

**LARRY SEFTON
MEMORIAL LECTURE**

**“CONFLICT OR
CO-OPERATION:
WHICH WAY IS
INDUSTRIAL RELATIONS
HEADING?”**

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The Annual Larry Sefton Memorial Lecture was established by Woodsworth College in 1982 using funds donated to the University in the Update Appeal. It honours Larry Sefton, one of the founders of modern trade unionism in Canada. In his trade union, political and community work, Larry Sefton met a standard of good citizenship which serves as an inspiration to all Canadians.

Conflict or Cooperation
Which Way is Industrial Relations Heading?

(Larry Sefton Memorial Lecture, March 12, 1985
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Mrs. Sefton, members of the Sefton family, Professor Kruger, Professor Morton who generously introduced me, and members of this fine audience interested in industrial relations, it is a high honor to be invited from south of the border to give the Third Larry Sefton Memorial Lecture. I only met Larry Sefton on a few occasions at meetings of the board of the United Steelworkers of America. But his high reputation was well known and well established. Lynn Williams, who incidentally was our seminar guest a few days ago at Harvard, put his tribute eloquently in the first memorial lecture. "Certainly, I owe the privilege which is mine, to serve as an international officer, directly to Larry's insistence by his actions and the ready acceptance of that position by everyone in our union, that we function together as brothers and sisters, as trade unionists, building our solidarity, searching and working for a better society." (p. 5)

The topic assigned for this lecture raises a number of questions as to its meaning. I hope you will hold at least four different meanings in mind as we contemplate the topic: "Conflict or Cooperation, Which Way is Industrial Relations Heading?"

(a) We may be asked to describe the direction in which industrial

relations has been proceeding as a matter of history and fact, a description.

- (b) We may be asked to predict the future course of industrial relations in the directions of conflict or cooperation, a prediction.
- (c) We may be asked to provide a normative judgment as to the directions in which industrial relations ought to proceed, how much conflict and cooperation ought there to be.
- (d) We may be asked to deduce analytically the extent of conflict or cooperation between labor and management inherent in our mixed economy and world trading arrangements and the directions in which industrial relations are inherently heading in this setting.

The reason for pointing out these different meanings of our subject is to be clear that they constitute quite different questions about industrial relations.

Conflict or Cooperation, Which Way is Industrial Relations Heading? I recall as a small boy having one line in a Dickens Christmas play. As a poor urchin I was asked whether I would prefer an apple or an orange. My response was, "Both, and I am very much obliged." Conflict or cooperation, both and I am very much obliged. Both in the same country, in the same sector or enterprise, and even in the same labor-management relationship.

In the United States today, as has been true historically, there is widespread conflict, and hostility on the part of management, to the organization of workers into unions. The

increasing complexities and delays of administrative and legal processes have supported and reinforced the opposition of many managements. Paul Weiler, a former professor at this University and now Professor of Labor Law at the Harvard Law School has most recently documented in detail the intensity of this opposition. (See, Harvard Law Review, June 1983 and December 1984.) The deep recession of recent years, the economic policies resulting in the high value of the dollar with intense pressure on domestic prices and wages, and the political relations of the present Administration and organized labor have been factors intensifying historical conflict over the status of labor unions in our society.

The organizers of this lecture no doubt had in mind other, more cooperative relations of labor and management in the United States and Canada. These more constructive relations were referred to by Lynn Williams in the first lecture: "There are many mature and sophisticated relationships, which can be accurately viewed and assessed as problem-solving procedures in the very best sense. In these situations each side recognizes its different needs, and also the needs which they share, and proceed to seek rational accommodations within the framework of their separate necessities." (p. 11)

Labor-management cooperation, as reflected in joint committees or other forms of joint consultation, may take place at various levels in the economy--at the workplace or departmental level as in some safety, production or quality-of-work

committees, at the establishment or plant level, at the company level, at the sectoral or industry level and at the national level bringing together national leaders of labor and management to consider broad issues of national policy. In addition, there are committees confined to a locality designed to improve the climate of labor-management community and to attract jobs to the locality. I have been privileged to chair a variety of joint committees of these various types, except for locality committees. (See, my Dispute Resolution, Negotiation and Consensus Building, 1984).

Lessons from the History of Joint Committees

1. Labor-management committees have functioned in only a relatively few collective bargaining relationships. As Sumner H. Slichter concluded more than forty years ago, "In industry as a whole, the number of unions pursuing the policy of systematic cooperation is small! . . . The traditional view of unions is that getting out production and keeping down costs is the employer's responsibility. . . . Unions had been bitterly opposed by most employers and have had to fight for the right to exist. . . . Employers have not desired their help." (Sumner H. Slichter, Union Policies and Industrial Management, 1941, pp. 561-62) It should be expected that labor-management committees would more likely arise in times of concern with production, as in wartime, or in a crisis setting in an enterprise.

