A COMPREHENSIVE MODEL FOR UNDERSTANDING AND IMPLEMENTING WORKPLACE CHANGE AND IMPROVING LABOUR-MANAGEMENT RELATIONS

Merging the Techniques, Processes and Skills of Organization Development with the Realities of Labour-Management Relations

Acknowledgements

A Comprehensive Model for Understanding and Implementing Workplace Change
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Over the past twenty years significant development have taken place within labour-management relations in North America and Canada (Kochan, Katz and McKersie; Kochan and Osterman; Betcherman, Leckie, McMullen and Caron; Walton,Cutcher-Gershenfeld and McKersie; Cohen-Rosenthal and Burton; Lowe; Noon and Blyton; Capelli and Rogovsky; Nissen). These developments have involved a wide array changes extending all the way from how organized labour and management interact with one another at the bargaining table and organizational governance; to how jobs are designed and support is made available to employees experiencing personal problems. Various names have been given to these innovations including: mutual gains bargaining, principled negotiations, employee-centred management, employee involvement, quality of working life, innovative work practices, the high performance workplace and "learning" organizations. The motivation for these changes has been to improve labour-management relations, increase organizational performance and at the same time provide for increased job satisfaction on the part of workers. Not withstanding the experience of the past twenty years and the conclusion that these programs do achieve the objectives set for them: their rate of diffusion has been limited, they often suffer from a limited life span, there is still considerable skepticism within labour and management as to their appropriateness, and in many instances their success and continued viability is highly dependent upon one or two key individuals within the union or management and not the overall soundness of the process   (Kochan and Osterman; Betcherman et al)[1].

The purpose of this paper is not to examine the general reasons for why this situation exists. This has been done elsewhere (Kochan and Osterman; Betcherman

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[1] Kochan and Osterman's 1994 book - *The Mutual Gains Entreprise* - provides a comprehensive assessment of the degree of workplace innovation taking place in the United States. Although they conclude that innovation is going on and that there are some highly celebrated examples such as those taking place in the auto industry there are issues related to the degree of adoption and sustainability which require fundamental changes in public policy and labour relations legislation. Due to the low level of unionization in the U.S., the issue we are addressing here - of integration between labour relations and organizational change - is less significant in the American context. It is interesting to note that their research indicates that where there is a union and the union is involved in the change process, it is more successful. Betcherman et al in their 1994 book - *The Canadian Workplace in Transition* - provide a similar assessment of the level of innovation in Canadian industry. Their conclusion is that although innovation is taking place it is not nearly as extensive as it should be and that where it has taken place there are issues of sustainability. The greater level of unionization in Canada and skepticsm of some of the more prominent private and public sector unions in Canada are cited by them as possible reasons for this situation. In the case of both books the authors put forward very strong cases and prescriptions for continued work in implementing change. Neither however deals with the significant barrier traditional labour-management relations can play in this process. We have atempted to address this issue in this article and to provide some remedies. We feel this is particularly important when looking at the Canadian situation.

et al; Walton,Cutcher-Gershenfeld and McKersie).   Rather it is to put forward models for better understanding the labour relations system within which these developments are made and to provide a more specific and detailed approach to implementing change within the context of a collective bargaining relationship. We believe that this is an approach that, in addition to being framed within the realities of labour-management relations,   increases the probability of successful implementation, acceptance and most importantly sustainability.

In putting forward this analysis, models and approach we are vitally aware of the political realities and organizational constraints that exist within both labour and management. In fact, it is because of these constraints that there needs to be a much better understanding of the *context* within which change is being introduced and a very clear vision and well understood process of implementation. In fact, we would postulate that one of the reasons why diffusion and sustainability are a problem is because a comprehensive model describing how to bring labour-management relations realities and organization development practices together does not exist[2].

The Labour-Management Relations Situation

The present labour-management relations situation is rooted in the history of conflict between the parties. For the greater public good, the State has developed laws and regulations to govern this conflict. These laws determine the process by which unions attain bargaining rights, how contracts are negotiated, settlements reached and agreements interpreted. The prime focus of this governmental action has been the control of the parties in an attempt to mediate the excesses of the presumed inevitable conflict.

The legal framework governing management-union relations is founded in legislation adopted in the 1930's and 1940's and, although there has been much tinkering with the system and its prescribed procedures, the basic premise upon which it is built remains. As a result, significant institutional forces within business, labour, government and the legal community have a vested interest in the existing structure and its preservation. Beyond these legal and administrative constraints, the established practices, training, socialization and acculturation of all parties are built on the notions of different or divergent goals, adversarism and conflict. This situation has existed for several decades and can best be described as traditional labour relations[3].

