

Helping labor and management see and solve problems

A mediator can help improve an unhealthy labor-management relationship by recognizing the symptoms, making an accurate diagnosis, and carefully prescribing appropriate remedies

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The Federal Mediation and Conciliation Service has recognized that the effective promotion of labor-management peace requires more than just an "eleventh-hour" appearance at the bargaining table by its mediators. Like most other professional organizations that respond to human emergencies, the service has learned that by blending prevention with treatment its resources are used more efficiently.

The preventive mediation function requires the mediator to be alert to symptoms of untoward labor-management relationships, to diagnose the problems accurately, and to prescribe effective remedies.¹ The nature and severity of the symptoms must be recognized and traced to their source; the remedy must be suited to the location of the symptoms in the labor or management hierarchy, or both; and the parties must be persuaded that the cure is preferable to the disease and is clearly in their own self-interests.

This article extracts from accumulated experience those principles on which a prescriptive model for improving labor-management relationships can be built.²

This empirical model is erected on the perceptions and experiences of the authors, all of whom are or have been Federal mediators.³

Recognizing the symptoms

Mediators are uniquely positioned to detect the danger signals emanating from a poor labor-management relationship. When involved at the collective bargaining table in dispute mediation, the mediator can make a reasoned judgment as to the nature of the relationship behind the conflict. This is done by examining the issues, assessing each side's internal relationships, and testing and verifying these impressions through indepth private discussions with both parties.

Numerous issues, especially noneconomic or language items, are often symptomatic of underlying problems which are being addressed in a circuitous manner. When this is the case, a contractual agreement may be no more than a bandage on a festering wound. The underlying problems have neither been identified nor addressed and certainly have not been resolved.

Every mediator, at one time or another, has entered a negotiation shortly before a strike deadline, only to be confronted with many unresolved issues. In private discussions with the moving party, usually the union committee, the mediator learns that these issues are an attempt to send the other party "a message." The message is that there is enormous dissatisfaction with "busi-

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ness as usual" on the shop floor and that problems are not getting resolved. Resentment is bubbling over onto the bargaining table in the form of contract issues. The bargaining table is an ill-equipped forum for the effective resolution of these underlying problems. During crisis negotiations it is very difficult to negotiate an improvement in attitudes or a better labor-management relationship.

Faced with a rapidly approaching deadline, the best the mediator can hope for is that some issues can be resolved through catharsis and others quietly dropped because they are not strike-related. If a tentative agreement is reached, the mediator's relief may be brief because the membership's frustrations may surface again in their refusing to ratify the agreement. Even with ratification, there remains a strong suspicion that all is not well and that the administration of this contract and the negotiation of the next are likely to be fraught with difficulty. This perception is often shared by negotiators, too.

The mediator may also become aware of a deteriorating labor-management relationship through ways other than his or her personal involvement in contract negotiations. Through such professional and community organizations as the Industrial Relations Research Association, the mediator can learn of problems. Also, in monitoring dispute cases, he or she has daily contact with representatives of labor and management; through casual conversation, there is much opportunity to learn of labor relations problems in a particular plant or location.

Similarly, relationships plagued by frequent, long, or bitter strikes; wildcat strikes; high grievance levels; numerous arbitrations; or other obvious signs such as job losses in a declining business enterprise, are symptoms which will catch the mediator's attention. Once alerted, he or she can seek confirmation from the labor and management representatives at the site.

Another means of mediator awareness is through communiqués from the affected parties. Because the Federal Mediation and Conciliation Service is annually involved in more than 1,000 technical assistance endeavors, the awareness of the availability of this service among labor-management practitioners assures numerous requests. When contacted, the mediator will begin exploratory meetings with the parties to determine the nature, location in the organization, and extent of the problems.

