



The origins and operations of area labor-management committees

RICHARD D. LEONE AND MICHAEL F. ELEEY

Labor-management cooperation is not a new development. Throughout the twentieth century, and especially during wartime or when specific industries experienced crisis, labor and management have, on occasion, set up joint committees to address issues not readily resolved through traditional collective bargaining mechanisms.¹ Never viewed as substitutes for the bargaining process, but rather as complementary to it, these committees attempted to resolve problems confronting particular plants or industries in a nonadversarial manner.

Area labor-management committees, most of which emerged in the 1970's, have a somewhat different focus. They bring together the chief spokespersons of local labor unions and business organizations in an effort to resolve problems affecting the economic well-being of an entire community, rather than a particular worksite or industry. Their focus is usually on job retention and creation. This report reviews the highlights of some recent research on four main aspects of area labor-management committees: (1) where and why area committees have been formed, (2) how they are developed and sustained, (3) how they are structured and what programs they have carried out, and (4) what role the Federal Government has played in the process.²

Born of hard times

Most of the area labor-management committees established to date are found in the Northeast and Midwest. (See exhibit 1.) Although the communities in which they have developed vary in size, political structure, and industrial mix, they are all places in which unemployment is high, companies and unions are perceived as having poor labor-management relations, the population and the labor force are declining, there is a high

degree of unionization, and the local economic base is deteriorating. Obviously these interrelated problems do not arise overnight, but rather grow out of corporate and union decisions rooted in the past. Nevertheless, it is usually an immediate crisis, such as a plant closing or a prolonged labor dispute, which finally impels local leaders to take action.

The Jamestown, N.Y., experience was typical of how and why area labor-management committees were formed.³ In the early 1950's, Jamestown began to lose jobs in manufacturing. The decline accelerated in the 1960's when the wood furniture industry, the basis of Jamestown's manufacturing employment, moved South. In 1971, nearly 1,000 workers were affected by employer bankruptcies and plant closings. An additional 2,800 jobs were threatened, and unemployment was already at 10 percent, almost twice the national average. The city's population and labor force were declining, many young educated people were leaving the area, and attempts to attract new businesses were failing.

These converging forces prompted five prominent individuals to begin the search for a solution. The local federal mediator, a local labor lawyer, and an official of the Jamestown Manufacturers' Association began to meet informally. After several discussions, they approached Mayor Stanley Lundine and discovered that he and the city ombudsman, a former labor leader, had also begun to explore how the loss of jobs might be stemmed. All five agreed that poor labor-management relations were at the heart of the problem.

The mayor took the lead. At first, he met with leaders of local businesses and labor unions separately, having been advised by the others not to bring them together in the same room. Subsequently, he called the labor and business leaders together, in sessions which were unavoidably acrimonious. Over the course of a series of dinners and luncheons, however, the barriers between the parties gradually disintegrated. Once both sides realized they had mutual interests, a spirit of trust began to emerge. As a result of candid dialogue with each other and some fresh ideas and perspectives suggested by outside speakers, the two sides decided to adopt a joint committee structure, in order to maintain the new spirit of cooperation and to begin addressing issues which affected the community as a whole.

Richard D. Leone, professor of industrial relations and organizational behavior, is director of the Center for Labor and Human Resource Studies, Temple University. Michael F. Eeey is assistant director.

Not only was the Jamestown experience typical of the development of most area committees, but through a combination of support from the Federal Government, coverage by the national press, and its own geographic centrality (in the Northeast-Midwest quadrant of the United States), the Jamestown committee became a model which could be studied by other communities with similar problems. As a result, many of its structural features and programs were adopted in other localities.⁴

Problems with representation and funding

Prior to the 1970's, when most of the current areawide committees were established, many U.S. communities had experimented, at one time or another, with labor-management cooperation on an areawide level, largely in an attempt to minimize strikes. But these efforts usually failed because they were dominated by either labor or management, and because the communities lacked funding to hire a staff and maintain programs. These two hazards continue to pose a threat to the existence of area committees, even today.