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[2] Since the publication of the two books cited in Note 1, the economic landscape has changed. Some observers are speculating that reduced unemployment and record profits by corporations will lead to a revitalization of the labour movement and increased interest by workers in union membership and collective bargaining. If this becomes the case it will be all the more important that labour and management have better ways to work together in order to avoid the destructive experiences of the past.

[3] If there is any doubt about the the prevalence of the legal and administrative aspects of the labour-management relations process one only needs to look at the number of lawyers who practice labour law full time in this country.

At the same time as the legal and administrative structure of the industrial relations system was being constructed, researchers and practitioners, most of whom were behavioral scientists, were developing new and useful concepts and insights in the field of organizational behaviour and development.

These concepts and their application have had, and are having, a far-reaching and important impact on the ways in which human resource management problems are addressed and handled. Innovative approaches have been developed in a variety of organizational settings to deal with long standing problems of employee alienation, performance and quality management, and resistance to change. In fact, a whole new "technology" of organization change (Alexander, French and Bell) has developed over the past several decades built on principles of involvement, multi-skilling, equity, empowerment, teamwork, joint problem-solving and collaboration[4].

Concurrently, over the past decade some corporate strategists and many business theorists have recognized that the exclusively economic viewpoint of labour as simply another input variable in the equation of corporate profitability is irresponsible and myopic, given the realities of our pluralistic society. Human resources are now being considered as assets and increasingly it is being recognized that labour is a stakeholder that can make a significant contribution to problem-solving and decision-making well beyond that practiced within the present collective bargaining process.

Therefore, if we stand back from the immediacy that much of labour-management relations demand of us, we see a convergence of several "streams' of thinking. The first of these streams is the growing awareness of the limitations of traditional legal and administrative processes to solve industrial relations problems. The second is the recognition of the existence of a field of practices, concepts and techniques, generally referred to as organization development, which have been used successfully in other organizational contexts to solve problems associated with implementing change, employee motivation, conflict resolution and decision-making. The third is the gradual abandoning of traditional notions about the role of labour in the management of an enterprise.

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[4] Unfortunately much of the work done by OD practitioners has been subject to criticism from labour and management. In many cases it has been labelled as "touchy-feely", "flavour-of-the-month" or a fad as innovations such as T-groups, job enrichment, quality of working life and others have been tried and too often abandoned. This skepticism is frequently most pervasive amongst line managers and unionized employees; those individuals with whom it is most important to build commitment to change. Although in most instances these innovations are built upon sound behavioural science findings they too often founder because of poor implementation, misunderstanding, lack of genuine commitment by labour and management and a poor appreciation for how traditional labour-management relations can act as a barrier to implementing change and, further entrenching adversarial attitudes.

We will explore these streams further in this article by reviewing labour management relations from a systems point of view and show where emerging areas of interaction between the parties do not lend themselves to the traditional legal and administrative methods of conflict resolution. In addition to developing this "typology" of labour/management interaction, we will outline how techniques and processes developed in the field of organization development can and are being used in these emerging areas as an alternative to the traditional process. Finally, we will outline how these techniques have application in the traditional areas of interaction and are, overall, consistent with the changing nature of work in our society and relationships within organizations.

Lest we be considered naïve and thought to be covering ground that has been described elsewhere, we would like to state that we are well aware that some very successful and high profile examples of labour management cooperation have been going on for over a decade. However, as stated earlier, these examples are still more the exception than the rule. Furthermore, the descriptions of these programs fail to show the inter-relationship between the change process and the labour-management relations system. **It is our belief that the process of implementing change has to be viewed within the context of the overall relationship between union and management and must be described in greater detail than currently exists within the literature** [5].

It is our hope that the models outlined in this article and the detailed description of the change process will be instructive for unions, management, consultants and academics who are interested in improving labour-management relations and introducing change into organizations. We also believe that a comprehensive approach to integrating the thinking of labour-management relations and organization development will help increase the probability of success and sustainability in implementing workplace change and improving relations between unions and management[6].

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[5] Two very good descriptions of workplace innovation in Canada are the report of the Premier's Task Force on Workplace Innovation undertaken in Ontario in 1994 and the excellent series of videos, cases and workbooks produced by the Canadian Labour Market and Productivity Centre (1997). In both instances the material contains very detailed and comprehensive outlines of the change process and the steps needed to bring that process about. They do not however deal with change in the *context* of the overall labour relations system. A very good description of U.S. experience is contained in the 1996 publication by the Work and Technology Institute entitled - *Making Change Happen - Six Cases of Union and Company Tranforming Their Workplace*.