Diagnosing the problem

Having detected danger signals, the mediator must guide both parties through a joint analysis of the problems in order to determine their seriousness and exact location. Until this diagnosis is completed, no remedy can be prescribed. The character of a labor-management

relationship may be viewed along a simple continuum consisting of three benchmarks: *conflict*, *detente*, and *accommodation*.⁴

An employer at the *conflict* end of the continuum never really accepts the union: ". . . he does not yield to the union even a narrow, restricted scope until he literally has to; and he looks for the first opportunity to get rid of the intruder. His acceptance of joint dealings is an 'imposed acceptance,' imposed by law and by union power."⁵

Under *detente*, the midpoint of the continuum, each side accepts the other's institutional legitimacy but exercises its relative strength to obtain the best deal. Each adopts a "win some, lose some" approach. They fight, but the conflict is held within accepted limits; there is a conscious effort to avoid pain and serious injury to one another. Parties at the *accommodation* end of this scale strive to reduce the level of contention. When differences do occur, they are processed with minimum emotion through agreed-upon procedures with equity being a realistic and desired goal for both. "They have proved themselves willing to compromise whenever possible, to conciliate whenever necessary, and to tolerate at all times."⁶

The three benchmarks can be used by the mediator to determine the severity and types of problems the parties have. Relationships characterized by *conflict* will have the most serious problems, reflecting distrust, hostility, and suspicion; those characterized by *accommodation* will have the least severe problems, arising from human failures in communications, consistency, and concern for the points of view of others.

The next segment of the model directs the mediator's diagnosis to a determination of the location of the problem within the respective organization. One inhibitor to accurate diagnosis is the diffusion of authority in complex, multilayered, and interdependent labor-management organizational structures. A systematic examination of the various intraorganizational dimensions and their interrelationships is needed to locate and address the source of the problem. Because the structures of most labor organizations are reactive to and thus closely parallel the management structure to which they relate, more attention will be given to the structure of management in labor relations matters.

Management can generally be regarded as conducting labor relations on three levels. (On occasion these levels may be extended or compressed.) The top level is one of decisionmaking, usually personified by either a vice president of labor relations or a labor relations director. This level formulates, delivers, and implements corporate policy on its own initiative or as an operating arm of higher-level management policymakers. The union counterpart of this level is usually an international representative.

The mid-level can be characterized as one of implementation for labor relations decisions and policies. Within management, this level would generally be staffed by either a plant manager or a department head who formulates very little policy but has, instead, the important responsibility of supervising and coordinating the implementation of policies established at the top level. Business agent or local president are usually the titles of union officials at this level.

The lowest management level is populated by first-line supervisors. They face the difficult task of confronting the real world armed only with the policies supplied and precedents established. Here are discovered both the flaws and strengths of overall policy. The union counterpart at this level is the steward.

A thorough examination of the parties' relationship requires a look at the relationships between levels within each structure, as well as across the table, which symbolizes the classic area of contention. Given three existing levels of labor-management interaction within a bargaining unit, each level having 1 of 3 possible characters, a diagnosis may theoretically yield 27 possibilities.⁷

In this article, we will not attempt to deal with 27 different variations, several of which have only a theoretical existence and are not plausible outcomes. For example, this would be true when accommodation existed at the supervisor/steward level, but at all higher levels the parties were locked in conflict. Accommodation could not realistically exist between foreman and steward, except momentarily, if conflict were the prevalent mode between plant manager and business agent. Two corporals in opposing armies cannot wage peace while their generals are waging war, lest they risk dismissal for treasonous behavior.⁸ More importantly, to examine all 27 possibilities would emphasize detail over the more generic and fundamental concepts.

Prescribing a remedy

Having diagnosed the relationship and the possible location of the problem, the model's remaining segment concerns the prescribing of remedies. Labor-management relations improvement remedies are few—there are presently three primary items: Relationships by Objectives programs, labor-management committees, and joint training programs. Variations exist of each, especially the latter two.

Relationship by objectives. In the Relationships by Objectives program, mediators provide the expertise for guiding labor and management toward basic changes in their relationship.⁹ Both are brought together by mediators to analyze their problems, to decide what their common objectives should be, and to reach agreement on goal implementation. Since the program was intro-

duced by the Federal Mediation and Conciliation Service (FMCS) in 1975, 100 Relationships by Objectives projects have been completed in some of the most difficult labor relations situations in American industry.

