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Thomas A. Kochan and Robert B. McKersie

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Article abstract

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Future Directions for American Labor and Human Resources Policy

Thomas A. Kochan

and

Robert B. McKersie

This paper discusses four commonly debated approaches to American labor and human resource policy and argues for the most ambitious of these.

The debate over the future of American labor and human resource policy has now begun. A wide variety of scholarly articles and books have criticized the performance of current labor laws and suggested some of their features no longer are well matched to the needs of contemporary workers, employers, or the economy¹. Numerous study commissions have argued the need for upgrading the quality of America's human resources and for greater cooperation among labor, management, and government as part of the nation's efforts to restore or strengthen the competitiveness of our economy in world markets². Presidential candidates are working to develop their views on the role of labor and human resource issues in economic policy. The purpose of this paper is to discuss four commonly debated ap-

* KOCHAN, T.A. and R.B. MCKERSIE, Alfred P. Sloan School of Management, Massachusetts Institute of Technology, Cambridge, Mass.

¹ See for example Michael J. PIORE and Charles F. SABEL, *The Second Industrial Divide*, New York, Basic Books, 1985. Thomas A. KOCHAN, Harry C. KATZ, and Robert B. MCKERZIE, *The Transformation of American Industrial Relations*, New York, Basic Books, 1986, Ray MARSHALL, *Unheard Voices*, New York, Basic Books, 1987; Charles F. MORRIS (ed.), *American Labor Policy*, Washington, D.C., Bureau of National Affairs, 1987; Richard B. FREEMAN and James L. MEDOFF, *What Do Unions Do?*, New York, Basic Books, 1985; Charles HECKSCHER, *The New Unionism*, New York, Basic Books, 1988.

² One recent competitiveness commission reviewed the findings of no less than twenty similar commissions that had issued recommendations in the past several years. For a sampling see, COUNCIL ON COMPETITIVENESS, *America's Competitive Crisis: Confronting the New Reality*, Washington, D.C., Government Printing Office, 1987, Richard M. CYERT and David C. MOWERY (eds), *Technology and Employment*, Washington, D.C., National Academy Press, 1987, or *The Cuomo Commission Report: A New American Formula for a Strong Economy*, New York, Simon and Schuster, 1988.

proaches to these policies and to argue for the most ambitious of these: an approach that links and integrates economic, human resource and employment, and labor relations policies.

U.S. LABOR POLICY FRAMEWORK

At the outset it is important to sketch the basic framework governing labor policy in the U.S. and to trace its evolution. Since the 1930s the U.S. has adhered to a labor policy model that grew out of the New Deal. This policy established collective bargaining as the favored institution in American society for setting the conditions of employment. The basic philosophy behind the New Deal model was that government should play a minimal role by establishing fair rules of the game to get labor and management to the bargaining table and then let these private parties tailor the terms and conditions of the employment contract to the specific needs and circumstances of their relationship, market conditions, and problems. "Free collective bargaining" was viewed as a suitable compromise between the American desire to limit government intervention into private markets and private affairs and yet to provide workers sufficient power to effectively influence and improve the terms and conditions of their employment³. Some advocates of the Wagner Act, and some of the early administrators of the National Labor Relations Board also saw collective bargaining as an instrument to promote industrial democracy — a way of extending our democratic values and political institutions to the employment relationship⁴.

But the New Deal policy makers also recognized that collective bargaining was not enough to overcome the imbalance of bargaining power for all workers and hence a set of minimum standards were specified for all workers governing such things as minimum wages, unemployment compensation, workers' compensation, social security, and other wage and hour regulations⁵. Later, particularly in the period from 1960 to 1980, the

3 See for example, William M. LEISERSON, "Constitutional Government in American Industries", *American Economic Review*, Vol. 12, No. 1, 1922. See also, Paul J. MCNULTY, *The Origins and Development of Labor Economics*, Cambridge, MA, MIT Press, 1980 and Christopher L. TOMLINS, "The New Deal, Collective Bargaining, and the Triumph of Industrial Pluralism", *Industrial and Labor Relations Review*, Vol. 39, October 1985, pp. 19-34.

4 James A. GROSS, "Conflicting Statutory Purposes: Another Look at Fifty Years of NLRB Law Making", *Industrial and Labor Relations Review*, Vol. 39, October 1985, pp. 7-18.

5 Joseph P. GOLDBERG, Eileen AHERN, William HABER, and Rudolph A. OSWALD (eds), *Federal Policies and Worker Status since the Thirties*, Madison, WI, Industrial Relations Research Association, 1976.

number and scope of these regulations expanded with the passage of federal laws governing employment discrimination, pension security, and occupational safety and health. At least in terms of political rhetoric, however, collective bargaining remained the central and favored institution for worker voice and representation. Only during wartimes and other times of severe inflation did federal policy makers introduce various national incomes policies in an effort to influence (moderate) the wage outcomes of the bargaining process. These were always viewed as temporary interventions — and steps that should be abandoned as quickly as possible so as to avoid the market distortions and antidemocratic restrictions associated with governmental roles in a free labor market and a free society⁶. In this mindset “free collective bargaining” seemed quite consistent.

A significant break from the New Deal model occurred in the 1980s with the changes in political philosophy and economic policies of the Reagan Administration. Following the movements begun in the 1970s to deregulate product markets in key industries such as transportation and communications, an attempt was made to return to laissez-faire principles by deregulating labor markets. The steady expansion of employment regulations ended. No new major labor standards were enacted, benefit levels were either frozen or reduced, and enforcement of existing laws took a more conservative turn. For example, minimum wages were not increased from 1981 until (possibly) 1988 and the federal budget for employment and training was reduced from \$11.2 billion in 1981 to \$5.6 in 1986. The number of employees of the Occupational Safety and Health Administration was reduced by approximately 25 percent. And finally, for the first time since its creation in 1935, the early appointees to the National Labor Relations Board publicly questioned the basic value of collective bargaining. As a result, the percentage of cases decided in favor of employers after the Reagan appointees gained a majority position increased to 60% compared to an average of 28% during the administrations of President Carter and Ford⁷.