[6] Although there is an intuitive sense amongst most mangers that improved relations between labour and management yield better performance it is difficult to prove. One of the few studies on the topic is Joel Cutcher-Gershenfeld's work at Xerox - "The Impact on Economic Performance of a Transformation in Workplace Relations", Industrial and Labour Relations Review 44, No.2 (January 1991), 241-260. His research shows a positive relationship between improved relations and economic performance. More recently the August 1996 issue Academy of Mangement Journal contained a number of articles on the positive relationship between an organization's human resources practices and performance.

A Systems View of Labour-Management Relations

For the past four decades it has been generally recognized that labour-management relations, if they are to be understood, should be viewed as a system. Original work in describing this system was done by Harvard's John Dunlop (Dunlop 1957). Dunlop's work was subsequently built upon by other theorists in the field. One of the most widely accepted systems models is that of Walton and McKersie (Walton and McKersie 1965, 1991). This Model, as shown in Exhibit I views labour relations as being composed of four components: (1) determinants, (2) areas or arenas of interaction and activities, (3) emergent relations between the parties and (4) consequences. As with all systems, there is a fundamental relationship between the elements whereby each of them interacts to a greater or lesser degree with one another. Walton and Mckersie in their work focus on understanding the relationship between the parties in the context of collective bargaining and the negotiation of a collective agreement. It is now, however, accepted that their model is generally applicable in understanding a broader range of elements in the relationship between labour and management[7].

The interesting thing to note, in their model, is that from the point of view of change and particularly developing better relations between labour and management, the two key elements are the centre boxes - those dealing with interactions and activities and the nature of the relationship. It is these two elements that form the central part of our analysis and upon which we will concentrate in outlining how organization development strategies are used to introduce innovation and potentially to build more collaborative labour-management relations.

Arenas of Interaction

In the Walton and McKersie model, interactions are viewed exclusively in terms of the negotiation of the collective agreement. As we have stated, it is now more generally accepted that the model can apply to the full range of interactions between labour and management. In our analysis of these interactions, we have identified seven categories or "arenas" of interaction, which can be divided into two major groupings - traditional and emerging (Exhibit II).

Arenas: The traditional arenas of interaction are those with which we are most familiar. Specifically, there are: (1) the establishment of the collective agreement;

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[7] In their 1994 book - *Strategic Negotiations* - Walton, Cutcher-Gershenfeld and McKersie revisit labour management relations theory with an analysis of change in the forest products industry in the U.S. Their findings are that change within this industry has taken place due to a combination of *forcing* and *fostering* strategies. Although we do not disagree with their conclusions that change can and often does take place as result of management *forcing* it to happen, our model is clearly more consistent with a *fostering* strategy. In our analysis we are endeavouring to go beyond theirs by explaining, in more detail, how that can happen.

(2) the interpretation of the agreement; and (3) the establishing or interpreting of human resources or personnel policies including the administration of discipline.

For each of these arenas of interaction there exists, either in law or through the mutual agreement of the parties, some kind of legal or administrative framework for the resolution of incidents which arise out of the interaction.

Therefore, for the first arena there is the collective bargaining process for resolving issues associated with establishing or renewing a collective agreement. In the case of the second arena - contract clause interpretation - there is the grievance and arbitration process. For the third arena - personnel policy interpretation and disciplinary matters - there is usually a recognized employee appeal process for resolving disciplinary incidents; or for non-disciplinary personnel policy issues, there is normally a process for management and the union to come together [i.e., Union-Management Meetings (UMM)] to discuss and resolve matters of rnutual concern.

Emerging Arenas: Over the past two decades, unions and management have increasingly become involved in programs and activities that fall outside of these three traditional arenas of interaction. By and large these activities have been undertaken because of a recognition on the part of both parties that it is in their mutual best interest to collaborate given the evolving role of labour and expanding responsibility of the organization in our society. Or, legislation has been enacted which requires the parties to interact.

The first of these arenas of interaction concerns occupational health and safety. This arena has emerged because of the increasing emphasis the labour movement has placed on safety; the general recognition by industry that there is a responsibility and economic sense in providing a safe and healthy work environment; and the passing of legislation related to health and salety.   In response to this increased awareness and desire to create a safer and healthier work environment, joint union-management health and safety committees are now legislatively required and exist in most workplaces.