Currently, the program is being used almost exclusively in situations following protracted strikes or where there are volatile labor-management histories. The criteria established by the FMCS as a prerequisite for conducting such programs are that both parties must be sufficiently concerned about their divisive relationship and committed at all levels to do something about it. In return, the FMCS commits itself to assist the parties in rebuilding their relationship and thus to reduce the prospects of strikes in subsequent negotiations. (A Relationships by Objectives program may result in the parties identifying a need for a labor-management committee or for training.)

Labor-management committees. In recent years, more than 300 labor-management committees have been formed annually by employers and unions with the assistance of FMCS mediators. The structure and goals of labor-management committees vary greatly, but most share the essential need for representatives of labor and management to join together and talk about mutual problems. These committees complement the traditional collective bargaining relationship. They are an implicit recognition that the parties have much in common and that their relationship need not be totally adversarial. Through effective committees, joint problem-solving can take place which strengthens mutual credibility and tends to improve relationships.

Joint training programs. Successful labor-management relations are less a function of the quality of negotiations than of the day-to-day implementation and administration of the labor agreement. The majority of this work is done by the first-line supervisor and the union steward. If their performance is below standard, relations suffer. Consequently, most of FMCS' preventive activities have been directed toward this group.

Supervisor-steward training does have considerable value in the development of a work atmosphere which is conducive to labor peace and the quick and effective resolution of labor-related problems. Training sessions, which use a variety of instructional techniques and focus on subjects such as communications, leadership, and grievance handling, are a vehicle whereby adversaries can set aside their stereotyped images and view one another in a nonthreatening light, thus seeing, perhaps for the first time, their commonalities. The FMCS conducts 400 to 500 such joint training programs annually.

These training programs are tailored to the perceived needs of the supervisor-steward audience, and are structured to encourage class participation. Using a combi-

nation of lecture, audio-visual materials, and workbooks for the participants, the mediator leads discussions into such areas as:

- understanding the supervisor-steward relationship;
- making the supervisor-steward relationship work;
- providing effective leadership; and
- handling problem situations.

These programs are not intended to provide instant solutions to complex problems. They are designed to enable the participant, working with others in the group and under the guidance of a mediator, to come up with his/her own insights which, it is hoped, will be wisely applied over time to improve their relations.

Setting priorities

In selecting a remedy, order is important. One must focus first at the highest level in need of attention. Higher-order problems must be resolved or neutralized before those of a lower level are addressed.

If the labor-management problems are severe, and are located in the top or middle levels of the respective organizations, then the Relationships by Objective program should be considered as a possible remedy. Through the program, the parties have an opportunity to recast their relationship or to start anew, provided there is mutual acknowledgment of serious problems impairing the relationship, and genuine commitment to change.

Once the program has been successfully applied, *de-tente*, and rarely, *accommodation*, would be expected in lieu of *conflict*. Assuming the most likely, *detente*, the parties are now in a position to build together a better relationship. To assure further positive momentum and continued improvement, a labor-management committee is usually needed.

If nurtured and sustained, labor-management committees have demonstrated their capability for improving labor relations. The most visible level of improvement is likely to be between the top plant management and the business agent or local union president. If the committee is really working, it will also affect the plant floor. Consequently, through effective applications of such committees, all mid-level outcomes have the potential of being elevated to the *accommodation* mode.

In many cases involving labor-management committees, a problem that is often identified as an impediment to a good relationship is the inability of stewards or supervisors, or both, to dispose of grievances successfully. This can generally be attributed to some combination of three factors: (1) an unwillingness to reach an agreement—a preference for sustaining the conflict, (2) the absence of perceived authority to settle the problem, or (3) the lack of knowledge or technical ability to handle grievances. Each of these causes can be successfully

tackled by the labor-management committee. The first two can be addressed through separate consultations within each party, so that agents at the lower level realize their superiors are expecting most problems to be resolved at that level.

If the remaining problem is simply a technical inability to meet labor relations responsibilities, the most effective antidote is training. Through joint training of supervisors and stewards, the groundwork may be laid for a better relationship. Effective joint training usually emphasizes the building of problem-solving and interpersonal skills, and better understanding of respective roles and the benefits of working together.