This new labor policy fit well with the macro economic policy of the Reagan Administration — one of reducing domestic spending and taxes

⁶ For an early statement in support of this view see George W. TAYLOR, *Government Regulation of Industrial Relations*, New York, Prentice Hall, 1948; for a more recent debate on this point see George P. SHULTZ and Kenneth W. DAM, “Reflections on Wage and Price Controls”, *Industrial and Labor Relations Review*, Vol. 30, January 1977, pp. 143-144 and Arnold R. WEBER and Daniel J.B. MITCHELL, “Further Reflections on Wage Controls”, (with response by Shultz and Dam), *Industrial and Labor Relations Review*, Vol. 31, January 1978, pp. 149-160.

⁷ Thomas A. KOCHAN and Harry C. KATZ, *Collective Bargaining and Industrial Relations*, Homewood, Ill., Richard D. Irwin, 1988, p. 459.

under the supply side hypothesis that this would unleash significant private savings, investment, and entrepreneurial spirit and activity.

THE CURRENT SITUATION

There are growing signs that labor and human resource policies are once again at a crossroads. The central economic policy challenge facing the U.S. today is to restore the competitiveness of U.S. industries in world markets. While devaluation of the dollar should help make the price of American goods and services more attractive at both home and abroad, few believe that this alone will suffice to close the trade deficit and to keep American firms competitive over the long run in an environment of free exchange rates and global competition. Moreover, competitiveness achieved through a falling dollar in the absence of other policies will result in a declining standard of living for the American public. Thus any of these macro economic policies must be accompanied by policies that enhance the long term productivity growth in the U.S. economy. The question, therefore, becomes: What is the appropriate human resource and labor policy counterpart for a productivity based economic strategy for enhancing the long term competitiveness of the economy and increasing the standard of living of American workers?

But there are other signals that we are at a critical choice point for national labor policy. It is becoming increasingly clear that the New Deal collective bargaining system no longer meets many of the needs of employers or employees⁸. Not only has union membership continued to decline as a percentage of the labor force for the past three decades, but the 1980s proved to be a period in which the rules of the game have broken down or been abandoned by the parties as they sought to adapt to the challenges of their contemporary environment. We have documented these developments elsewhere and need mention them only briefly here. Employer violations of unfair labor practices increased tenfold in the 1970s; union leaders no longer believe they can effectively work within the National Labor Relations Board procedures in the private sector and therefore are increasingly escalating the pressure tactics used in organizing and seeking to gain employer neutrality through challenges such as corporate campaigns. In the airlines and railroads the most significant labor relations activity is taking place outside the procedures and rules of the *Railway Labor Act*. In both industries firms have used bankruptcy proceedings, divestitures and ownership changes, corporate restructuring and asset redeployment and other ef-

⁸ T.A. KOCHAN, H.C. KATZ, and R.B. MCKERSIE, *The Transformation of American Industrial Relations*, *op. cit.*

forts to abandon collective bargaining altogether in an effort to adapt to the new competitive environment made possible by industry deregulation. In response, unions have begun to attempt to influence directly ownership by becoming an active participant in merger and takeover maneuvers and in other cases have attempted to force corporate reorganizations or divestitures and the removal of certain chief executive officers.

Of equal importance in the 1980s have been the innovations in industrial relations that break new ground in employee participation and the organization of work at the workplace. Much of this is also occurring in response to competitive pressures from international and domestic nonunion competition. Some of these changes reflect the rising expectations of workers for increased influence over their immediate work environment and their long term careers. Regardless of the sources of these workplace developments we interpret them as representing fundamental departures from the job control unionism model that grew up under the New Deal collective bargaining system. Since these departures reflect deep and long run developments we do not see them as temporary deviations which will be corrected by a return to the traditional New Deal model but as signals that new principles and a new model are not only needed but indeed are emerging in a number of relationships. The problems is, however, that this model is neither diffusing broadly nor is likely to diffuse in some natural fashion in the absence of significant public policy support. Thus, the second signal that a new policy is needed is that the traditional New Deal collective bargaining model is breaking down and there is no natural process by which a replacement will emerge.

A third signal of the crossroads comes in the projections for the labor force of the future. As documented in the recently published Bureau of Labor Statistics report while the education and skill requirements of the labor force of the future are rising, the anticipated quality of the new labor force entrants is not only unlikely to match the quality demanded, it may in fact decline. Nearly 90 percent of the new entrants to the labor force between now and year 2000 will be women, minorities, and/or immigrants — the demographic groups that historically have been most disadvantaged in terms of either skills or the ability to gain access to higher level occupations and employment opportunities⁹. Moreover, structural changes in the economy will continue to produce high rates of employment churning — job losses and new job creation. The problem lies in the fact that there are significant costs to this churning since the costs of job loss to workers with

⁹ William B. JOHNSTON and Arnold E. PACKER, *Workforce 2000*, Indianapolis, The Hudson Institute, 1987. See also the September 1987, issue of *Monthly Labor Review* for several articles that summarize the workforce projections of the Bureau of Labor Statistics.

relative long histories within a single firm or industry are quite high¹⁰. For these reasons it is timely to address the question of whether an active human resource and employment policy is needed to cope with the changing demographics of labor supply, the increased education and skill requirements demanded, and the structural changes and employment transitions expected in the years ahead.

