

IS IT DEFT OR DAFT TO COOPERATE?

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ABSTRACT

The use of pressure tactics by unions has become increasingly untenable. Factors such as membership decline, management resistance, global competition, and futile strikes indicate that union survival depends on adaptation. This article examines the need for unions to shift their emphasis toward cooperation rather than confrontation.

Collective bargaining, the core function of American unions, has received some heavy blows in recent years. A few unions have begun to resemble a boxer who has taken too many punches and seems ready to fall to the canvas. Not only have significant concessions been made in negotiations, but in pivotal confrontations—the air traffic controllers, Eastern Airlines, TWA, Caterpillar—unions have suffered painful setbacks. A lesson that comes out of these struggles is that in the contemporary economic and political environment strikes have become unusually risky for unions and in most circumstances had best be avoided. Another lesson is that changes in variables such as markets, technology, and the work force necessitate adaptation by unions for survival. This article examines a key aspect of that adaptation: cooperation between labor and management.

UNION DECLINE

The decline of the U.S. labor movement is palpable. As a proportion of the work force, membership has trended downward since the late 1950s, and absolute numbers of members began to fall in the 1980s. Today, about 11 percent of employees in private industry are members, and about 16 percent of the overall work force. Available data do not show the precise causes of the decline and the weight to be attached to each. But we know that a variety of factors are operating

[1]. Critical among these are a shift from industries of traditional union strength into lightly organized services, management resistance, technological change, laws that emphasize individual rather than collective rights for workers, global expansion of markets, and lack of political support.

At first blush it might appear that this decline poses no problem for society, except perhaps for unions themselves. After all, unions would not seem to be necessary as an intermediary if management is doing right voluntarily and employees are paid fairly and treated equitably. So, should we salute unions for their pioneering contributions to the workplace and watch them fade into history as an anachronism? Against this proposition is the fact that the industrial environment is far from perfect and unions continue to have an important role in protecting workers and enhancing their economic welfare. They are needed as a counterpoint to the power of management. They are a fundamental institution in democratic societies and a bugbear to totalitarian or communist systems.

Accompanying the decline of unions in the United States has been a slowing productivity growth, fall in real wages, and loss of full-time, high-paying jobs. The relatively affluent American middle class is waning, and the quality of working life may have deteriorated in certain industries in the absence of union protection.

American management, in its general antipathy toward unions, often views them as a threat to economic viability because they seek to drive up wages and fringe benefits, which increases the cost of doing business. When labor costs rise to levels above those resulting from competitive labor markets, companies tend to regard unions as stiflers of individual initiative among workers. Unions are sometimes viewed by management as causing a drag on productivity, although empirical evidence indicates just the opposite, that unions have a positive overall effect on productivity because they set high work standards and force management to do a better job [2]. One of the ironies of the hard line adopted by management is that greater acceptance of unions is found in all other countries in the Western industrialized world [3]. Even in American public employment, once unions gained representation rights their existence has not been attacked by management.

Seymour Lipset offers an explanation of this oddity of private industry management resistance. Citing the writings of Werner Sombart, he observed that unionism has flourished in societies (e.g., Europe, Canada), where political institutions stem from a "history of monarchical statism, a tradition of aristocratic *noblesse oblige*, hierarchical state churches, and an emphasis on communitarianism" [4]. Lipset further contrasted the pro-union international context with American values. Citing Reinhard Bendix, H. G. Wells, and Louis Hartz, he noted that managerial opposition to unions in the United States fits in with our values emphasizing individual initiative, *laissez-faire*, liberalism, antistatist views, and desire by management to maintain worker discipline [4, pp. 448-449].

There is little if any evidence of a turnaround for U.S. unions or a revitalization of their fortunes at the bargaining table. However, history reveals distinct periods

of union advance punctuated by periods of decline. From about 1860 to 1880, for instance, unions flourished, albeit sporadically, as a result of the Civil War, railroad building, and the beginnings of the industrial age. In contrast, the 1890s saw a violent reaction from management, illustrated by bloody episodes like the Homestead strike of 1892 and the Pullman strike of 1894, which resulted in union defeats and subsequent decline. Unions emerged strong again around World War I, aided by government support of the rights to organize and bargain collectively for defense industry workers during the war years. The 1920s, though mostly a period of economic progress, nonetheless witnessed renewed management assaults on unions. Then came the New Deal period, which lasted until the late 1970s, throughout most of which unions enjoyed unparalleled prosperity. The setbacks for unions that began with the 1980s thus could end in the future, perhaps as a result of prolonged economic depression or some other unforeseen event. Another possibility for revitalization—one which unions have control over—is to adopt changes that make them more attractive to potential members and less threatening to management.