Equipped with an improved understanding of their roles and the prerequisite skills for doing their jobs, and encouraged by support from the top and middle levels, discord and discontentment at the lower level can be converted to *accommodation*.

Third party audits

The model that we have evolved consists of: three organizational levels within labor and management; three characterizations of the relationship which determine the type and severity of the problem; and three remedial approaches. However, it has not been suggested in any detail how to analyze a labor-management problem when applying the model; rather we have spoken of the mediator recognizing danger signals and observing issues and relationships, all of which implies an intuitive, ill-defined, and artistic process. This method usually provides a sufficiently accurate diagnosis in cases in which the mediator knows the parties well, or the problems are relatively obvious, or both; but in other situations a more rigorous approach is needed to apply the model. For this purpose, we will describe a diagnostic process used in organizational development and human resources development (training needs assessment).¹⁰ Discussion will center on joint training at the supervisor/steward level, but with minor modifications, the process could be used at other levels or when other remedies are proposed.

The diagnostic procedure, developed by Geary Rummler, focuses on a "human performance" audit.¹¹ For him, human performance is composed of: (1) the job situation or occasion to perform; (2) the performer; (3) the behavior (action or decisions) that is to occur; and (4) the consequences of that behavior to the performer.¹² The advantage of using a performance audit is that it forces the specific source of the undesirable behavior to be identified.

A second feature of Rummler's audit is the determination of the economic consequence of poor performance. In other words, having determined by the audit model that undesirable performance is a result of a lack of feedback to a supervisor about his or her

work, for example, the question is asked: does it *really* make any difference or enough difference to require change? The result of this questioning will be to consider first those performance problems which are most economically important to the organization.

A very sophisticated or extremely simple audit can be used, depending upon the amount of time available, the complexity of the organization, and the functions being audited. This audit of performance can be used on all three levels of labor relations concurrently, but we will apply it only to the lower level.

The basic components of the Rummler approach can be retained in a streamlined audit by using this series of questions to identify sources of the problems and to analyze them:

- I. General lead-in questions
 1. How do you know you have a problem?
 2. How will you know when the problem is solved?
 3. How long has this been a problem?
 4. How general is the problem?
- II. Questions on the job
 1. What is the desired performance?
 2. What are the job standards?
 3. Who says that these are the standards?
 4. Does everybody agree on these standards?
- III. Questions on the performer
 1. What are the specific differences between actual and expected performance?
 2. Has anyone ever performed as expected?
 3. Who?
 4. When?
 5. How many individuals are now performing below standard?
- IV. Questions on behavior
 1. Did the steward or first-line supervisor ever perform properly?
 2. Could they perform properly if their lives depended upon it?
 3. If they could perform properly, would they?
- V. Questions on the consequences of performance
 1. Does the steward or first-line supervisor whose performance is below standard know:
 - a. What is expected of him or her?
 - b. What he or she is not performing correctly and exactly how far he or she is from expected performance?
 - c. How to perform correctly?
 - d. When to perform?
- VI. Questions on feedback
 1. What positive or negative consequences, or both, of performing correctly or incorrectly can the first-line supervisor or steward expect from:
 - a. Higher ranking officials within the company or organization?
 - b. Subordinates?
 - c. Associates at the same level?
- VII. Questions on economic costs and priorities
 1. What does it cost the employer or union not to reme-

dy the performance problem?

2. What is the priority on remedying any performance problem?

A few examples will illustrate how these questions produce relevant information on performance and economic priorities:

- Under II, questions 1, 2, and 3 could lead one to discover that the union policy is unclear on whether a steward is expected to anticipate and solve problems before they become formal grievances.
- Under III, question 5 could disclose that first-line supervisors in only 2 departments in 20 have performance problems.
- Under IV, questions 2 and 3 could reveal that motivation and interest are the source of the performance problem, not knowledge or skill.
- Under V, question 1 could divulge that the first-line supervisor is aware of only one-third of the tasks expected of him or her.
- Under VI, question 1 might reveal that the steward gets no positive feedback on his or her performance.
- Under VII, question 1 might show that the failure to properly investigate a grievance, prior to committing it to writing, doubled the length of time required to process it through the first two steps of the grievance procedure.