A fourth sign of a crossroads is that the political pendulum is once again beginning to swing back in favor of workers as signs of economic hardship and unacceptable employer practices grow. We need not repeat here the myriad of new labor bills introduced into Congress in the last two years. Examples include advance notice for plant closings; increases in the minimum wage; proposals to limit employer intrusions on worker privacy through such devices as lie detector tests, drug tests, and computer monitoring; universal health care coverage; day care and parental leaves; unjust dismissal protections, and many others. The obvious question posed by these developments is: Are we on the threshold of a return to an era of expansion of government regulations at the workplace? And a follow-up question is equally important: Is the government capable of financing, administering, and enforcing a broader and more complex array of employment standards?

For all of these reasons we believe that now is the time to examine the basic policy options for shaping the future of American labor and human resource policy.

Since history teaches us that major changes in labor policy are politically difficult and therefore infrequent, the outcome of this debate is very likely to shape the labor and human resource policies and practices governing employment relations for at least the remainder of this century. History also teaches us that successful labor policies are ones that are based on a clear vision of the needs of the economy and the workforce and that are integrated into a long term economic strategy for the nation. Translated into today's setting this means our labor and human resource policies must strengthen the competitiveness of U.S. firms in the global marketplace and provide workers with the education, training, and influence needed to participate fully in the economy of the future. In the next section we therefore outline our vision of the economic strategy best suited to meet these needs. Then, given this vision and set of needs, we go on to discuss the viability of the four labor and human resource policy options.

10 Paul OSTERMAN, *Employment Futures*, New York, Oxford University Press, 1988.

LONG TERM ECONOMIC POLICY

While current debates over competitiveness are dominated by questions of how to reduce budget and trade deficits, the key long term strategy and objective for improving the performance of the economy while simultaneously improving standards of living must be to improve productivity¹¹. Productivity improvements are necessary not only to achieve economic growth and improved trade balances but to also provide the resources needed for improving workers' real earnings and standard of living.

Productivity improvement, at least as traditionally defined in terms of output per labor hour, is a necessary but not sufficient condition for improving the long run competitiveness of American industry. Equally important to long term competitiveness are the *quality* of goods and services produced and the *innovative capacity* of American enterprises¹². But in the past too often productivity, quality, and innovation have been viewed as tradeoffs and only recently has empirical evidence, largely from the auto industry, begun to demonstrate that it is possible to improve both quality and productivity and innovation simultaneously¹³. This has been accomplished by strategies that effectively integrate advances in technology and manufacturing processes with innovations in human resource management and industrial relations policies¹⁴. The evidence from the manufacturing sector as well as increasing evidence from the heaviest users of information technology in the service sector is that technology alone has not and will not produce the productivity, quality, nor innovation results needed for the economy of the future¹⁵. Instead, the full benefits of new technology are achieved when human resource considerations (worker skills, participation, and employment adjustment concerns) are integrated into each stage of the technological innovation process. Therefore, to perform well on these dimensions will require government, management, and labor policies that encourage effective use of technology and human resource management strategies.

¹¹ See *Final Report of the MIT Commission on Industrial Productivity*, forthcoming, Fall, 1988.

¹² *Ibid.*

¹³ John KRAFCIK, "High Performance Manufacturing: An International Comparison of Auto Assembly Performance", Working Paper, MIT International Motor Vehicle Research Program, 1988.

¹⁴ See Haruo SHIMADA and John Paul MACDUFFIE, "Industrial Relations and Humanware", MIT School of Management Working Paper, 1987.

¹⁵ J. KRAFCIK, "High Performance Manufacturing", *op. cit.* See also Stephen S. ROACH, *America's Technology Dilemma: A Profile of the Information Economy*, New York, Morgan Stanley, 1987 or Lester C. THUROW, "Economic Paradigms and Slow American Productivity Growth", MIT School of Management, 1987.

THE POLICY OPTIONS

As suggested at the outset of this paper, American policy makers face at least four broad alternatives as they approach the task of restructuring labor and human resource policies to meet the needs of the economy and the labor force for the remainder of this century. Option one would be to continue down the road of the *laissez-faire* deregulation policy of the 1980s. Option two would be to reverse the swing of the pendulum by abandoning the deregulation strategy and expanding the array of labor standards governing employment relations. Option three would be to reassert our confidence in collective bargaining by fixing the visible flaws in labor law that make it relatively easy for employers to resist worker efforts to gain union representation and restore what some observers refer to as a "level playing field" in labor-management relations. Finally, option four would be the most ambitious and far reaching. It would involve a fundamental restructuring of labor and human resource policies as part of a broader economic policy that encourages business to seek competitive advantage from two of America's most strategic assets: its technology and its human resources.

Option 1: *Laissez faire*

As noted earlier, labor policy in the 1980s departed significantly from the basic New Deal principles that have provided the framework for labor policy makers since the 1930s. The gradual expansion and improvements in labor standards legislation and strong support for collective bargaining as an institution was replaced with an emphasis on market mechanisms, product market deregulation, scaled back enforcement efforts and a shift toward more conservative and controversial appointments to the National Labor Relations Board. In essence, this approach represented a return to the *laissez-faire* philosophy that dominated prior to the New Deal: Let the market work, have the government play a minimal or passive role in labor market and labor-management relations, and generally treat labor issues as irrelevant to national economic policy making.

Reliance on market forces will undoubtedly continue to play an important role in national economic and social policies. Indeed, changes in labor policy were needed in the 1980s as international and domestic competition intensified. Moreover, the pressure of greater competition is likely to continue to affect employment relationships. Therefore, future labor and human resource policies must be designed to help labor and management adjust to a more open, changing, and competitive marketplace. The ques-

tion is whether, by itself, a passive laissez-faire approach is a sufficient labor and human resource policy strategy. For a variety of reasons we believe the answer to this question is no.