2. Labor-management committees appear to arise in response to threats to economic viability and job opportunities provided by the enterprise, locality, or sector, or under circumstances of special challenges and with the leadership of dedicated personalities who have the capacity to command unusual support in their respective organizations. Dramatic technological and market changes, a long work stoppage, the growth of competitive imports, or other threats may impel a joint committee. ". . . The times when labor and management have cooperated over the years have been times when economic difficulties threatened the viability of both parties, as when international tensions necessitated cooperation in the interest of national security. In these periods of crisis, collective bargaining alone had proved to be an inadequate forum for addressing each and every pressing issue." (U.S. Department of Labor, Labor-Management Services Administration, The Operation of Area Labor-Management Committees, 1981, p. 25) The central problem the committee was designed to consider may be resolved or pass; the special leadership may leave; the circumstances may change and a new set of urgent issues emerge; the vital neutral or the government official may disappear; or the willingness of both parties to cooperate may be undermined by internal considerations. The committee may vanish to be reincarnated with new leadership concerned with new problems.

4. Labor-management committees, contrary to much recent writing, are not a recent development. They go back to the

early days of collective bargaining in this country and in England. The interstate joint conference in bituminous coal mining, the conciliation arrangements between the Bricklayers and the Mason Builders in New York, Chicago and Boston, and the impartial umpire institution in the clothing industries, going back as far as seventy to a hundred years, resemble joint committees in their attention to the basic problems of a sector and their discussions of cooperative means of meeting these issues, in addition to the function of negotiating collective agreements.

5. The federal government, particularly in wartime, has played a role in encouraging some labor-management committees.

6. Labor-management committees have operated in both private and public employment, including federal, state and local governments.

7. A third party can make important contributions to the work of a labor-management committee. A joint staff function, with representatives of the parties, serves to gather and interpret data relevant to the concerns of the parties, and a third party may help to mediate agreed-upon courses of action on particular issues for the several organizations involved in the joint committee.

In the current period we have seen some relatively new types of joint labor-management committee activities that need to be acknowledged. There have been a few situations with labor-oriented members of the board of directors: Chrysler and

some airline and trucking companies are illustrative. The substantive problems of our times have created joint committees in new areas such as in health care cost containment, health and safety, a new emphasis on training in industrial settings, and the introduction of new subjects of collective bargaining as in the provisions for legal services and cooperative promotion of an industry.

In view of recent developments in Canada, it is appropriate to report briefly on our Labor-Management Group which brings together eight top labor leaders chaired by Lane Kirkland and eight chief executive officers of leading companies chaired by Cliff Garvin of Exxon three or four times a year for discussions of economic and related policy issues and for the achievement of common views and statements when possible. I have served as coordinator of this Group from its outset in 1973 when it was a governmental body and since 1976 when it became a purely private body.

The spirit of this Group is expressed in the following excerpt from the 1981 statement of purpose:

"The uniqueness of America lies in the vitality of its free institutions. Among these, a free labor movement and a free enterprise economy are essential to the achievement of social and political stability and economic prosperity for all. It is destructive to society and to business and organized labor, if in our legitimate adversarial roles, we question the right of our institutions to exist and perform their legitimate functions. In performing these functions, we recognize that both parties must respect deeply held views even when they disagree."

As the product of our private discourse we have released

reports or statements on the following topics: Rebuilding Physical Infrastructures, Roads, Bridges, Water and Sewage Systems; Health Care Costs, Illegal Aliens, Energy Supply, The Federal Supplement to Unemployment Insurance, The Labor-Management Climate and The Anatomy of Inflation. We have also had a continuing dialogue on the economic outlook and governmental economic policies.

Constraints to Joint Programs

On the side of labor organizations, enhancing productivity may be acclaimed in the press or academic community, but workers (union members) may identify higher productivity with the speedup, layoffs or unshared gains of stockholders. "Class collaboration" or "sell out to the bosses" or "sweetheart deal" can readily become a political slogan against an incumbent union officer or a move toward a more militant union. There may be institutional fears that joint programs may attach employees in greater degree to a management and undercut the union and seduce workers away from their attachments to the union. There may be concern over an apparent abandonment of a union's historic mission and a loss of a sense of mission and purpose. The process of change, on a broad front, is likely to prove difficult. Security, stability, reasonable certainty and the common rule for all similarly situated, may be seen as threatened by programs that place greater value on rapid change and more differentiation among workers. Achieving internal

consent and consensus in a labor organization is a difficult constraint to joint labor-management programs.