The second emerging arena is associated with personal and performance problems that employees are experiencing and which affect their work. Personal problems can cover a wide spectrum and manifest themselves in sub-standard performance, absenteeism, family breakdown, alcoholism, drug abuse and a host of other symptoms.   Performance problems relate to the quantity and quality of an individual's work and can be the result of of a host of factors including: a poor fit between the employee and the job, poor job design, inappropriate or unclear work expectations, inadequate training or poor supervision.   Again, it is being recognized by both labour and management that traditional disciplinary or punitive methods for resolving these kinds of situations are either ineffective or counter-productive in terms of solving the root cause of the problems. Hence the emergence of employee assistance programs which in some instances are jointly

designed and/or managed and the use of non-disciplinary corrective measures for dealing with performance issues[8].

The third emerging arena of interaction relates to job and organization design and the search to create more productive and rewarding work environments. These developments are often covered under the umbrella term: Innovative Work Practices. The undertaking of change initiatives to improve the nature of work requires management and labour to work together on the common goal of improving employee quality of working life while at the same time increasing organizational effectiveness in terms of increased output, waste reduction or improved quality.

The final arena relates to corporate business and profitability planning. Increasingly, management and labour are coming together to talk about long-term corporate plans and profitability. There are numerous examples of where labour in North America is participating either formally or informally with management in corporate and business decision-making, planning for future profitability and sharing the gains. In some instances this collaboration has been brought about by the potential demise of the organization and that survival of the enterprise depends upon the parties working together. In other instances, there is a joint recognition that working together can produce mutually beneficial results.

The existence of this pattern of emerging relations has been heralded by some as the emergence of a new world of industrial relations (Kochan, Katz and McKersie 1986, 1994). This may or may not be a correct prediction but in our assessment the truly interesting aspect of these changes is that the approach and processes associated with each of them are very distinct from those used in the traditional arenas of interaction. In fact, experience has shown that none of the four emerging arenas is particularly well-suited to traditional methods and new approaches based on organization development concepts are being applied by innovative companies and unions in their search to find "a better way".

Therefore, if we look at our model (Exhibit II) we can see that there is conceptually a distinct line separating the traditional and emerging areas. This line constitutes,

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[8] The area of employee performance management is probably the least well understood of the emerging arenas; and therefore the one offering significant potential. Currently, when confronted by a performance problem with a unionized employee, management feels compelled to use progressive discipline which in turn sets up an adversarial and emotional confrontation situation between the union and employee and management - with the ensuing predictable consequences. The traditional legalistic and administrative approaches to dealing with the issue of performance have proven to be universally unsatisfactory in solving the underlying causes of the performance problem. In fact, in most instances, they exacerbate it because they are punitive in nature. Although there is a wealth of research and literature available on how to better deal with performance and discipline, management has been loath to address the issue with labour because it strikes at the heart of "management's right to manage".   Unions are reluctant to deal with it because they do not want to run the political risks associated with involving themselves in two areas - discipline and performance assessment - they would rather to leave to management.

for many organizations, a "barrier" to evolving new patterns of interaction and to a large degree improving relations means breaking through this barrier. We will deal with this process of breaking through the barrier in greater detail later in this article[9].

The benefit of this model and "typology" of interaction is that it can be used as an analytical tool for diagnosing what is happening in the relationship between labour and management *and* serve as a basis for undertaking interventions to bring change to the organization and improve relations.

<u>Relationship Patterns</u>

As pointed out above there are two elements or components of the Walton and McKersie system model upon which we wish to concentrate. We have covered the first of these - Arenas of Interaction - the second is the nature or pattern of relations between labour and management.

It is widely accepted that relations between labour and management exist on a continuum ranging from open conflict at one end to cooperation/collaboration at the other[10]. Between these two extremes there are a number of points which can be identified as being characteristic of a certain kind of relationship (Exhibit III).

In a case of "confiict", the relationship is characterized by extreme distrust and dislike of the other party. For a "Containment - Aggression" relationship there is still distrust but not to the same degree and dislike becomes antagonism. As we move towards the centre of the model and "Accommodation" the relationship becomes more courteous, there is limited trust and acceptance of the other party.