To maintain a sense of balance, area labor-management committees consist of an equal number of representatives from labor and business, with each group selecting a spokesperson to serve as cochairperson. The representatives from both sides must feel that the actions taken by the committee are to their mutual benefit, and because they do not usually have a formal mandate from their respective union and management organizations, they must be certain that decisions reached by the committee will be viewed favorably by their constituents.

Most area labor-management committees publish statements of their goals, which tend to focus on labor-management relations in the community, human resources development and training, local economic development, and increased productivity. But inasmuch as the members serve voluntarily and have other commitments, area committees cannot pursue these goals with concrete programs unless they can secure and maintain a staff. Thus, to a large extent, a committee's history reflects its ongoing search for funds. Again, the Jamestown experience is significant, and typifies the funding and organizational patterns of most other committees, at least since the mid-1970's.

Although the city of Jamestown provided the seed money in early 1973, a grant from the Economic Development Administration marked the first time that Federal dollars were awarded to support an area committee. These funds enabled the Jamestown committee to hire a full-time executive director, and in the process, signalled the institutionalization of the areawide committee concept. From 1973 to 1982, the Jamestown committee received \$1.1 million from various sources, with the city providing slightly more than one-fourth of these funds.

Exhibit 1. Area labor-management committees in the United States

Year established	Location	Population ¹
1945	Toledo, Ohio	354,635
1946	Louisville, Kentucky	298,451
1953	Chattanooga, Tennessee	169,565
1958	Jackson, Michigan	39,734
1963	South Bend, Indiana	109,727
1965	Green Bay, Wisconsin	78,899
1970	Appleton, Wisconsin Marquette, Michigan	59,032 23,289
1972	Jamestown, New York Pittsburgh, Pennsylvania	35,775 424,205
1975	Buffalo, New York Cumberland, Maryland Dunkirk-Fredonia, New York Evansville, Indiana Lock Haven, Pennsylvania Youngstown, Ohio	357,870 25,933 26,636 130,496 9,617 115,436
1976	Elmira, New York Springfield, Ohio	35,327 72,563
1977	Muskegon, Michigan Riverside-San Bernardino, California St. Louis, Missouri Stevens Point, Wisconsin	40,823 288,933 453,085 22,970
1979	Beaumont, Texas Duluth, Minnesota Paducah, Kentucky Portsmouth, Ohio Scranton-Avooca, Pennsylvania Sioux City, Iowa	118,102 92,811 29,315 25,943 87,378 82,003
1980	Philadelphia, Pennsylvania	1,688,210
1982	Kankakee, Illinois Lansing, Michigan	30,141 130,414

¹ SOURCE: 1980 Census.

Most area committees, however, do not receive this level of local government support. On average, they have received about 18 percent of their funds from city and county governments.

The bulk of funds for area committees have come from three Federal agencies: the Economic Development Administration, the Appalachian Regional Commission, and the Department of Labor, under provisions of the Comprehensive Employment and Training Act. Promoting labor-management cooperation was not part of the explicit mission of any of these three agencies, but their award of funds to area committees was justified on the grounds that the committees would increase productivity, promote job retention and creation, and be active in manpower training—all of which were high priorities of the agencies. The three agencies, however, gradually withdrew their support. Today, the only source of Federal funding is the Federal Mediation and Conciliation Service, acting pursuant to the Labor-Management Cooperation Act of 1978.

As a result of continuing budget pressures, area labor-management committees have been compelled to devote, on average, between 30 and 40 percent of their

efforts to fund-raising—a burden which is not likely to decrease in the absence of a broader government funding program. Historically, area committees have not been able to develop other major sources of income. Despite extensive efforts, they have only been able to generate about 11 percent of their total funds from non-governmental sources, such as dues from member organizations, private grants, and fees from workshops and seminars. Funding interruptions and discontinuations tend to take a toll on any organization, and in the absence of more stable financing, the true effectiveness of an area committee cannot be fully ascertained.

