Union-Management Alignment
SPL 5.3

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Presentation for:
ESD.60 – Lean/Six Sigma Systems
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Overview

- **Learning Objectives**
  - Appreciation of the mixed-motive nature of union-management relations
  - Understanding of the potential and limits on innovation in unionized settings

- **Session Design (20-30 min.)**
  - **Part I:** Introduction and Learning Objectives (1-2 min.)
  - **Part II:** Key Concept or Principle Defined and Explained (3-5 min.)
  - **Part III:** Exercise or Activity Based on Field Data that Illustrates the Concept or Principle (7-10 min.)
  - **Part IV:** Common “Disconnects,” Relevant Measures of Success, and Potential Action Assignment(s) to Apply Lessons Learned (7-10 min.)
  - **Part V:** Evaluation and Concluding Comments (2-3 min.)
Labor-Management Relations and Lean/Six Sigma Systems

The unions hitherto have been chiefly combative organizations designed to protect and enhance the workmen’s share in distribution.

This is still a necessary function, and one that must be performed by the strong organization of unions...

The cooperative features of the relationship between employer and employee, however, need to be developed equally, in order that the size of the pie may be increased as much as possible.

Paul Douglas (Journal of Political Economy, 1921)

“Mutual Growth Forums promote cooperation between the union and the company through better communication, systematic fact finding, and addressing as early as possible issues affecting the interests of employees, the union and management”

Source: “Sharing Our Pride” UAW-Ford National Programs Center, Winter 2000
Focus on Labor-Management Relations

Key Assumptions

- Multiple stakeholders
- Common and competing interests
  - Need for mechanisms to identify and pursue common interests
  - Need for mechanisms to surface and address conflicting interests
- Interests/Contextual Conditions evolve
  - Need for periodic recalibration
A Core Assumption: Joint Interests and Independent Interests

Management – Predominantly Independent Interests:
Internal Corporate Operations, Corporate Profits, Management Rights...

Predominantly Joint Interests:
Safety, Quality, Employee Involvement, Training, Maintenance, New Technology, Work/Life Balance, Business Success, Sustainability...

Labor – Predominantly Independent Interests:
Internal Union Operations, “Check and Balance” on Management, Expanding Membership, Political Action...

Part I: Introduction
Part II: Concepts
Part III: Application
Part IV: Disconnects
Part V: Conclusion

Note: The areas labeled as “Independent Interests” are primarily separate domains where labor and management resist input by the other – but there are some legitimate joint aspects in even these domains. Similarly, even in the area labeled as “Joint Interests” there are aspects of these issues that involve what the parties see as separate or independent interests. One key consideration has to do with the concentration of effort and attention – is it in the domain of joint action or the domain of independent action.
A Framework for Labor-Management Transformation

Strategic Level

Collective Bargaining Level

Workplace Level

Selected Principles of Partnership

- Trust and Respect
- Shared Vision
- Negotiated Change
- Joint Implementation and Governance
- Learning and Adjustment
Selected Tensions Underlying the Principles

- Individual
- Institutional
- Trust and Respect
- Big Picture
- Details Matter
- Shared Vision
- Forcing
- Fostering
- Negotiated Change
- Dialogue
- Action
- Joint Implementation/Governance
- Short Term
- Long Term
- Learning and Adjustment

Part I: Introduction
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Observations on Labor-Management Partnerships

- Basic Model of Change
  - Factors that unfreeze or motivate change
  - Implementing the change process
  - Diffusing and institutionalizing change
- Changes must be consistent across three levels of activity—workplace, negotiations, strategic
- Process will encounter periodic pivotal events
- Substantive results must address bottom line interests & objectives of workforce and the employer

- It takes three agreements to have one agreement
  - Agreement within the union
  - Agreement within management
  - Agreement between union and management
- The essence of a union and management organization
  - Management is a formal hierarchy with politics in the background
  - A union is a political organization with hierarchy in the background

Adapted from presentation by Susan C. Eaton & Robert McKersie at Conference on "Transforming Labor Relations" MIT – March 6, 2003
Incredibly difficult challenge of following path 3

Path 1: Unrestrained Opposition to Management

Path 2: Total Cooperation with Management

Path 3: Work closely with management to advance the interests of our members, but retain our independence as a local union
Sample Local union structure and operation

- Local Officers
  - President
  - Vice-President
  - Financial Secretary
  - Recording Secretary
  - Sergeant at Arms
  - Executive Board
  - Trustees

- Bargaining Committee
  - Chair
  - Members
  - Skilled Trades

- Committeepersons
  - District Committeepersons
  - Committeepersons on Days
  - Committeepersons on Afternoon/Midnights
  - Alternate Committeepersons
  - Skilled Trades Committeepersons
  - Alternate Skilled Trades Committeepersons
Sample Local union appointee structure

• National Appointees
  ➢ Employee Resource Coordinators
  ➢ Benefits Representatives
  ➢ EAP
  ➢ Health and Safety
  ➢ Job Security
  ➢ Quality

• Sample Local Appointees
  ➢ Ergonomics
  ➢ Joint Apprenticeships
  ➢ Quality
  ➢ TPM
  ➢ Visual Management, and other “non-traditional” positions
Plant Joint Governance Structure

- Department/Workgroup Meeting
- Area Steering Committee (Weekly)
- Lean/Six Sigma Champions w/ Vertical Cross-Functional Teams
- Plant Joint Steering Committee (Weekly)
- Leadership Forum (Ad-Hoc Structure)
US Labor-Management Relations

Source: FMCS National random sample survey of matched pairs of union and management lead negotiators – Presentation by Joel Cutcher-Gershenfeld, Thomas Kochan and John-Paul Ferguson
Direction and Rate of Change in Relations

Source: FMCS National random sample survey of matched pairs of union and management lead negotiators – Presentation by Joel Cutcher-Gershenfeld, Thomas Kochan and John-Paul Ferguson
Management-Driven Outcomes

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Union-Driven Outcomes

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Additional Outcomes

Source: FMCS National random sample survey of matched pairs of union and management lead negotiators – Presentation by Joel Cutcher-Gershenfeld, Thomas Kochan and John-Paul Ferguson

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Concluding Comments

- Large potential impact with alignment of collective interests

- Complicated process of transformation and change in institutions and relations

- A global challenge