To progress further on the continuum, our experience and that of others suggests the parties must pass through a "transitional" phase before they are able to function in a truly "cooperative" mode. This phase is characterized by experimentation in which the parties search out and test new ways of working together around issues/problems of common concern. Obviously such risk-taking requires a degree of trust and openess not characteristic of traditional adversarial behaviour. The point we wish to stress is that organizations which attempt to jump from one end of the spectrum to the other, without passing through such interim stages, are likely doomed to failure.

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[9] In many of those situations where labour and management have undertaken joint projects there appears to be an intuitive recognition of the barrier between traditional and emerging arenas. Correspondingly, there will often be a specific recognition, in the principles statement or memorandum of understanding that invariably accompanies the process, that the parties will not deal with any items that are covered by the collective agreement. In the early stages of relationship building this ability to "park" items to be handled using traditional means can be very beneficial.

[10] In their original model, Walton and McKersie have the continuum extending to "collusion". We have excluded this element because we see collusion being characteristic of an essentially bankrupt relationship and therefore not relevant to our analysis.

"Cooperation/collaboration", the final stage, involves a very positive relationship between the parties, trust and acceptance of the legitimacy of each other's role and responsibilities and a conscious striving for mutually satisfying solutions to problems within the context of a collective bargaining relationship.

Examining this model, it is apparent that a similar pattern emerges to that of the previous model (Exhibit II). In effect, there is a "breaking point" or barrier at which the relationship fundamentally changes and that is around "Accommodation".

In a substantive way, the basis for breaking through this barrier is the same as for the one identified in our arenas model: traditional skills associated with distributive bargaining, assertiveness, understanding jurisprudence, documentation and political accumen give way to the emergence of cooperation skills such as teamwork, joint problem-solving, interpersonal and intergroup relationship building, conflict resolution and management of change.

To summarize, we can see an integration between these two models whereby the emergence of new arenas of interaction between labour and management is creating demands to alter existing relationships from the traditional adversarial ones to those which are characterized by cooperation and collaboration. In the process, management and labour are being required to develop, learn and apply new and very different skills in order to operate in these new arenas of interaction.

Furthermore, it can be speculated that as the parties become more familiar and skilled in working together in the emerging arenas there will be a "flow back" effect on the traditional arenas and that the processes of contract negotiation, grievance handling and dealing with disciplinary matters will become more collaborative and less adversarial over time.

However, as stated above, it is in a minority of circumstances where these kinds of emerging activities are going on and until the parties are prepared to break through the barrier into new arenas of interaction, there is little likelihood they will be able to learn about or experience the benefits that can be achieved by applying these skills, and therefore, there is little chance of this "flow back" phenomenon taking place.

To give another perspective to our analysis, it shouid be realized that the relationship between management and labour has been "classically" assessed in terms of the relative power of the parties. In fact, we would be delinquent if we did not address this issue. We are not denying that power is a very significant factor. To anyone who is at all close to the labour relations scene, power is a very real concern, and considerable energy, both on the part of management and labour, is expended in its acquisition and retention. It is our assessment and the assessment of others who work jointly with labour and management in implementing workplace change that issues associated with power become increasingly irrelevant as the parties break through the barrier and that the breakthrough provides for the release of considerable energy into more creative and effective activities involving the parties. Additionally, we would contend that

increased power flows to both the parties as they move away from the "zero sum" game of traditional win-lose adversarism and start creating synergy through the win-win of collaboration.

This breakthrough, however, will not be accomplished or sustained without: (1) the realization that change has to be planned and managed through organization development strategies and (2) the development and application of certain skills. In fact, it is our contention that the development of skills, jointly with labour and mangement, is the critical element in successfully implementing and sustaining workplace change and improving labour-management relations. It is for this reason that we would now like to elaborate upon these skills and strategies that can be used to develop them.

<u>Understanding the Skills</u>

As outlined above, there are certain key skills which the parties must share on an *experiential* level if they hope to improve their relationship. Based on our experience and assessment of work done elsewhere, we see the following as the most important skills:

Teamwork: The ability of those involved, whether management or labour, to recognize that many of their goals are compatible; and that they have to be prepared to use their common resources to achieve those goals by working together in their mutual best interest.

Joint Problem-solving: The agreement by the parties to adopt a shared approach to decision-making and problem-solving; and the commitment to use that approach faithfully in resolving problems, without reverting to win-lose strategies.

Interpersonal / Intergroup relations: The recognition that there are legitimate differences between individuals and groups; but that there are developmental ways to resolve these differences such that both parties are satisfied with the outcome.

