

## Relations industrielles Industrial Relations



Harry C. KATZ : *Shifting Gears : Changing Labor Relations in the U.S. Automobile Industry*. Cambridge, MIT Press, 1985, 230 pp., ISBN 0-262-11098-9

Solomon Barkin

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Mise à part la partie sur l'application du modèle qui s'avère un peu décevante, le livre de Wheeler constitue à n'en point douter un ouvrage fortement documenté, honnête (l'auteur présente toujours le pour et le contre des théories qu'il retient et des concepts qu'il emprunte) et somme toute, englobant plusieurs disciplines connexes ou non aux relations industrielles. Même s'il peut s'avérer surprenant de lire un compte-rendu des travaux de Darwin dans un ouvrage sur le conflit industriel, il n'en reste pas moins que Wheeler s'inscrit ainsi carrément dans une nouvelle approche de l'homme, très populaire et plus avancée aux États-Unis et qui origine de certains travaux sur les cerveaux gauche et droit. Ces travaux commencent d'ailleurs à être appliqués en gestion des ressources humaines. Son volume se lit comme un roman et je le recommande à toutes les personnes qui aimeraient recevoir une bouffée de fraîcheur en théorie des relations industrielles.

Esther DÉOM

Université Laval

**Shifting Gears: Changing Labor Relations in the U.S. Automobile Industry**, by Harry C. Katz, 1985. The MIT Press, Cambridge, Massachusetts, pp. 230, ISBN 0-262-11098-9

Now is the time for men to offer their nostrums for the reconstruction of ailing American industries and institutions. Industrial behavior and leadership are under scrutiny because of the obvious need for revitalization. Industrial relations systems have also won a place on the roster of institutions under review. As forewarnings of many current problems in this field were largely disregarded and often dismissed, the current economic crisis is spawning a gush of proposals for reform<sup>1</sup>. This book offers an industrial relations policy for a viable American automobile industry. It is a product of the MIT Sloan School studies of industrial relations, reflects the author's intimate ties with this project, and mirrors the MIT group's views on desired developments in this field. Indeed, it is a special application of this analysis to the American automobile industry.

Professor Harry C. Katz's prescription is quite clear. The automobile industry has been losing out in international competition, particularly with Japan and to a lesser extent, Western Europe. To meet this challenge, he calls on trade unions to ease their wage and fringe benefit ambitions and agree to a cancellation of job restraints and controls, allowing management greater flexibility in its direction of operations. The goal is to reduce the labor cost gap between American and foreign producers. Other reforms in the industry are those laid out in the report of the MIT International Automobile Program in which the author participated<sup>2</sup>.

To achieve these goals, the author urges the industry to revamp the traditional industrial relations structure. In addition to extending the use of profit sharing systems to increase the proportion of such payments in the total compensation package, thereby automatically increasing the sensitivity of earnings to the level of business activity and profitability, the work place should be reorganized to establish teams (groups) of approximately ten to fifteen per-

1 Solomon BARKIN, *The Decline of the Labor Movement. What can be done about it*. Santa Barbara, California: Center for the Study of Democratic Institutions, 1961. Review of the above book by Irving Bernstein in *Industrial and Labor Relations Review*, vol. 16, no. 2, January 1963, pp. 316-7.

2 Alan ALTSCHULER et al., *The Future of the Automobile*, Cambridge: MIT Press, 1984.

sons, such as those initiated at the General Motors Corporation. Such innovations would allow the use of a standard single rate for all team employees and the elimination of rigid and elaborate work rules. Job rate systems would be replaced by «pay-for-knowledge» systems, permitting individual employees to achieve personal rate progressions for more job functions. Work assignments would be determined by teams, headed by supervisors (coordinators) appointed by management with the advice, and in some instances with the consent of the union. Labeled as a cooperative approach, these arrangements call for worker participation in decision making at the job level. But the author recognizes the possibility, if not the probability, that the coordinator may dominate the decision making process and the final judgments.