On the side of management, it is a rare manager who is willing to share all the facts, to consider dispassionately suggestions, and to encourage employees to participate fully in management decisions. These processes are slow and time consuming, often frustrating to a strong manager who may not have developed the skills of listening perceptively. In competitive and unstable markets, shifting corporate policies as reflected at the office and plant floor, often result in unanticipated and unexplained problems and decisions for employees, straining creditability and commitments to advance information and discussion. The speed and depth of change may be incompatible with viable joint programs. In management organizations there may be tensions between managers of different persuasion and convictions on these methods. Major changes in management organization and personnel are fundamental to joint programs, as fundamental as the shift from non-union to organized work places.

These factors affecting labor organizations and management help to explain why joint programs are often confined to a relatively narrow problem area rather than across the whole of their interface. A few topics are enough to leave the parties to their more normal style on other issues. These constraints also help one to understand why joint programs are most likely to emerge with relatively secure leaders, working on a relatively specific range of problems (production, safety,

health care, training, etc.) outside the normal collective bargaining relationship.

Expressions of willingness to cooperate or even resolutions to change attitudes are only a small beginning. Changes in information flows and their content, changes in personnel, procedures for decision making, the time required to reach an internal resolution, the priorities among objectives and the value system of the enterprise are not likely to remain unchanged. Basically, new types of managers in new arrangements and new relations to workers and their unions are required, and such changes are fundamental. No wonder such changes are so rare in the face of the need to readjust to rapidly changing market conditions.

Joint labor-management programs within collective bargaining are required to develop and operate with relationships that are in part cooperative in some respects and in part adversarial in other respects. They need to operate in a shifting and often challenging, if not hostile, environment. They need to recognize even some constructive value in forms of conflict, and each side needs ever to be sensitive to the strains of the other side created by cooperative programs.

Consensus building is problem solving and pragmatic. It relies heavily on the art of listening and on reading perceptively between the lines of formal positions. It is devoted to the quest for irreducible facts, for the actual and for the tendencies. It requires candor and mutual respect. It exhausts charity, patience, and persuasion. It does not presume rationality

or order in the affairs of men and women. There is little place for grandiose plans or potential schemes except as a point of departure. It is comfortable with a mixed but acceptable system. It seeks agreement on a few matters and can live with respected differences on other questions.

Consensus building does not depend primarily upon political might or the exercise of governmental or market power. It does not thrive in strident tones or in programs or platforms. It is not congenial to doctrinaire adherence to the left or to the right. It does not rely on Keynes or Laffer. It is not simply the greatest good for the greatest number, insofar as it is sensitive to the interests of internal minorities. It has a special place for genuine representatives on the margin or at the boundaries of their organizations. Experience teaches that the consensus-building process is comprised of the following elements:

- a. A continuing forum. An occasional symposium or assembly may launch an effort, or call attention to a problem, or provide a one-time platform for meritorious proposals or an opportunity for preachments. But a genuine meeting of minds or a compromise of vital formal positions on any important problems necessitates continuing and regular dialogue among the interests represented in the forum. There must be a continuing discourse on neutral turf or under somewhat dispassionate auspices to reach common ground.
- b. Private or off-the-record discussions. It is impossible

for responsible leadership of various groups seriously to explore compromise of positions on economic policy or approaches to industrial policy in the glare of press or media or with destructive information leaks. Responsible leaders come to the forum with official positions enshrined in resolutions, traditions, and policies crafted to preserve internal balance or reflecting an ideological commitment. A hospitality to different views requires delicate discussions and explanations to major constituencies. An open meeting cannot generate a consensus, although it may record periodically the results of private discourse. There is a responsibility to report to a wider public on such private discussions.

c. Professional staff work. Continuing discourse is substantially facilitated by professional staff under policy direction which marshals the facts, breaks down the issues, and states dispassionately the areas of agreement and disagreement, including a statement of the reasons for contending positions. Staff that captures policy-making functions by default or ambition usually proves to be a disaster. Carefully prepared sessions for policy makers are likely to be vastly more productive in reaching consensus than a series of bull sessions.

d. Consensus on limited issues. It is vital to recognize that consensus on some issues is likely to leave differences on many other questions. It takes experience and sophistication to recognize that groups may agree and cooperate on some issues and disagree and conduct limited warfare or take a neutral

stance on other matters.

Conflict or Cooperation? Both and I am much obliged. In well established relationships there are both elements in varying degrees at varying times. It is a mark of considerable maturity, to use the language of our Labor-Management Group, in legitimate adversarial roles to respect deeply held views even when they are in disagreement. My experience teaches to seek out the areas of possible agreement in joint consultation and work devotedly on them.