Conflict Handling / Resolution: The ability to recognize that in the highly charged world of labour-management relations, conflict is inevitable but that there are ways of handling and resolving conflict in a mutually beneficial manner; just as there are ways that are typical of an adversarial relationship; and that the former rather than the later is preferred.

Management of Change: The realization by the parties that change should be planned; that planned change is preferable to unplanned change; and that mutually desired ends can be achieved through a planned change process in which the above mentioned skills are applied throughout.

These five sets of skills should not be thought of as separate and distinct, we can best visualize them as a set of overlapping circles in which each skill area is very much interactive with the others with teamwork as the core. (see Exhibit IV)

<u>Building the Skills</u>

For any of the skills outlined above, there are a variety of ways in which they can be developed by the parties in the context of labour/management relations.

Teamwork: The "technology" of team development has grown over the past three decades to the point where today a number of very good and effective processes are available. All of these however share the same common elements.

First, there is the requirement for the parties to come together on a commonly held problem or task which requires them to work together, make decisions and take joint action. Second, an agreed upon common goal is established in each case, along with a plan as to how to achieve the goal. Third, resources from both parties are used and shared. Fourth, leadership is shared and; Fifth, attention is paid to the process used by the team to assure that decisions are made on a consensus basis.

Some of the examples around which we have seen built teamwork built are: the development of a joint employee assistance program, the examination and development of recommendations for improving working conditions both in terms of physical working conditions and the nature of the work, or, labour and management working together to develop a mutually supported safety program. In each of these instances both parties recognized that their goals were similar and that there was mutual benefit through cooperative action. In each of these cases the work was carried out with the assistance of an experienced facilitator who had the responsibility for training and coaching participants[11].

Joint Problem-Solving: The process and concepts associated with problem-solving and decision-making have long been taught and practiced in the world of management. It is accepted that adherence to an agreed upon approach to solving problems can produce better solutions and reduce conflict. Although a number of models for problem-solving exist, each of them has the comment element of starting with a clear definition of the problem, a process of problem analysis/data collection, the determination of alternative solutions, selection of the best alternative and the implementation of the selected alternative. The desirability of applying the problem-solving process to labour-management problems is obvious. The unique aspect of a joint approach is that problem-solving is addressed as a process where the behavioral aspects of labour and management coming together are recognized. This means that the parties are jointly introduced to problem-solving and learn how to deal with the behavioural as well as the methodological aspects of the process. Under these conditions, there is not the automatic polarization of positions and, the fundamental part of joint

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[11] One area which is often forgotten in the team development process is teaching the parties how to run effective meetings. A well-intentioned initiative can founder on something as simple as "meeting fatigue", where participants to the process see their commitment erode because of the inefficiency so often experienced in meetings.

problem-solving, i.e. dealing with perceptions and attitudes as a prerequisite to substantive action, is examined.

There are a number of ways in which joint problem-solving can be taught but in our experience the best is in a workshop setting where management and labour work in mixed small groups on problems using a prescribed problem-solving process. As the groups proceed through the problem, there is periodic examination of how they are doing and of their perceptions and attitudes to the process and of each other. Initially the parties work on simulated problems but eventually they evolve to using the same process and skills to solve real problems of mutual interest.

Interpersonal and Intergroup Relations: Whenever individuals get together in a multi-group situation the potential for conflict always exists. This conflict generally arises as a result of personality problems, different goals, historical differences, a perceived power imbalance or role confusion. The very nature of traditional relations between management and labour is that of interpersonal and intergroup relations problems. There are, however, recognized processes that can be used to improve intergroup and interpersonal relations. The ones which we have seen to be most effective are:

- Increasing the chance for the parties to get together away from traditional issues.

- Increasing communications and information sharing particularly related to operational matter

- Involving as many people from both labour and management as possible, in solving "real life" operational problems

- Undertaking joint research and data collection related to economic conditions or research related to employee attitude and job satisfaction

- Encouraging the parties or individuals to share and discuss their perceptions of one another and exchanging roles for a period of time

- Involving the parties in a "relationship building" workshop where they jointly look at issues related to personal conflict management styles, strategies for handling emotions, trust building and communications.

Conflict Handling and Resolution: In labour-management relations, conflict is an ever present reality. Often, the parties are locked into a vicious cycle, where layers upon layers of games are being played in an endless battle of win-lose.