When the audit is completed, the mediator will have a complete list of the performance problems in the area under study, which will include an identification of the sources of the problems, and economic priorities based on the cost of the problem to the organization.

Following an analysis of this list, the mediator could act as an adviser to labor and management in determining the appropriate remedy. Some problems are more susceptible to a training solution, others to a labor-management committee or a Relationships by Objectives program, and some will require structural and policy changes. In each instance, the mediator will work with the parties to resolve the performance problem and improve their relationship.

Conclusions

Before any labor-management relationship can be improved, the parties to that relationship must both be dissatisfied with the status quo and have before them some blueprint which, if followed, has a reasonable chance of succeeding.^{13 14} In many cases, labor-management relationships are operating at a suboptimal level. This can happen for many reasons; for example, one or both sides prefer it that way, they are not prepared to incur the political or economic costs they attach to improvement, they do not know how to gain the necessary credibility to move jointly forward, or they simply do not know what to do.

Often a trusted third party can diplomatically allow the parties to focus on shortcomings in a relationship, by minimizing political and economic costs of change,

promoting trust and cooperation, and assisting both sides in developing a roadmap which, if followed, should lead to a positive, constructive relationship. □

— FOOTNOTES —

¹ Section 203 (A) of the Taft-Hartley Act states: "It shall be the duty of the Service, in order to prevent or minimize interruptions, of the free flow of commerce growing out of labor disputes, to assist parties to labor disputes in industries affecting commerce to settle such disputes through conciliation and mediation."

During the discussion on the floor of the Senate of Bill S.1126 (subsequently compromised to become the Taft-Hartley Law), Senator Irving Ives of New York made the statement: "A great lack at the present moment in the field of mediation is measures by which we may prevent industrial strife as well as cure it after it has begun. That, of course, is contemplated under the new title." (*Congressional Report*, p. 4,590, 5-6-47.)

² It is interesting to note that the Federal Mediation and Conciliation Service Preventive Mediation function started during the same period (late 1940's) as the early applications of contemporary behavioral science to organization and management. But there is little evidence that the service benefited in any systematic way from developments within behavioral science until the 1970's. The introduction of the Relationships by Objectives program in 1975 (see discussion on p. 17 of this article) was influenced by the work of Blake and Mouton, particularly Robert R. Blake, Herbert A. Shepard, and Jane S. Mouton, *Managing Intergroup Conflict in Industry* (Houston, Gulf Publishing Co., 1964), p. 210; and Robert R. Blake, Jane S. Mouton, and Richard L. Sloma, "The Union-Management Intergroup Laboratory: Strategy for Resolving Intergroup Conflict," in Warner Burk and Harvey A. Hornatein, eds., *The Social Technology of Organization Development* (Fairfax, Va., NTL Learning Resources Corporation, 1972), pp. 101-26.

This lack of behavioral science influence on preventive mediation during these 30 years is understandable because Federal Mediation and Conciliation Service mediators are pragmatic individuals caught up in practicing their art; they are not inclined to seek help or guidance from theorists and academics. Moreover, even the behavioral scientist makes limited claims for the application of his work to the practitioner. See George Strauss and others, eds., *Organizational Behavior: Research and Issues* (Madison, Wis., Industrial Relations Research Association Series, 1974), p. 2, which quotes with approval Harold L. Wilensky, writing on the same subject in 1957: "Not everything done by the social scientist can or should help the practitioner . . . the social scientist's job is basically different from the executive's job . . . much of what he comes up with is of limited use to the practitioner."

Writing 5 years later on the question, "Can Social Psychology Contribute to Industrial Relations?" Strauss said, "From 1960 on, psychological contributions to industrial relations were almost nonexistent . . ." See Geoffrey M. Stephenson and Christopher J. Brotherton, eds., *Industrial Relations: A Social Psychological Approach* (Chichester, England, John Wiley & Sons, 1979), p. 371.

³ The views expressed do not necessarily reflect those of the Federal Mediation and Conciliation Service.