This program would replace the traditional wage system which emerged in the postwar years, particularly since 1948 with the introduction of the COLA and Annual Improvement Factor. The formalized part of the wage system plus the fringe benefit structure would be swept away along with intimate job controls effected through detailed work rules and the «connective bargaining system» set up to enforce uniform programs of rewards and work patterns within and among plants of the same corporation. This cooperative plan would presumably eliminate a conflictual pattern of relations between the parties. Periodically, agreements would be negotiated, but the plan does not spell out their scope or contents. Would all wage changes be subsumed by sharing in company gains or losses? The author does add the caveat that should the economic crisis become intense, managements would probably take recourse to the practices of mainstream American industry, seeking to promote nonunion plants and extend the volume of outsourcing. With an underlying feeling of regret, he observes that in the absence of serious economic distress, the parties are likely to continue the traditional pattern as being easier and safer to follow.

While some of the problems likely to arise for workers, unions and managements in the changeover to the projected cooperative model are noted, the evaluations are limited and certainly not rounded or uniform. Omissions are numerous. The text provides a general but inadequate definition of the direction in which the author would have labor relations policy proceed. Herewith we enumerate a number of these gaps in the discussion. The removal from the national and plant agreements of an enumeration of controls, standards, and prescriptions for jobs and working conditions, and their replacement by prospective local team decisions leave few opportunities for employees to press their grievances, when complaints arise. Would the situation lead to a new series of guidelines? Will the resulting diversity of standards produce competitive chaos or a renewal of the movement for company-wide standards to promote stability? What rules will guide union coordinating or monitoring committees as measures of compliance with agreements? Will union intervention in local decision making processes provoke conflicts between the union and its members? By what tests and by whom will conflicts be adjudicated? Will this diversity of arrangements produce a swing towards whipsawing negotiations? How will the decentralizing processes be curbed to prevent the disintegration of plant operations? Are working members of the individual teams to be left to their own resources in participation or will union stewards and shop committees intercede to guide and balance the bargaining capacities of the members of the team and the coordinator? Presumably GM management favored this system as some ten applications have been made in this organization. Why did the other major companies not follow suit? Are top managements ready to abandon competitive parity as a major goal? Recent agreements such as that with the Chrysler Corporation would not support such a conclusion. Unfortunately the report offers only a cursory evaluation of the likely consequences of operating team systems. Should not the author have provided detailed analyses of his field reports? If the author believes that the experience with these techniques is too limited fully to explore all dimensions of the operation, isn't it premature to base a proposal for radical changes on a slim foundation?

With the proposed swing in emphasis toward a local governance system, will unions seek to offset this trend by actively extending their concern with corporate policy on such issues as prices, profits, management salaries (as evidenced in the recent negotiations with GM and Chrysler), investment, research and plant location? Will we witness a renewal of the battle of the forties over control and production policies? Is management ready to open up vast areas of corporate level policies to union review? Is that what the creation of joint discussion agencies portends? Nowhere do we find an evaluation of the practice of having union officers appointed to the corporate boards of directors or union officers' appearance before them.

One untouched area in industrial relations is the likelihood of unions complementing local job participation with more extended initiatives in the field of social policy. The UAW was previously active in this field and complemented its industrial strategy with social program demands to reforce their effectiveness at the first level. Is it appropriate to limit industrial relations primarily, if not exclusively, to the realization of management's goals and local employee relations? If it is not, then is it essential to allow for the likely assumption by trade union leaders of their functions of spokesmen for economic and social reconstruction, as many unionists, particularly in the UAW, have done in the past.

In advocating profit sharing the author does not consider the controversies which union participation in these schemes will generate. We have already heard about the questions raised by employees on accounting policy. In the administration of ESOPs particularly in connection with corporate buyouts other issues arise such as the allocation of shares, the rights of employee representation on boards and management's rights to withdraw so-called surplus pension funds<sup>3</sup>. As respects price setting unions will want to follow up on the process of converting labor cost reductions into lower prices. Their past experience will now allow them to assume this conversion to be automatic.