APPROACHES TO STUDY

There are two distinctive approaches to the study of negotiation and workplace conflict [5]. One approach is the “conflict school” and the other is the “cooperation school.” These approaches underlie the strategies and tactics that are used by labor and management in collective bargaining and affect their entire relationship.

Adherents to the conflict school emphasize the opposing goals of labor and management. Labor, referred to here in the sense of an organization that represents employee interests in collective bargaining, seeks to maximize the economic welfare of group members. Management, on the other hand, has the primary goal of maximizing output and minimizing costs. Because labor costs constitute a significant portion of total costs, profitability of companies is influenced heavily by the extent to which management can prevent the maximization of labor goals.

The conflict school has traditionally represented the prevailing philosophy among industrial relations scholars and practitioners in America. This approach has value toward understanding the nature of conflict and the use of pressure tactics. Its prominence has been diminished, however, because of the smaller proportion of the labor force that is represented by unions. Conflict itself remains prevalent in the workplace, but the manifestation of conflict is being reshaped along the lines of new action models that emphasize accommodation rather than confrontation and tests of economic strength. There is some shift in attention toward reconciling conflict among informal groups of nonunion employees and management. Worker participation in management is on the rise [6]. Further, there

is a growing recognition of the view that open conflict and the use of pressure tactics are counterproductive to the public interest.

The cooperation school presents an alternative. According to this view, the interests of labor and management are commonly linked by the overall economic health of the business. This approach emphasizes the congruence rather than the incongruence of labor and management goals. If workplace tensions are handled through the use of pressure tactics, both sides will experience unpleasant encounters that lead to downtime and inefficiency of operation. This, in turn, causes a deterioration in the ability of an enterprise to compete in domestic and international markets. On the other hand, if workplace tension can be resolved through accommodation, it is not dysfunctional or harmful to organizational effectiveness. In a spirit of togetherness labor and management can come to realize that success in achievement of organizational goals of high output and reasonable costs leads to enhancement of overall economic welfare.

Adherents of the cooperation school contend that conflict results from poor understanding of the commonality of goals, lack of trust between the parties, breakdowns in communications, and a macho self-image that feeds on a test of wills. They believe that pressure tactics are avoidable and should be avoided because the costs clearly exceed the benefits.

While there are important distinctions between the conflict school and the cooperation school, these approaches are not entirely dissimilar [7]. Both views recognize the inevitability of workplace tensions, and both are concerned with the desirability of mutual survival of labor and management. They diverge in two respects: 1) on the congruence of labor and management goals, and 2) on the avoidance of conflict. Even on these points, however, it is possible to reconcile some of the difference. The goals of labor and management have always been incongruent and probably always will be, except perhaps under a system of shared ownership of the business by the workers. But accepting this difference does not preclude labor and management from working together in a cooperative environment to enhance the economic advancement of each. As to the avoidance of conflict, hardly anyone believes it can be totally eliminated from workplace settings in which tensions inevitably occur. Indeed, the right to withhold labor and use pressure tactics is an essential feature of a free society. But there are many situations in which conflict can be avoided. Conflict will always have a tendency to erupt, and approaches to its containment will remain subject to debate.

THE VANISHING STRIKE

The strike is by far the most important source of union power. Data compiled by the Bureau of Labor Statistics indicate the incidence of strikes that involve 1,000 workers or more. Although most strikes annually take place among smaller number of workers, it is the big strikes that have the greatest impact on the national economy. In recent years only about forty to fifty major work stoppages

have occurred annually. Days idle as a percentage of estimated working time has been only about .02 percent, or two days of every 10,000 worked. Major strikes have declined markedly since 1979. In contrast, throughout most of the 1960s and 1970s, more than one million workers a year were involved in an average of 285 strikes annually.

Throughout history, in all countries, strike frequency and scale have fluctuated. Strike data in the United States indicate a secular decline in strike rates. While some of the variance may be accounted for by short-term factors, it seems clear that fundamental structural changes are occurring in the economic and industrial relations systems. The decline in strikes is a sign of increased labor-management cooperation, although it also suggests union weakness and the perceived futility of strikes.

Richard Lester has found that practically without exception labor-management cooperation is adopted in situations where there is a fairly elastic demand curve for labor because of competition within the industry or because of the practice of contracting out for work [8]. In the modern era, rising competition from global marketplace and increased contracting out have made demand curves more elastic and induced cooperation. The economic environment, or what Clark Kerr and Abraham Siegel define as "the market aspects of the larger industrial environment," [9] has also shifted toward cooperation and against confrontation. No longer is cooperation confined to adverse economic situations in the bargaining unit. The more elastic demand schedules in product and labor market structures induce cooperation if business may be lost to nonunion employers or foreign competitors.