One of the principal reasons we take this view is that economic and labor policies have an important role to play in influencing the competitive strategies adopted by individual firms. This has always been the case. For example, in promoting collective bargaining and minimum labor standards the New Deal labor policies helped to "take wages out of competition". This forced employers to seek competitive advantage in areas other than wage cost minimization. Faced with externally imposed constraints, employers were forced to look for comparative advantage in other areas of management policy and strategy such as new product development, increased scale economies, technological change or other productivity producing investments. In the industrial relations literature this became known as the "shock effect" of collective bargaining or managerial policy¹⁶.

American businesses today once again face critical strategic choices as they adapt to more competitive world markets. Unlike the 1930s and 1940s, however, American firms are now competing with firms in Japan, some parts of Europe, and other developed countries that have equal and in some cases more advanced technologies and human resource policies. At the same time tough competition is emerging from many newly industrializing countries where labor costs are substantially lower. The question is: How will American employers respond?

Increased cost competition in the face of a weakened labor movement creates incentives for American businesses to follow a cost minimization strategy. While this might work in domestic markets (albeit at a high cost to workers as illustrated by the business strategies of Texas Air Corporation in the years following airline deregulation), it will ultimately fail in markets open to international competition since there is always going to be some country with lower priced labor and weaker labor standards where firms (or competitors following a similar cost minimization strategy) can locate production. In the process of pursuing this strategy, however, U.S. labor and living standards are pulled down. Moreover, a strategy that emphasizes short term labor cost minimization imperils worker trust and commitment and leads to a countervailing employee and union response of escalating adversarialism and resistance to innovation and change. Again as Texas Air illustrates, this strategy often trades off quality and/or service performance for short term cost objectives. The end result of this approach will be an

¹⁶ Sumner H. SLICHTER, James J. HEALY, and E. Robert LIVERNASH, *The Impact of Collective Bargaining on Management*, Washington, D.C., The Brookings Institution, 1960.

escalating cycle of labor-management conflict that either results in a further weakening of the labor movement or an employee and union backlash that recreates a more adversarial and rigid labor relations system. As we have argued in our earlier work, either of these outcomes will result in a further deterioration of the performance of the American economy¹⁷.

An alternative business strategy that firms might follow in response to today's more competitive and rapidly changing markets is to exploit our technological and human resource advantages. While cost control remains an important *long run* objective, this strategy also stresses new product and process innovations by making maximum use of the creativity and problem solving potential of the firm's human resources. This type of strategy has a better chance of overcoming the tradeoffs among productivity, quality, and innovation objectives. We have found that a commitment to this type of strategy is also essential to sustaining participation, cooperation, and flexibility in labor-management relations and human resource practices at the workplace — features that are equally important to the economic performance of individual firms and the American economy. A high productivity/high wage and employment standards labor policy is needed to support this type of firm level business strategy. This calls for an active governmental role.

Option 2: Expansion of Employment Standards

If a laissez-faire strategy is not adequate and if the labor movement continues to represent a small and declining proportion of the workforce, the logical response would seem to be for government policy to fill the void by swinging the pendulum back toward the enactment of more and stronger labor standards. This is already beginning to happen at both the state and federal levels and is likely to continue given public sentiment and rationale for such things as advance notice of plant closings, increases in the minimum wage, and control over use of polygraph tests or other *technologies that are viewed as intrusive on individual worker privacy*.

One concern that arises with this strategy is whether government agencies can cope with the task of enforcing additional government regulations. At the peak of the 1960-80 regulatory expansion period the Department of Labor alone employed approximately 700 lawyers. This number declined to approximately 500 during the Reagan years. But this is just the tip of the iceberg. Every new government regulation increases the private resources

¹⁷ T.A. KOCHAN, H.C. KATZ, and R.B. MCKERSIE, *The Transformation of American Industrial Relations*, op. cit., pp. 237-253. See also, pp. 146-177.

devoted to adversarial enforcement proceedings in the courts and/or administrative tribunals. This comes in a society that already allocates considerably more resources to litigation than does its major trading or competitor nations. Therefore whenever new substantive rights are established enforcement strategies or mechanisms need to be considered that reduce reliance on adversarial administrative or court procedures and encourage development of private problem solving or alternative dispute resolution processes and institutions. The grievance arbitration system served this function well in collective bargaining in the years following the passage of the Wagner Act. The challenge for policy makers today is to help create equally creative and appropriate institutions that internalize the costs and responsibility for delivering and enforcing national policy goals. In a later section we will suggest that one contemporary equivalent institution could be a human resource advisory council or other consultative body that serves to elevate the status and influence of human resource policy and strategy formulation and implementation within individual firms and industries.

A second and long standing concern about the expansion of government regulations reflects the enormous complexity and diversity of employment settings in a modern economy. Consider, for example, the challenge government officials would face in attempting to design a policy that rejects the employment at will doctrine by limiting unjust discharges. Such a policy would need to come to grips with the role of such things as incentive retirement or other "voluntary" severance programs and the reliability and validity of performance appraisal systems while at the same time allowing for enough flexibility to make such protections workable in as varied a set of organizations as professional sports teams, to large and small manufacturing, and to service establishments. Furthermore, many of these organizations have their own private employment continuity and/or adjustment process already in place. Nearly all private sector and substantial majority of public sector collective bargaining contracts already provide for just cause dismissals, most government bodies are covered by civil service provisions that establish due process provisions, and a number of innovative firms have developed quite comprehensive human resource strategies for promoting employment continuity for some or all of their employees.