⁴ A similar continuum of labor-management relations consisting of armed truce, working harmony, and union-management cooperation was proposed in Frederick H. Harbison and John R. Coleman, *Goals and Strategy in Collective Bargaining* (New York, Harper & Brothers, Publishers, 1951), p. 19.

Another more complex model for analyzing labor-management relations is described in Leon Meggison and C. Ray Gullett, "A Predictive Model of Union-Management Conflict," *Personnel Journal*, June 1970, pp. 495-503.

⁵ See Benjamin M. Selekman, Sylvia K. Selekman, and Stephen H.

Fuller, *Problems in Labor Relations* (New York, McGraw-Hill Book Co., 1950), p. 7.

⁶ "Problems," p. 8.

⁷ $D=L^G$ where D is the number of diagnostic outcomes, L is the number of levels in the organization (3), and G is the number of possible characterizations of the relationship between the parties (3). Hence, $D=3^3$ or 27.

⁸ However, it should be noted that a very bad relationship (conflict) may exist at a lower level even though there is a very good one at the next higher level (accommodation). Two generals can be pursuing peace while the battle rages.

⁹ For more background on Relationships by Objectives program, see John J. Poplar, "Labor-Management Relations: U.S. Mediators Try to Build Common Objectives," *World of Work Report I*, September 1976, pp. 1-3; Thomas A. Kochan, *Collective Bargaining and Industrial Relations* (Homewood, Ill., Richard D. Irwin, Inc., 1980); and Anthony V. Sinicropi, David A. Gray, and Paula Ann Hughes, *Evaluation of the Federal Mediation and Conciliation Service's Technical Assistance Program in Labor-Management Relationships by Objectives (RBO)*, unpublished, Federal Mediation and Conciliation Service, 1978.

¹⁰ In the field or in organizational developments there are a number of diagnostic processes for searching out and assessing organizational problems. See for example: Robert R. Blake and Jane S. Mouton, *Corporate Excellence Diagnosis: The Phase 6 Instrument* (Austin, Tex., Scientific Methods, 1968); J. Richard Hackman and Greg R. Oldhan, "Development of the Job Diagnosis Survey," *Journal of Applied Psychology*, 1975, vol. 60, pp. 159-70; Ralph H. Kilmann and Kenneth W. Thomas, "Four Perspectives on Conflict Management: An Attributional Framework for Organizing Descriptive and Normative Theory," *Academy of Management Review*, 1978; vol. 3, pp. 59-68; John P. Kotter, *Organization Dynamics: Diagnosis and Intervention* (Reading, Mass., Addison-Wesley, 1978); Paul R. Lawrence and Jay W. Lorsch, *Developing Organizations: Diagnosis and Action* (Reading, Mass., Addison-Wesley, 1969); Harry Levinson, *Organizational Diagnosis* (Cambridge, Mass., Harvard University Press, 1972); and Rensis Likert, *The Human Organization: Its Management and Value* (New York, McGraw-Hill Book Co., 1967).

¹¹ Geary A. Rummmler, "The Performance Audit," in Robert L. Craig, ed., *Training and Development Handbook* (New York, McGraw-Hill Book Co., 1976, 2d ed.).

¹² Rummmler, "The Performance Audit."

¹³ Dissatisfaction with the status quo is found in organizational development efforts: "The fundamental reason some crisis or pressure seems to be so important in setting the stage for change is that it creates a state of readiness and motivation to change. Kurt Lewin called this the 'unfreezing stage' at which old beliefs, values, and behaviors lose strength in the face of data that disconfirm the manager's (unionist's) view of his (their) organization's effectiveness." Michael Beer, *Organization Change and Development: A Systems View* (Santa Monica, Calif., Goodyear Publishing Co., 1980), p. 48.

¹⁴ The need for a plan in order to facilitate change is also found in the Organizational Development literature: "Successful change efforts require new models for looking at organizational problems and/or new ideas for structuring or managing the organization. New models may come in the form of a new organizational design, accounting system, planning systems, or personnel policy." (See Beer, "Organizational Change," p. 50.)