Johnson and Smith (1991): students take an examination twice, first individually and then in a group. This provides an opportunity to further enhance the learning gains associated with group work, but it also ensures individual accountability. Among my IRRA colleagues, there has been virtually no use of

groupwork in quizzes and examinations; only two individuals reported using some kind of groupwork in their testing procedures.

You will have to deal with a variety of group process issues during a cooperative learning class. First of all, you need to get the students organized into groups. Research by Fiechtner and Davis (1992) suggests that it is not a good practice to let students self-select themselves into groups (mainly because this is more likely to lead to socially and academically homogeneous units). I assign students to groups on the basis of a short questionnaire they fill out on the first day of class; I look at their GPA and various social criteria and try to mix them up as much as possible. The majority of IRRA respondents (71 percent) also assign students to their groups, mainly—according to the comments they offered—to ensure social and academic “diversity.” In response to a question about the “best” size for a classroom group, 72 percent said it would be from 3 to 5 students.

Once the groups have been organized and the class is underway, it is important that you pay attention to the interpersonal and small group skills being used by your students. Students are cooperating effectively, note Johnson, Johnson & Smith (1991, p. 3:9), only if they “get to know and trust each other, communicate accurately and unambiguously, accept and support one another, and resolve conflicts unambiguously.” In my classes, I tend to handle process issues in an ad hoc fashion; when problems appear, I provide feedback and instruction—sometimes to the whole class, sometimes to individual students or groups. At least twice a semester I have my students give feedback to each other on interpersonal skills with their peer evaluations. In my survey of IRRA colleagues, I asked several questions related to their handling of group processes. A relatively sizable number reported they “always” or “usually” observed group activities (50 percent). When asked whether they intervened to help groups solve problems, 19 percent answered “always” or “usually,” 67 percent said “sometimes” and 14 percent said “never.” And when asked whether they gave students instruction in group process, 21 percent said “always” or “usually,” 50 percent said “sometimes,” and a surprising 29 percent said “never.”

The use of cooperative learning can change your experience of the classroom in several ways. By having students in groups, you tend to learn their names faster. The group work gives you more immediate feedback on student understanding of your lectures. This is especially true if your follow Johnson, Johnson & Smith’s (1991) suggestion of regularly breaking up your lectures with brief focused group discussions or problem-solving activities. Students are likely to be more vocal and direct in their questioning of you in the cooperative classroom. And you will certainly gain insights into the subtle dynamics of group learning. On the other side of the podium, many of your students are likely to have had no previous experience with cooperative learning—and they too will be having a unique classroom experience. There will be a sense of excitement and involvement, more enjoyment of the learning experience, and—for many—a deepened appreciation of what is involved in cooperation.

Cooperative learning is not just “old wine in a new bottle?” as one of my IRRA colleagues suggested on his survey form. It is indeed similar to other group learning techniques. But it is a more complex—and more involving—methodology. What you gain with cooperative learning is a more confident understanding of group processes. And this will likely affect what you do in the classroom. This is reflected in a number of places in my IRRA data. When asked what they knew about cooperative learning, only 37 percent indicated they had some knowledge and understanding of the technique. When you compare those who have this

knowledge with those who don't (the other 63 percent), you see some interesting differences. Those who know something about cooperative learning are more likely to monitor information about innovative methods of instruction. They also differ in what they do and see in their classrooms: they are more likely to use group learning activities in all their classes, assign students to groups, and use some kind of peer evaluation; to report that groupwork improves student performance; and to articulate an understanding of the various learning benefits and process problems associated with small group techniques.

CONCLUSIONS

With the rapidly growing use of teamwork in the U.S. workplace, it is important that labor relations and human resources personnel have a good working knowledge of team dynamics. They are likely to be working on teams themselves, and—more importantly—often play a key role in teamwork training programs. The college coursework in human resources and labor relations should accordingly include components on teamwork and cooperative group processes. A highly effective way of teaching these skills is through the technique of cooperative learning. This methodology grew out of the work of small group and educational psychologists and has been widely applied in the public schools. From data collected for this study, cooperative learning already appears to have had some impact on those who teach human resources/industrial relations. Hopefully this trend will continue.

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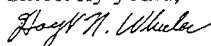
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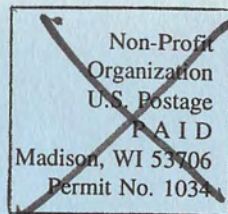
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ISBN 0-913447-66-8

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