In short, the inherent advantages of encouraging the parties to employment relationships to shape employment conditions to their own needs and circumstances, are, in all likelihood, even greater today than in the 1930s. While it may indeed be time to once again to take steps to insure that individual worker interests are adequately addressed in employment relationships, we need to search for the most efficient and flexible system for addressing these issues. This leads then to a logical question and another policy option: Is private sector collective bargaining up to the task?

Option 3: Labor Law Reform

The persistent decline of union membership coupled with the growing body of evidence that at least part of the decline in union representation is a result of increased employer opposition to unionization has led to a decade long campaign by the labor movement for labor law reform. Outside the labor movement, many independent researchers and analysts also have expressed concern for the long term social, political, and economic consequences of a shrinking labor movement. The central questions posed in these discussions are: Is not a strong and broadly representative labor movement a critical ingredient in a political democracy and free enterprise economy? If unions continue to decline what will fill this void? Isn't it inevitable that if union membership continues to decline we will get either a stronger government role or a social and economic crisis followed by a resurgence of a highly militant labor movement and an adversarial form of labor management relations?

If we agree that these are serious national concerns, is Option 3 i.e., reaffirming support for collective bargaining by reforming labor law so as to fix the flaws in procedures governing representation elections, sufficient for both insuring adequate worker voice and representation and achieving a high productivity/high wage economic policy and business strategy? Alternatively, can we embark on an active human resource development policy *without* attending to the current flaws in labor law? Our answer to both questions is no. Labor law reform is a necessary, but not a sufficient or complete, labor policy reform.

A strong case can be made, based on a large body of empirical evidence, that reforms are needed in the policies governing union representation elections and negotiations of initial contracts¹⁸. But taken alone such reforms are likely to be insufficient for achieving what should be the fundamental objective of labor law i.e., to insure that workers have an effective ability to participate in the decisions that affect their job related interests. To provide workers with this ability today will require fundamental changes in our labor policies that go well beyond minor reforms in procedures governing union representation election and first contract negotiations. Effective participation and representation today requires going beyond traditional collective bargaining by providing opportunities for workers to participate at the workplace in decisions affecting their immediate job environments and at the highest level of corporate decision-making where the basic strategies are put in place that affect workers long term employment security and career opportunities.

¹⁸ For a review see R.B.FREEMAN and J.L. MEDOFF, *What Do Unions Do?*, *op. cit.*, and William N. COOKE, *Union Organizing and Public Policy*, Kalamazoo, MI, W.E. Upjohn Institute for Employment Research, 1985.

There is another reason why labor law reform as traditionally conceived is only a necessary and far from a sufficient basis for labor policy reform. Simply reforming labor law to make it easier for workers to organize and harder for management to thwart unionizing efforts will not insure that forms of worker representation will naturally evolve that are best suited to today's economy and workforce. There are many advocates of returning to traditional forms of collective bargaining within the labor movement, in management, and within the legal profession. These "traditionalists" are currently engaged in debates with those who favor strategies that build on recent innovations with new forms of workplace participation and worker representation in strategic planning and decision-making. The outcome of these debates will have an important impact on the future shape of labor-management relations. In turn the outcome of these debates will determine the extent to which labor-management relations contribute to or constrain the willingness and ability of employers to adopt competitive strategies that treat workers as strategic resources worth investing in or cost factors to be minimized and controlled as tightly as possible.

Government policy makers therefore cannot be neutral in these debates. They must create the policy environment and they must provide the political leadership needed to insure that the labor and management leaders arguing for the innovative course carry the day in these internal debates. What then would this type of policy entail?

Option 4: Linking Labor, Human Resource, and Economic Policies

We now come to the labor and human resource policy option that we believe is best suited to meeting the needs of the economy and the workforce between now and the year 2000. The key to this policy is that it seeks to link and integrate a national economic strategy for improving productivity and competitiveness to firm level competitive strategies that seek comparative advantage through effective use and integration of technology and human resources. This in turn requires an active human resource and employment policy and a supporting and fundamentally reformed and updated policy governing labor-management relations. More specifically it rests on the following general propositions regarding the human resource and industrial relations outcomes that are critical to the future economic performance of both individual enterprises and the economy as a whole.

1. To be competitive in today's economy firms need a workforce with a high degree of flexibility, skill and motivation, and commitment to the competitive needs and strategies of the organization. In turn to achieve these workforce features firms must be able and willing to integrate human resource considerations into their long term business or competitive strategies and decision-making.

2. To be successful in the labor market workers will need a sound basic education and a willingness and ability to continue learning and adapting to new technologies and changing job requirements. In addition, workers will need a strong base of influence as individuals and as groups to achieve a voice in the decisions that affect their short and long term employment and income security and career opportunities.
3. The economy will need an industrial relations and human resource system that achieves continuous productivity improvement, an adaptable and mobile workforce, and improvements in workers' standard of living. These results must be achieved without major social conflicts or economic disruptions. In a world of increasing technological change and global competition this means policies that facilitate employment adjustments without imposing deep reductions in workers' standards of living.

A productivity based macro-economic strategy provides a conducive environment and a clear challenge for human resource and labor relations policies. Indeed the success of this macro strategy depends in large part on micro level management and labor policies and practices that support productivity improvements through more effective integration and use of technological and human resource innovations. With this in mind we can now explore the roles for human resource and labor relations policies in this type of long term economic strategy.

Labor Market and Human Resource Development Policies

If, as is being argued here, a key ingredient in national economic policy is to promote continuous productivity improvement through more effective use of technology and human resources, investment in basic and continuing education must be the bedrock of labor market and human resource policy. A foundation of high quality basic education and a commitment to life long learning and skills updating is necessary for this economic or competitive strategy to be viable. Insuring that adequate public resources are provided to support improvements in the quality of basic education is a starting point for such a policy. Reducing high school dropout rates, increasing the proportion of high school graduates that enroll in college or post-high school vocational schools are obvious challenges that must be addressed.