The only careful quantitative analysis of opinions and plant operational information relates to the impact of QWL techniques. The author finds that they had only a «fairly modest» impact on industrial relations climate and productivity<sup>4</sup>. As to individual worker, union and management attitudes, the observations are based largely on interviews, whose number and depth are not noted. They are summarized rather freely without supporting information. He also used selected items found in the industrial relations and psychological literature without establishing their appropriateness for the automobile scene. Actually, few management views are offered, elaborated or carefully documented. One is led to conclude that the author is convinced that they are sufficiently well known that careful definition, cautious application and extended documentation are irrelevant. Detailed analyses of the results of these interviews would have balanced the more extended use of data on union attitudes. Was any effort made to obtain internal company memoranda on management positions, debates, alternatives considered and the reasons for the final choices? One such document reached the public in recent negotiations and proved most revealing. Such an analysis would have given us more understanding of management's positions since they are now hidden in the vaguenesses of public pronouncements. The reader would also have benefited from a careful exploration of the lessons already gleaned about the pitfalls and limitations of the use of autonomous groups on the European continent and the Tavistock Institute for Human Relations evaluations of these data.

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3 Winston WILLIAMS, «Raking in Billions from the Company Pension Plan», *The New York Times*, November 3, 1985, Section 3, p. 1.

4 For a unionist's analysis of Quality of Work Life projects see Mike PARKER, *Inside the Circle*. A Labor Notes Book. Boston: South End Press, 1985, p. 156. (Labor Education and Research Project, P.O. Box 2005, Detroit, Michigan 48220).

The writer finds that the traditional industrial relations system produced results which closely matched the economy's rate of productivity increase and was consistent with the economic health of the industry. One may therefore ask whether it is appropriate to explore hazardous new techniques on a wholesale scale to satisfy a preference for automatic flexibility? The author's summary finding about the «operating team system» is that «there exist little evidence concerning the actual cost-savings achieved by team systems». Moreover he concludes that «the team system has not eliminated conflict or fundamental differences in the interests between labor and management». Does not the parties' record on inventiveness in past negotiations provide assurance that they will confront future issues with a similar degree of resourcefulness<sup>5</sup>? Is the insistence on a high priority for a holistic approach reasonable in a world where few institutions can boast of such consistency and symmetry?

It is true that bona fide employee participation in decision making requires a formal structure insuring independence and equality of power. But these qualities must be realized in reality. Otherwise, the formal structure will be a cloak for unilateralism. When this deficiency was revealed in the case of the employee representation systems in the twenties and company unions in the thirties, they collapsed. Advocating the duplication of the West German dual bargaining systems by converting the team structure into work councils would be equally futile<sup>6</sup>. Unions in the United States are unlikely to consider such a management proposal.

A most appropriate source for new ideas for developing a system of cooperation is the Swedish experience<sup>7</sup>. Legislation provides for co-determination by unions and management on issues recited in the proposed cooperative model. These have been supplemented by research institutions for developing new research tools for unions and special training materials for union officers and defining worker views and interests in negotiations with management on operating techniques. They report successful experiments welding together autonomous groups, co-determination and strong unionism. The automobile industry in this country ap-

5 For an analysis of the major GM and Ford contract provisions see Barbara D. DENNIS, editor, *Proceedings of the 1985 Spring Meeting, April 18-19, 1985*, Detroit, Michigan: Industrial Relations Research Association, *Labor Law Journal*, vol. 36, no. 8, August 1985, pp. 454-68, 519-557.

6 For an analysis of the relations of works councils and unions see Joachim BERGMANN and Walther MÜLLER-JENTSCH, «The Federal Republic of Germany: Cooperative Unionism and Dual Bargaining System Challenged» in Solomon Barkin, editor, *Worker Militancy and Its Consequences*, 2nd edition, *The Changing Climate of Western Industrial Relations*, New-York: Praeger, 1984, pp. 229-277.