Structure and programs

Committee membership divides roughly into two groups. The core group consists of those leaders who were involved in establishing the committee. It includes the labor and management cochairpersons, the committee's executive director, and perhaps one or two additional key individuals. All other members constitute what might be termed the support group, who are somewhat less actively involved in the operation of the committee. Support group members usually attend meetings and are present for most public events sponsored by the committee. A moderate degree of turnover among the committee's support group appears to help maintain a flow of new ideas and perspectives. Turnover among the core group, however, is quite a different matter. Frequent or sudden changes among top committee leaders have usually caused serious problems for the organization as a whole.

The individual qualities of its key personnel are central to the success of an area committee. To maintain its effectiveness, a committee must attract members from the top echelon of local business and labor leaders. The leadership capabilities of its two cochairpersons have a vital impact on the committee's ability to develop a consensus regarding its programs and policies and on its ability to interact effectively with other power centers within the community. The executive director's role requires communications skills and administrative ability; furthermore, it demands an individual who is perceived as neutral in labor-management issues and has a solid reputation in the local labor relations community.

How often a committee meets is not as important as the way in which it reaches its decisions. The process adopted by most area committees can be characterized as group consensus. Full agreement from both sides is a necessary requirement of decisionmaking, and most committees take very few, if any, formal votes.

Committees generally agree to move toward their goals by supporting activities in one or more of four broad program areas. First, they sponsor events such as dinners, conferences, and seminars which are not only educational in nature, but which also improve communication between labor and management. Second, they

promote labor-management committees to increase productivity and enhance the quality of worklife at local worksites. Third, they occasionally serve as informal mediators in labor disputes. And, fourth, they involve themselves, directly or indirectly, in local economic development.

Improved communications. As noted previously, dinners and luncheons serve to reduce tension and promote trust between the parties in the early stages of a committee's formation. Once the committees have become established, they continue to sponsor such events throughout their existence. Many of these social events are also open to nonmembers, especially other union and management leaders.

Many committees have also hosted annual conferences on such topics as employee participation and quality of worklife. These conferences serve several functions. First, they provide a forum where exponents of labor-management cooperation can exchange ideas with one another and with those unfamiliar with the concept. Second, these conferences communicate—not only to the people in the community where they are held, but also to the broader, national public—the fact that the leadership in the local area believes cooperation through participation in an area labor-management committee can coexist with collective bargaining.

In addition, committees support workshops and seminars on topics such as job sharing, employee ownership, problem solving, productivity, worksite committees, grievance administration, economic development, and labor relations in general. These workshops are usually designed to attract local foremen, shop stewards, managers, and employees, who are able to bring back to their home bases new ideas and approaches to worklife issues and problems.

Those who attend these dinners, conferences, and seminars attest to their efficacy in promoting trust, understanding, and mutual respect. There is ample evidence in the communities we studied that few, if any, of these events would have taken place had the area committee not existed.

Worksite committees. Employee participation at the plant or worksite has recently come to be subsumed under the rubric, "quality of worklife," or QWL. In the early 1970's, QWL programs began to gain acceptance in nonunion settings and in several large unionized companies, quite independently of the area-committee movement. In 1973, Eric Trist, a leader in the development of employee participation programs in Europe and the United States, became a consultant to the Jamestown Committee. He recommended that as part of its overall program the committee support the development of employee participation, in the form of labor-management committees at local worksites.

Through these worksite committees, employees receive detailed management information about plant operations, and at the same time share their own knowledge with supervisory personnel. The committees consider such issues as skills development, plant layout, productivity, gain-sharing, job redesign, health and safety, retention of workers in a layoff situation, and work rules not covered in a collective bargaining agreement. Because these problems can develop rapidly, committees tend to meet on a frequent schedule.

Many of the businesses located in the communities are of small or medium size. Unlike larger companies, they do not have specialized staff to implement a worksite committee program, nor can they afford to hire outside consultants, as many large firms have been compelled to do. The basic role of an area committee *vis-à-vis* worksite committees, therefore, has been to provide this technical assistance. In fulfilling this role, many committees have had substantial impact in their communities. The vast majority of worksite committees in the communities we studied would *not* have been established without the area committee's interest and support.