Improving the quality and increasing the proportion of the population who are well prepared to enter the modern labor market must be supplemented by public and private commitments to continuous training, learning, and skills updating over the course of workers' careers. This is one area where labor and management can make, and in a number of innovative cases such as in the auto and the communications industries, are making substantial contributions to the investment in and delivery of comprehensive labor market services and employment programs.

Active labor market policies such as those described above are needed to prepare workers for technological and economic changes *before* a crisis such as a plant closing occurs. If the training provided is general enough to transfer to other occupations by increasing a worker's employability, this will contribute significantly to reducing the costs of job changing or job loss in a closing or permanent layoff situation. But it is also clear that other steps are needed to reduce the costs of job loss. This in turn will require both new public policy initiatives and an active endorsement and effort to diffuse various private employment continuity and/or adjustment initiatives employed by selected companies and unions. Advance notice of plant closings or mass layoffs is only a starting point for this type of active policy. Unemployment insurance and other public and private income support programs will need to be modified to encourage positive adjustment while providing temporary income support during periods of joblessness. As in the area of labor relations, there is a great deal of innovation underway in leading companies and unions in human resource policies designed to enhance employment security, investments in training, and positive adjustment to economic dislocation. Two key objectives of public policy therefore should be to (1) promote further diffusion of these private initiatives to cover broader numbers of workers and employment settings, and (2) to supplement these private initiatives for workers and/or issues left unaddressed by private initiatives.

Given the magnitude of the retraining that will be required, it is unlikely that private initiatives will be adequate. Few companies or joint union management programs have the size or resources to match the union management retraining, career development, and labor market adjustment efforts underway in the auto or communications industries or similar management initiated and managed efforts in several innovative nonunion companies¹⁹. One policy option for spurring more of such private efforts would be to provide tax incentives for individuals and/or firms that invest in these types of human capital and positive adjustment programs. Again this approach could encourage the parties to tailor their human resource investments to meet particular needs and while involving employees and their representatives directly in the design and administration of human resource policies.

In this light it is encouraging that Congress has endorsed expansion of funds for the *Jobs Training Partnership Act* (JTPA) and targeted nearly \$1

¹⁹ Robert B. MCKERSIE, Leonard GREENHALGH, and R. GILKEY, "Rebalancing the Workforce at IBM: A Case Study of Redeployment and Revitalization", *Organizational Dynamics*, 1986, pp. 30-47, or Thomas A. KOCHAN, John Paul MACDUFFIE, and Paul OSTERMAN, "Employment Security at DEC: Sustaining Values Amid Environmental Change", MIT School of Management Working Paper, 1988.

billion for displaced workers. The strength of the JTPA is that it encourages local partnerships among business, labor, and local government. IBM has been a leader in leveraging the power of these community alliances by supporting the development of community based education centers. Community organizations are urged by IBM to help attract other business partners to participate in local area business advisory councils. These groups then raise funds to supplement those available from the JTPA. In 1985 almost 4,000 individuals graduated from these programs and were placed in jobs with a cost per placement of approximately \$3,000. For the total program cost (net of loaned equipment) of \$11.4 million IBM estimates the program generated \$35 million in purchasing power for the new wage earners and \$11 million in taxes while reducing public support payments by \$7.4 million²⁰.

Diffusion of these types of private or private/public innovations in human resources that enhance productivity and employment adjustment in turn requires a labor relations policy and strategy that encourages unions and companies to give these issues a high priority on their agendas. We therefore can now turn to the question of what type of labor relations policy and strategy would fit with and complement these efforts.

Labor Relations Policy

A thorough reform and updating of labor relations policy will be needed. The policy must start by insuring that American workers have an effective right to choose whether or not to be represented by a labor organization but then go on to insure that the forms of representation that evolve are well suited to today's workforce and environment. While fixing the flaws in the current law and administration of representation election and first contract negotiations processes will be a necessary step, it represents only a starting point for labor policy reform. But by addressing this fundamental feature of labor law the confidence of worker and labor leaders that a "level playing field" exists can be restored and this significant barrier to further innovation and experimentation in labor management relations can thereby be removed.

Insuring workers have an effective right to organize will be especially important for improving the economic status of workers in low wage service occupations. But to insure that enhanced opportunities to organize produces macro economic and social benefits additional efforts will be required on the part of federal policy makers. There will be few macro economic benefits if increased unionization results only in a resurgence of inflationary

²⁰ William COLUCCI, "IBM Training Centers", Unpublished Report, IBM Corporation, Armonk, New York, 1988.

wage setting formulas, rigid work rules, and highly adversarial labor-management relations. A simple return to the New Deal collective bargaining model will not address the competitive challenges facing the U.S. economy. Therefore, policy makers need to couple support for labor law reforms to a corresponding set of policy reforms that encourage labor and management to adopt productivity and quality enhancing bargaining strategies. In the low wage service sector this implies a bargaining agenda that gives high priority to the development of worker education, skills, career ladders and labor market mobility. This approach offers the best chance of spurring productivity growth through human capital improvements. It also provides an effective means for improving the incomes and long term employment prospects of low wage workers.

An equally important step in labor relations policy reform would be for the federal government to endorse and encourage diffusion and institutionalization of the innovations in labor management cooperation, participation and representation now occurring in selected private settings. Except for the efforts of one bureau within the Department of Labor (the Bureau of Labor Management Relations and Cooperative Programs) and the labor-management committee grants' program within the Federal Mediation and Conciliation Service, to date the federal government has been a passive observer of these private sector innovations. Economic policy making has been completed divorced from the development, funding, and administration of labor and human resource policy. Neither the President nor any high ranking elected member of Congress has made innovations in labor management relations a personal priority. While this passive posture may have been appropriate during the early years of experimentation with new approaches, it is time to move beyond experimentation in selected settings to broad diffusion and institutionalization of a new model of labor-management relations.