Economic success today is dependent more on human resources and effective organization of production systems than natural resources and traditional economies of scale. Workers must have more knowledge and skill in the new high-performance systems that emphasize quality, productivity, and flexibility, in contrast to the old mass production bureaucracies' emphasis on quantity, managerial control, and stability [10]. Formerly, workers were more directed than free to make decisions. As machines take over more direct work, frontline workers do more indirect work previously done by inspectors, schedulers, and buyers. Managers, in smaller numbers, do more teaching and consensus building than direction of the work force. Work is organized more around teams than individuals, it is more interactive than linear, more complex than simple. As the distinctions between workers and managers diminish, less confrontation and more cooperation follow naturally.

Similar to private industry, strikes in public employment have fallen considerably in recent years. But the reasons for the decline are not all the same. Public employment featured strikes in the 1960s and 1970s because unions were struggling to become recognized and accepted as partners by management. This period corresponded with the era of confrontation politics, lawlessness, and lack of respect for government.

While unions in public employment eventually succeeded in becoming accepted by management, this has not generally been the case in private industry. Anecdotal evidence indicates that labor-management cooperation is greater in the public sector. Productivity improvement ventures have flourished and joint committees for problem solving exist in many government agencies. If strikes occur they are rarely long, acrimonious affairs. While management in private industry has become more concerned with human relations, it usually prefers doing so on its own terms. These managers acknowledge the desirability of cooperation with employees, but not necessarily through the medium of unions. The reasons for the difference in acceptance of unions between the private and public sectors stem mainly from the profit motive in the former and relative lack of market constraints in the latter.

Yet there are notable examples of labor-management cooperation in industry. Historically, the Amalgamated Clothing Workers, under the leadership of Sidney Hillman, fostered a model system of cooperation in the 1920s that lasts to the present. Dave Beck and Jimmy Hoffa of the Teamsters cooperated with management, albeit in a collusive fashion. The Steelworkers under I. W. Abel promoted cooperation with the Experimental Negotiating Agreement to prevent strikes in the early 1970s, later pioneered expedited arbitration of grievance disputes, and today has a highly regarded cooperative relationship with many firms. The United Automobile Workers have established productive cooperative relationships at the new Saturn plant in Tennessee and at New United Motors in California [11]. On the other hand, the kind of hostility displayed in examples such as Greyhound, Pittston Coal, and Caterpillar indicates that confrontation remains strong. Virtually all the big battles inflicted considerable hardship on both sides. There were no winners, only losers. Cooperation is a two-way street and both unions and companies must take a close look at the advisability of continued adversary relations that may lead to disastrous conflict. The choice is theirs.

Internationally, more countries are turning to cooperation, following the lead of Japan, Sweden, and Switzerland. For many years Japan has had the lowest incidence of both strikes and duration. Unions in Japan engage in an annual spring rite of "Shunto," in which brief work stoppages and mass demonstrations signal a "lack of harmony" between labor and management. Once they have made their point, workers return to their jobs with minimal loss of work time. The trend worldwide in advanced industrial societies is away from the class struggle notions of Karl Marx and toward the industrial democracy concepts of Sidney and Beatrice Webb. This joint control is being accomplished through unions in many countries. Paradoxically, the United States is moving in two directions in the unionized private sector, one cooperative and the other confrontational. It is still an open question as to which will prevail. Time is running out for unions, however, and cooperation may be their only real choice for the future.

RESEARCH ON COOPERATION

Early studies on cooperation appeared in the series on *The Causes of Industrial Peace*, sponsored in the late 1940s by the National Planning Association. This research was done by several scholars who achieved further distinction in labor economics and industrial relations, such as Clark Kerr and George Shultz. Other studies, which are the best known featuring cooperation, are by Harbison and Coleman, Chamberlain and Kuhn, Walton and McKersie, and the Harvard Negotiation Project.

Frederick Harbison and John Coleman's analytical model includes three types of relationships: armed truce, working harmony, and cooperation [12, 13]. At the time of their study, around 1950, cooperation was very rare. It usually developed out of an economic crisis and was limited to small companies that dealt with small local unions. The distinguishing characteristics of cooperation identified by Harbison and Coleman are:

1. Belief by management that the union can lower costs and improve efficiency through cooperation.
2. Willingness by management to share its vital functions with the union.
3. Active participation by the union in boosting production.
4. Parties accept joint responsibility for solving problems and removing obstacles to efficiency.
5. Mutual trust and respect [12, p. 90].

Harbison and Coleman view the primary goal of the cooperative relationship as increasing the size of the earnings pie by eliminating restriction of output and pursuing managerial and technological improvements to reducing costs. However, they did not find that cooperation is clearly favorable to conflict in terms of promoting economic progress, individual freedom, and democracy.