Unfortunately, in most cases, this conflict is allowed to continue and is viewed as an inevitable part of the "labour relations game". The ability of the parties to recognize the potential for conflict in many of their interactions is an important prerequisite to resolution but more important is a willingness to try and correct the situation. Some of the processes described above are important in terms of

conflict reduction.   In the past several years a number of unions and companies have attempted to implement "alternate dispute resolution" (ADR) processes as a means to reducing the conflict that inevitably accompanies more traditional approaches. ADR is one of an array of ways to deal with problems and make decisions on the basis of mutual understanding and rationality as opposed to emotions and adversarism.

In a similar sense considerable potential exists for reducing or eliminating potential conflict between management and unions through joint training in areas such as quality and performance management and occupational health and safety. Conflict between the parties can be reduced or eliminated by having them both working from the same understanding and knowledge and where there is a well-grounded and informed basis for agreement on principles that in turn can be used to resolve issues.

Management of Change: The final skill that is important to improving labour-management relation is an understanding of the processes and the concepts associated with managing change.

In our experience, the easiest and most effective way of developing an understanding of change is through direct involvement of the participants. This is commonly done through their participation in a steering committee overseeing the change process. The benelits of joint involvement are evident in terms of being consistent with the development of skills in the other areas outlined above. Other than steering committee involvement, change management skills can be developed through workshops or the use of management or union personnel in a facilitative or consulting capacity to assist in managing change.

 What is important to know about this skill, like all of the other four, is that although workshops and seminars help in developing understanding, it is really only developed and inculcated into the parties through experience - actually making the changes happen.

<u>Makings it Happen</u>

Regardless of the type or arena of activity that brings the parties together, the general process they would follow in their association is basically the same. This process and its associated elements are summarized in Exhibit V. We see it being composed of nine elements:

<u>External World / Internal Context</u>   (1)

It is impossible to pick up a newspaper, to watch television or listen to the radio without being inundated by information on the massive changes occurring in our turbulent economic, political and social environments. These external changes are placing greater internal strains on all our institutions and those that cannot cope or adapt are threatened with extinction. This reality is common knowledge and the nature, extent and dynamics of these changes need not be elaborated on here.

Their importance to our model, however is that these changes are the basis of an increase in union and management awareness and the recognition that something must be done and that inaction is a prescription for eventual demise and failure.

Recognized "Hurt" / Need for Change   (2)

The degree to which management and labour are willing or able to identify - in external and internal changes - the need for mutually planned action that will affect their common destiny is largely dependent on their previous experience and the nature of their relationship. If there is a high degree of mistrust and conflict it will be more difficult. However, where the situation has been less adversarial or the "hurt" is extremely high the parties are more likely to come together to undertake an exploration or joint search for common action.   In other words the parties recognize that "something must be done"[12].

Joint Search   (3)

In this phase, the parties engage in a joint search to identify problems and opportunities, in an *emerging* arena, that they can collectively work on. In some cases, the services of a third party are involved in this step. The use of a third party, skilled in organization development, is something we strongly recommend not only to facilitate the process at these critical early stages but also to bring an outside perspective and help the parties to "think outside of the box". Once the parties have mutually agreed that "something can be done" and have roughly agreed on what that something is, steps are undertaken to set up structures and processes to continue the search process.

Agreement on Structures / Processes   (4)

This Step is a "make it or break it" one, for it requires the parties to determine how they are to work together in a substantive way. It normally involves some statement of their mutual intent (goals) outlined in a formal document (letter of agreement). This document may also include the types of structures they will work within (e.g. steering committees, task forces, etc.); guidelines that will govern their relationships; provisions to uphold the collective agreement and management's responsibility to manage; how decisions will be made; and how progress will be communicated to the union members / employees.

Problem Recognition / Analysis   (5)

If by this stage joint training in group problem-solving, conflict handling, teamwork and interpersonal/intergroup relations has not occurred, it should now take place.

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[12] A very well-know model of organizational development formulates that the propensity for change is function of three elements (1) leadership or championing of the process (2) the amount of "hurt" being experienced and (3) having a clear vision and process for change. We believe that hurt and leadership are relatively easy to grasp; vision and process are not. It is for this reason we have focused this article on those two elements.

The field of Organization Development is replete with structured processes, exercises and tasks which can be utilized to tailor-make the appropriate learning experiences. The degree and extent of this training (what should be included, who shouid attend, when it should take place, in what sequence, costs, etc.) are decisions that are made by the joint committee outlined in Step 4.