An important first step toward such a policy would be to remove any legal barriers in current labor law that deter realization of greater information sharing, employee participation at the workplace and representation in strategic management decisions that affect workers' long term security and economic interests. For example, alternative forms of participation and non-exclusive representation need to be explored. A variety of approaches could be considered. We will discuss two that are mentioned frequently: (1) worker representation on boards of directors, and (2) consultative bodies that provide worker input and advice to managers at the operating level.

Board Representation

Considerable discussion has emerged recently about the role of formal arrangements for worker and union participation in business decision-making such as those found in the formal codetermination models of Western Europe and in the various experiments with board representation in the U.S.

This concept appears to have worked well in Germany. While we have yet to systematically study experiences of employee representatives on boards in the U.S., anecdotal reports and personal experiences suggest that substantial value can be added if human resource decisions are dealt with more explicitly at the board level and therefore are better integrated into the long term strategies of the firm.

Experience in Germany, in the Post Office in Great Britain, and in the small number of experiments in the U.S. suggest that the contribution of worker directors is greatest when both sides accept the arrangement and an atmosphere of cooperation and problem solving develops among board members. For this reason it may not be wise to require worker representation on boards of directors as a matter of public policy. Forced representation will very likely result in a shift of decision-making by management to other more cloistered forums as was reported in the case of the British Post Office²¹. Therefore, it may be more effective to remove any legal barriers to worker representation and to then evaluate and disseminate information on the results of additional experience.

Consultation with Operating Managers

We must keep in mind that board representation is only one of a growing variety of means for achieving worker input into managerial decision-making. There is much more experience in the U.S., Europe, and Japan with a variety of collaborative arrangements occurring on a day to day basis with operating managers. While here the same point can be made that cooperation cannot be forced, there is more experience to suggest that over time cooperative attitudes and problem solving behavior can be learned if consultation with representatives of all employees in an organization is required on human resource policy issues. But the most important reason for government policy makers to require some type of human resource advisory council composed of representatives of all blue and white collar workers is

²¹ Eric BATSTONE, A. FERNER, and M. TERRY, *Unions on the Board*, London, Basil Blackwell, 1983. See also, Robert V. STERN, "Participation by Representation: Workers on Boards of Directors in the U.S. and Abroad, *Work and Organization*, in press.

to insure that human resource policy issues are more fully taken into account in all stages of business and technology strategy making, planning, and implementation. Institutionalizing a role for a human resource council might also help to overcome the short run cost control orientation of American managers and thereby help reduce the likelihood that long term policies and commitments are abandoned in response to short term pressures. This is because it is in the long run where worker and employer interests more closely coincide.

Another advantage of requiring human resource councils is that they would provide considerable experimentation with alternative forms of representation and participation. In some situations these forums might very well produce considerable tension and conflict that in the past was latent and not able to surface. In these cases while the pace of management decision-making might be slowed and the ultimate decisions altered in important ways, once agreement is reached implementation should go both more quickly and be more complete. In other organizations bringing together different organizational factions, interest groups, or bargaining units will facilitate coordination. As Walton has shown in his comparative study of innovations in the shipping industry, this type of coordinating institution is critical to the adoption and diffusion of human resource innovations²².

Employers without unions will no doubt treat this proposal with an innate skepticism. Some are likely to see these councils as a threat to their control and as a step toward unionization and therefore will not cooperate unless forced to do so. Others may see them as a means for furthering the identification of workers within their enterprise and thereby helping to immunize the organization from "outside unions". Workers and union representatives on the other hand might see a parallel between these councils and the employee representation plans of the pre-1930s era and therefore interpret them as simply reincarnated company dominated unions. However, as Jacoby has shown some of the independent (company or plant specific) local unions that grew up after the Wagner Act was passed were not only quite effective but managed to win the loyalty and support of worker members²³. Experience with independent unions provides an additional important lesson, namely that much of their influence derived from the threat that an outside, nationally-affiliated union might organize the plant. The implication is that competition among alternative representative structures

22 Richard E. WALTON, *Innovating to Compete*, San Francisco, Jossey Bass, 1988.

23 Sanford M. JACOBY, "Reckoning with Company Unions: The Case of Thompson Products, 1934-1964". Paper presented at the conference on Historical Perspectives on American Labor, Cornell University, Ithaca, New York, April 1988.

can itself be an incentive to innovation. Should these newer forums fail to meet employee expectations the historic experience of many of the company unions of the 1930s and the independent professional associations the public sector in the 1960s may be repeated. That is, they may eventually transform themselves into full-fledged unions.

Finally, at the industry level there is a need for forums that bring together representatives from employers, unions and other employee groups with government representatives to fashion strategies that will enhance the competitiveness of key sectors. The steel industry, for example, needs to develop collective solutions to the problem of how to share the costs and benefits of reducing capacity. Industries such as garments that are heavily confronted by imports need to develop policies to compete effectively, modernize, and manage the labor force adjustments collectively that are too expensive to absorb individually. While industry level collaborative activity has been slower to develop in this country than abroad, recent examples of joint research and development efforts in the semiconductor and machine tool sectors suggest attitudes and traditions may be changing. It may be time to now more fully test our ability to transfer human resource innovations and knowledge across organizational boundaries. This is an extremely promising diffusion strategy that can be stimulated and supported by government policy makers through informal leadership, grants, and dissemination of knowledge.