There are two basic policies that area committees follow in their relationships with worksite committees. At some area committees, a staff member remains permanently associated with the worksite committee. The advantages of this are that (1) technical expertise is continuously available to the committee, and (2) the continuing presence of a third party helps to maintain the group's focus on essential issues and prevent irrelevant ones from burdening or destroying the problem-solving process. Other area committees require their staff to withdraw from active participation in the worksite committee some 6 to 9 months after it has been established, although some informal contact is usually maintained. The justification given for this approach is that, with limited area committee resources, it increases the number of worksite committees that can be established.

In sum, an area labor-management committee can promote the local development of worksite committees in several ways. It can act as a resource center, providing information and hands-on assistance in quality-of-worklife techniques and labor-management cooperation. It can serve as the hub of a network through which local unions and companies can share ideas and experiences. And an area committee can provide those interested in QWL with the opportunity to explore with their peers the pros and cons of forming a worksite committee, without needing to commit themselves prematurely.

Facilitating collective bargaining. An issue which arises early in the development of an area labor-management committee is how it will deal with problems involving

collective bargaining relationships or the administration of labor contracts. While committee participants acknowledge that collective bargaining's limitations have contributed to some of the community's problems, they also realize that labor and management view the bargaining process as their private forum. Thus, committees usually make a formal declaration that none of their programs will disturb the delicate balance of relationships established over time through collective bargaining, nor otherwise affect the terms of any collective bargaining agreements.⁵

At first glance, this public position may seem extreme, especially because in most communities where committees have been formed, long or bitter strikes have contributed to a poor labor-relations climate. But because of the sanctity of bargaining, this official stance is a prerequisite for encouraging committee participation. In practice, however, many committee programs do touch on collective bargaining relationships, though they fall short of intervening in the bargaining process itself.

Consistent with the general goal of "improving the labor-management climate," executive directors and members of area committees have often been called upon by the principal parties to serve as mediators in contract negotiations or other labor disputes. Most executive directors have had previous experience in mediation. Over time, they become familiar with the bargaining relationships in the local area and gain respect as a neutral party. In addition to the executive director, members of the committee itself may facilitate the bargaining process. In some cases, members have served as personal messengers or go-betweens, transmitting to the parties the relative positions taken by the other side. Committees have also been called upon to study the positions of the parties and make impartial recommendations. In other cases, they have recommended that the Federal Mediation and Conciliation Service assume responsibility. In the final analysis, whatever mediation role an area committee selects, its participation must be very informal and conducted with the utmost discretion.

Supporting local economic development. Local economic development activities are aimed at encouraging existing employers to maintain or expand their operations in the area, and at persuading other firms to move into the area. To the degree that worksite committees and an area committee's mediation roles may diffuse hostility in labor-management relations, employers that otherwise would move will be encouraged to remain in the area. But encouraging new firms to locate in the area requires a more active posture on the part of an area committee.

Most localities have one or more agencies designated to promote economic development. Almost all area

committees have among their members a representative from the local economic development community. This liaison keeps local leaders informed about efforts at improving the local economy, brings a broader spectrum of perspectives to the development process, and communicates a sense of community cohesion. Local economic development efforts are often politicized, fragmented, and counterproductive because of jurisdictional struggles. Among other things, area committees have helped to bridge these gulfs which sometimes separate competing local agencies.

Numerous factors influence a company's decision to locate in one place versus another, and in many cases the labor relations climate is an important consideration. The fact that labor and management are interacting within the context of an area committee projects a more positive image for the local community. Furthermore, the cochairpersons and the executive director of a committee can communicate directly with potential employers, and in some cases these individuals have been very effective in making the case for the broad range of potential benefits associated with locating in the area.