After they have received the training, the parties are in a position to use their newly acquired skills to work together on the identified problems. It is critical that the parties actually use these skills as soon as possible in order for them to become inculcated. In determining a problem or problems to work on, it is recommended the parties initially restrict themselves to the "emerging areas" and gain some understanding and confidence in the process before going after more traditional issues. A process we have used with considerable success over the years for identifying problems and issues is to conduct focus group sessions with representative employees. Our experience with these groups is that the problems and issues brought forward by employees are substantive and balanced in terms of things that have primacy to management (ie. output, production efficiency, cost control, quality) and the union (ie. working conditions, quality of working life, equity and fairness of treatment). These focus groups have an added advantage in that they begin to build grassroots shop-floor support, beyond management and union executive, for the change initiative.

Decision - Making (6)

The "acid test" (and in many cases watershed experience for the parties) in building a new relationship comes in this, the sixth, step of the process. Decision-making can be a polarizing activity, particularly if the issues are ones that are emotionally loaded or where there is a marked deviation from past practice. In order to get over this hurdle, the parties have to be prepared to work towards making consensus decisions and to fastidiously avoid strategies of win-lose. Again, an outside process facilitator is often used to assist the parties through initial attempts at consensus decision-making.

Joint Action Planning (7)

This step requires the determination of what is to be done, by when, by whom, and with some estimation of resources and costs involved. It is our experience that considerable energy of a positive nature is derived from this step, insofar as the critical "feeling out" and decision-making have been completed and a degree of trust has been established. As well, there is the very natural desire to make things happen. However, two things should be realized about this step: (1) too many or too ambitious plans in the early stages shouid be carefully avoided, and (2) small successes that can be easily implemented and carry some visibility are what we recommend the parties strive for in the initial phase. One large, high profile failure will kill the whole thrust to improved relations and, in fact, exacerbate poor relations.

Joint Implementation and Monitoring (8) (9)

These final two steps are to a large degree self-explanatory. One thing, however, should be noted. There is potential, over time, for the parties to lapse into old relationship patterns and for them to slide into traditional ways of dealing with issues. To avoid this happening, it is important there be periodic revisiting of the skills to make sure they are being used and applied. There are several ways by which this can be done. One is through periodic self-auditing at union-management meetings; another is through the use of an outside consultant to give the parties feedback or assistance; or through an "away from the day-to-day" retreat where the parties undergo an "encounter" reviewing basic principles and re-examining their relationship and the processes they have used to build their relationship.

If the parties have experienced some degree of success in whatever arena they initially choose, the likelihood of their new relationship continuing is greatly strengthened. When this is the case they will be encouraged to begin a new search and the cycle will be repeated. Each successtul endeavour will further reinforce the new relationship so that it becomes no longer an experiment but a "way of life".

Bringing it All Together

To this point, we have indicated that while traditional management-union relations are rooted in a largely adversarial system governed by legal and administrative frameworks and procedures, a number of new arenas of interaction have been evolving that require the development and application of skills (and attitudes) which are more appropriate and characteristic of a collaborative relationship.

As companies and unions cautiously explore together, for whatever reasons, one of these emerging arenas; and as they experience some success in their initiatives, a "flow forward" phenomenon occurs which will make it increasingly easier for them to engage in dialogue and problem-solving in other emerging arenas.

It is further suggested that the previously mentioned "flow back" phenomenon can also occur which will influence the total relationship over time and will affect how "inevitable conflict" is handled and resolved in traditional arenas.

These two phenomena, "flow forward" and "flow back" can visually displayed by superimposing Exhibits II, IV and V.

Conclusion

The process of change is not an easy one. We are not suggesting that implementing change and improving labour-management relations is a simple task. It is a very difficult one, and there are many places where it can fail. Neither is it something that will necessarily be self-sustaining. Nevertheless, a number of companies and unions have successfully made breakthroughs in different emerging arenas of interaction and have developed more cooperative relationships around issues of mutual concern.

The implication these experiences have for the world of labour-management relations is significant; that is, conflict may not be so inevitable and that the potential exists for improvement on a number of fronts. It is our belief and has been suggested by other writers that the continued success and sustainability of these programs will depend upon expanding to all of the arenas of interaction and on-going skills development (Kochan and Osterman, Betcherman et al).

In this article, we have developed, within the context of "classic" labour-management relations theory, a model for better understanding the traditional and emerging nature of the relationship between labour and management and demonstrated that significant potential exists for the two parties to collaborate. We have identified that a key ingedient in "making this happen" is the joint development of collaboration-related skills. We have outlined the steps needed to introduce change and allow for the use of these skills and have attempted to show how the parties can potentially become more collaborative across the whole spectrum of their relationship.

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