The work of Neil Chamberlain and James Kuhn focuses on the power aspects of cooperative bargaining [14]. They define bargaining power in terms of the ability of one party to get the other side to agree on its terms. The two determinants of bargaining strength are the cost of disagreeing and the cost of agreeing. Increasing the cost of disagreeing to the other side involves the ability to use pressure tactics such as strikes and lockouts. The danger of confrontation with strongly positioned, determined employers has led to diminished returns to unions from this style. On the other hand, decreasing the cost of agreeing—the cooperative approach—induces the sides to moderate their demands, build relationships, explore common interests, and make concessions on items favored by the other party.

A similar approach to cooperation is Richard Walton and Robert McKersie's integrative bargaining [15]. Unlike the concept of distributive bargaining, which involves dividing up the economic pie and often leads to adversarial positions, in integrative bargaining labor and management are not in fundamental opposition and seek the attainment of objectives regarding areas of common concern.

Emphasis is placed on problem solving to benefit both parties and enhance total earnings. Instead of the fixed-sum game of distributive bargaining, integrative bargaining is a variable-sum game and a potential “win-win” situation.

These studies, though conducted in the past, are consistent with the contemporary work of the Harvard Negotiation Project. The preferred form of negotiation recommended by the Harvard researchers is “principled negotiation,” which is distinguished from the “hard” or “soft” approaches. Under principled negotiations the parties separate the people and personalities from the problem to be resolved. This alone helps eliminate conflict. They focus on interests instead of positions, and seek especially to invent options for mutual gain. The parties insist on using objective criteria and consider themselves to be problem solvers rather than adversaries [16]. The Harvard studies thus recommend conflict avoidance, and in this sense fall within the cooperation school. The earlier studies referenced were undertaken by members of the conflict school, but they all recognize the existence and viability of the cooperation alternative in their models.

In the past cooperation has typically come only when firms were on the edge of financial calamity. Today it is viewed more as continuous rather than just for emergencies [17]. Rethinking the philosophy of collective bargaining has led to revised notions of how to use power, adapting it more toward what Chamberlain and Kuhn call “decreasing the cost of agreeing.”

CHANGING CONCEPTS OF POWER

The idea of power is subjective and relative rather than tangible and absolute. Each side’s power is relative to the power possessed by the other: a union may be able to strike or picket or otherwise adversely influence an employer’s operating facilities, but if the employer can fill orders by shipping from a big inventory or hire strikebreakers or turn to bankruptcy for relief, the resort to power weapons may be viewed as counterproductive. Power can also change dramatically over time. Deregulation of the airline and trucking industries, for instance, substantially reduced the ability of unions to push up wages and benefits through the use of pressure tactics. In the automobile, steel, rubber, and other heavy manufacturing industries, foreign competition has eaten away at the foundations of conventional union power.

Bargaining power and the use of pressure tactics result from the interaction of numerous variables. Some of these, such as proportion of union membership in the labor force, government regulation, market structure, technology, and foreign competition, are not directly controllable by the union or the employer. Others, such as union militancy or the employer’s will to resist, are controllable but intangible. All variables are interpreted by the parties’ perceptions rather than by objective yardsticks. Thus, it is the perception of power that determines behavior. If the parties plan their bargaining strategies and tactics in terms of power, then the extent to which both sides can bring their power to bear will determine bargaining

outcomes. If, on the other hand, the parties look to planning and action in terms of cooperation rather than power, one might expect a different set of outcomes. This is essentially the departure of the cooperation school from the conflict school approach.

Because traditional emphasis in collective bargaining has been on the conflict school, pressure tactics to increase the costs of saying “no” have overshadowed cooperative tactics that reduce the costs of saying “yes.” The use of power levers will doubtless continue, although there are signs, such as the significant reduction in strikes, that indicate abandonment of coercive power.

More observers advocate a shift away from increasing the costs of disagreeing and toward reducing the costs of agreeing. Power may be gained as effectively, if not more so, through cooperation. Coercive power tactics lead to economic loss on both sides, and society suffers if conflict is prolonged. We need greater recognition of areas of mutual gain. It is easier for the parties to say “yes” if they perceive power in terms of creating mutually beneficial solutions to common problems. In a cooperative mode the focus is on ways to improve methods of work and productivity. Both sides can gain from ventures to provide a better quality of work life, improve operating efficiency, and involve employees in problem solving.

Collective bargaining will remain a vital force in industrial relations if perceptions on the use of power continue to change. Labor and management can compete for shares of the economic pie, but what is needed is an attitudinal structure and commitment to cooperation that increases the overall size of the pie. Instead of not being considered at all or being in the background, joint labor–management programs to increase efficiency should become a centerpiece of negotiations. Coercion should continue to fade and be replaced by increased accommodation, trust, and respect that leads to conflict-free agreement. Joint programs to reduce absenteeism and turnover, improve work quality, increase employee participation, and eliminate restrictive work rules cannot be achieved through the use of coercive power on either side of the bargaining table.

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ENDNOTES

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