The role of the Federal Government

In 1976, Congressman Stanley Lundine, former mayor of Jamestown and a leading proponent of labor-management cooperation, introduced the Human Resource Development Act, which contained provisions advocating Federal support for labor-management cooperation. But because much of the rest of the act was similar to the Humphrey-Hawkins Full Employment Act, Lundine's proposal was not reported out of committee. In 1977, he introduced a second version of the Human Resource Development Act, and, in 1978, the labor-management cooperation provisions of the bill were added as a rider to the Comprehensive Employment and Training Act. The stated objectives of this self-contained legislation, the Labor-Management Cooperation Act of 1978, reflected many of the principles and practices of area committees, such as improving communications and working relationships between labor and management, providing workers and employers with opportunities to explore joint approaches to problems not amenable to resolution by collective bargaining, and developing ways of increasing productivity and promoting economic development. Furthermore, the act provided for Federal assistance in the formation of labor-management committees at the worksite, industry, and areawide levels.⁶

The Federal Mediation and Conciliation Service was charged with implementing the provisions of the Labor-Management Cooperation Act of 1978. Although the act authorized funding levels for 1979 and 1980, appropriations were not approved until the spring of 1981,

and then only after extensive lobbying efforts. The regulations subsequently adopted by the Federal Mediation and Conciliation Service concerning areawide committees provided that grants to existing committees could be for up to 2 years, and grants to new ones could be for 3. To date, the Federal Mediation and Conciliation Service has funded seven committees which were already in operation, and an equal number of new ones. Other than these, no new committees have been formed. Meanwhile, as noted earlier, the three traditional sources of Federal funds—the Economic Development Agency, the Appalachian Regional Commission, and the Department of Labor—have all terminated their financial support.

It is as yet too soon to determine if the committees receiving funds under the Labor-Management Cooperation Act will become self-sufficient, as the Federal Mediation and Conciliation Service regulations assume they should. There is strong evidence, however, that without further Federal financing, new committees will not be established and, as they seek alternative funding, those already operating will risk jeopardizing their independence and flexibility—two essential elements of the area labor-management committee concept. □

FOOTNOTES

¹ See Selig Perlman and Philip Taft, *History of Labor in the United States* (New York, Macmillan, 1935); Dorothea de Schweinitz, *Labor and Management in a Common Enterprise* (Cambridge, Mass., Harvard University Press, 1949); and William Gomberg, "Special Study Committees," in John T. Dunlop and Neil W. Chamberlain, eds., *Frontiers of Collective Bargaining* (New York, Harper and Row, 1967).

² This article is based largely on the findings of a national study of area labor-management committees conducted in 1980–1982 by the Center for Labor and Human Resource Studies, Temple University, under contract from the U.S. Department of Labor. The purpose of the project was to assess the origins, structure, and function of these unique institutional forms. The study used a comparative case method and focused on eight representative sites: Buffalo and Jamestown, N.Y.; Scranton, Pittsburgh, and Clinton County, Pa.; Cumberland, Md.; Paducah, Ky.; and Evansville, Ind. More than 100 area committee participants and staff members were interviewed at length, and numerous other individuals and agencies were contacted. For the detailed findings, see Richard D. Leone, Michael F. Eleey, David W. Watkins, and Joel E. Gershenfeld, *Operation of Area Labor-Management Committees* (Washington, U.S. Department of Labor, Labor-Management Services Administration, 1982).

³ See Charlene Gorda Costanzo and Joel E. Gershenfeld, *A Decade of Change: The Ten Year Report of the Jamestown Area Labor-Management Committee* (Jamestown, N.Y., Jamestown Areawide Labor-Management Committee, 1982).

⁴ Presently there are over 30 area labor-management committees in the United States, all but nine of which were established after Jamestown's. For a comprehensive listing, see *Resource Guide to Labor-Management Cooperation* (Washington, U.S. Department of Labor, Labor-Management Services Administration, 1982), pp. 190–2.

⁵ The Toledo, Ohio, area labor-management committee is an exception to this pattern of official non-involvement in collective bargaining. Since its inception in 1945, the Toledo committee has served as the city's official mediation agency.

⁶ *Federal Register* (General Services Administration), Dec. 11, 1981, p. 60645.