7 For another approach to industrial democracy and Swedish thinking, developments and research with unions by Arbetslivscentrum, see (a) Caster VAN OTTER, «Introduction of Research in Working Life Sciences in Sweden», *Economic and Industrial Democracy*, vol. 1, no. 2, May 1980, pp. 255-247; (b) Ake SANDBERG, *Knowledge for Democratization in Working Life Experiences from Research Together with Local Unions*, Arbetslivscentrum, P.O. Box 5606, Stockholm S-114-86, 1961; (c) Bertil GARDELL and Lennart SVENSSON, *Co-determination and Autonomy A Trade Union Strategy for Democracy at the Work Place*, Arbetslivscentrum Stockholm, Sweden: 1981-82. The analysis deals with the experience of a Swedish firm, A.B. Almex, with merging autonomous work groups, co-determination and strong unionism and collective bargaining; (d) Marie OLOVSSON, «Swedish Research on Work», *Economic and Industrial Democracy*, vol. 6, no. 1, February 1985, pp. 124-134; (e) Bertil GARDELL, «Worker Participation: A Multilevel Approach to Democracy at the Work Place», in C. Crouch and F. Heller, editors, *International Yearbook of Organizational Democracy*, volume 1, *Organizational Democracy and Political Processes*, New York: John Wiley, 1982.

pears to be ready for comparable sophisticated programs for cooperative relations without resorting to those evolved in nonunion plants built on assumptions of unilateralism.

Praiseworthy are the author's efforts to assist the parties in collective bargaining in the automobile industry to deal with current challenges. But the exclusive emphasis on «environmental economic pressures» limits the usefulness of the analysis. Snide remarks on the union's reasons for introducing measures promoting employment security are not helpful. His view of unionism is narrow and confined to direct bargaining relations with employers, and therefore is inadequate for providing a base for the reconstruction of union policies and strategies. Limiting himself to the consideration of past innovations by the parties further restricts the range of innovative alternative measures. The range of subjects considered in recent bargaining sessions supports the likelihood that the parties will prove more imaginative and consider many new dimensions of their experience. As a minimum the author should review the Swedish experiences and writings and give them greater weight than what he has gleaned from the Japanese and West German writings. Nor should the author confine himself in his projections to the rigid management oriented patterns of thinking espoused by the MIT industrial relations project leaders. One hopes that he would broaden his horizons and build upon his vast investment in research and understanding of the industrial relations system in the industry to explore a wider range of constructive approaches. The results would be most helpful to the industrial relations parties<sup>8</sup>.

**Solomon BARKIN**

University of Massachusetts

**Index et résumés de sentences arbitrales de griefs, Tome II, Coplanam, Montréal, 1985, ISBN 2-920391-03-8**

Coplanam a récemment publié un nouveau recueil d'index et de résumés de sentences. Ce document comprend matériellement deux parties. On y retrouve quelques index de repérage qui orientent l'utilisateur vers les résumés apparaissant dans les divers recueils Coplanam. Ces index sont en fait une consolidation de l'ensemble des index couvrant la période 1970-1984. Le volume comprend aussi des résumés des décisions arbitrales rendues entre 1980 et 1984. Il n'est pas inutile de rappeler que Coplanam a publié en 1982, en un tome I mais en deux recueils distincts, des résumés de sentences et un jeu d'index pour la période 1970-1980. Ce tome I fut suivi, en 1983, d'un tome II comprenant en un même document des résumés de sentences arbitrales rendues entre 1980 et 1982 et un index consolidé pour la période 1970-1982. Le tome II consolide donc l'ensemble des index, mais le lecteur devra toujours manipuler les trois recueils pour ce qui est des résumés.

Les index de repérage sont toujours au nombre de trois: l'index des thèmes et sous-thèmes, l'index des arbitres et, enfin, l'index des parties. Ces index renvoient à plus de 4,000 résumés. La qualité antérieure a été maintenue et il s'agit, rappelons-le, d'index bien faits. Ils renvoient au numéro des résumés des diverses sentences, lesquelles sont présentées par ordre numérique. Cette méthode oblige à feuilleter chacun des recueils pour localiser exactement le résumé recherché. Cette façon de faire est agaçante; il aurait convenu d'indiquer la pagination.

<sup>8</sup> For a similar approach to that offered by the reviewer see Winton HIGGINS, «Political Unionism and the Corporatist Thesis», *Economic and Industrial Democracy*, vol. 6, no. 3, August 1985, pp. 349-81.