While current law has not proved to be an insurmountable barrier to experimentation with a variety of consultative processes in the most innovative relationships, diffusion of these innovations can be thwarted by either management or labor representatives if they choose to use current law as an argument against adoption of broader forms of worker participation and representation. Thus, the law may be a may barrier to broad diffusion of these concepts and processes. The debate over these issues has just begun²⁴. It needs to be continued and coupled with debates over other, more traditional, labor law reforms.

Top government policy makers must assert a visible leadership role in endorsing these innovations and working closely with management and labor leaders who share this view to build support for continuous diffusion of these new practices. Diffusion will require changing the views and policies of many management and labor leaders who favor a return to more

²⁴ See for example *U.S. Labor Law and the Future of Labor Management Cooperation*. Report of the U.S. Department of Labor, Bureau of Labor-Management Relations and Cooperative Programs, Washington, D.C., 1986. Supplements to this report were also issued by the Department of Labor in 1987 and 1988.

traditional, arms length practices. Those within the management and labor communities who have been vocal advocates of change need the leverage that can come from the support of national policy makers.

CONCLUSION

The purpose of this paper has been to outline a broad framework and set of basic principles for an integrated labor, human resource, and economic strategy for the future. While more detailed work is needed to translate these principles into concrete policy actions, the critical first step is to elevate the visibility of these issues in current national debates over the future of American economic and social policies.

We should be clear, however, about what we see at stake in these debates. Unless a significant shift occurs toward a new, more integrated labor, human resource, and economic strategy for the nation, we are likely to experience (1) continued erosion in worker representation as union membership declines, (2) increased adversarialism as labor and management escalate their battles over the future of collective bargaining, (3) a slowdown and a limited diffusion of innovations in industrial relations and human resource practices as workers and unions see their security threatened, and (4) further declines in both the competitiveness of the economy and our standard of living. If this scenario unfolds, history teaches us that a new labor and human resource policy will ultimately emerge, but only out of a social and economic crisis. The question therefore is: Will we have the foresight to take action now to avoid such a crisis?

Orientations futures de la politique du travail et des ressources humaines aux États-Unis

Le présent texte passe en revue quatre approches faisant actuellement l'objet de discussions quant à l'avenir de la politique américaine dans les domaines du travail et des ressources humaines. Ce sont: la poursuite des politiques de déréglementation et de laisser-faire des années 1980; le retour à une politique de normes du travail à la fois plus étendue et plus intensive; un ré-engagement envers les principes du *New Deal* affirmant le rôle central de la négociation collective; une approche intégrée qui relierait les stratégies macroéconomiques visant à donner un nouveau souffle à l'économie américaine à une nouvelle politique en matière de relations du travail et de ressources humaines. L'argument principal développé ici favorise cette dernière

approche pour rehausser la capacité concurrentielle des entreprises américaines et, en même temps, répondre aux aspirations de la population en termes de niveau de vie.

Plusieurs signes avant-coureurs indiquent la nécessité d'une telle approche intégrée. En tout premier lieu, le défi majeur qui se pose à la politique économique actuelle des Etats-Unis est de restaurer la capacité concurrentielle de ses entreprises. Si celle-ci ne peut s'obtenir que par le biais d'une baisse de la valeur du dollar américain, on peut s'attendre à une réduction sérieuse du niveau de vie de la population américaine. Pour éviter une telle situation, la productivité doit augmenter. En conséquence, les politiques en matière de travail et de ressources humaines doivent favoriser l'accroissement de la productivité. Deuxièmement, le système de négociation collective, développé dans la foulée des politiques du *New Deal*, a subi une érosion significative ces dernières années. Celui-ci n'est plus adéquat face aux exigences de productivité, de qualité et d'innovation des entreprises américaines. La baisse constante du taux de syndicalisation obligent les législateurs à s'interroger sur le rôle du syndicalisme dans les affaires sociales et économiques du pays, ainsi que dans la gestion des relations du travail. Troisièmement, les prévisions sur la population active révèlent la présence d'un écart possible entre l'enseignement supérieur et les habiletés exigées pour les emplois de demain, et d'autre part, les qualifications de la main-d'oeuvre future. De plus, les changements structurels de l'économie continueront de perturber le marché du travail dans un mouvement incessant de création d'emplois nouveaux et de suppression d'emplois devenus désuets. Une politique active de ressources humaines sera nécessaire, tant pour améliorer les qualifications des nouveaux venus sur le marché du travail que pour faciliter l'adaptation des travailleurs déjà en emploi. Quatrièmement, le nombre élevé de nouveaux projets de loi dans le domaine des normes du travail semble indiquer un certain retour du balancier vers une plus grande réglementation gouvernementale. On peut cependant douter de la capacité de l'Etat de financer et de faire appliquer un éventail élargi de réglementations.

Compte tenu de ces conditions, nous favorisons l'adoption d'une politique intégrant les volets économique, ressources humaines et relations du travail et possédant les caractéristiques générales suivantes:

1. En ce qui concerne le volet macroéconomique, les décideurs devront avoir comme objectif prioritaire d'établir une planification à long terme en vue d'améliorer la productivité. Sur le plan microéconomique, cela implique de la part des entreprises qu'elles devront adopter des stratégies favorisant les avantages comparatifs par le biais du développement, de l'intégration et d'une utilisation plus efficace de leurs ressources et techniques.

2. Afin d'appuyer la politique macroéconomique et les stratégies des entreprises, il faudra développer une politique active et décentralisée des ressources humaines et de l'emploi. Cette approche doit reposer sur un système d'éducation de haute qualité et inciter individus et entreprises à investir davantage dans la formation continue et le perfectionnement. Des politiques actives de marché du travail seront également nécessaires afin de mieux préparer les travailleurs à faire face aux changements technologiques et structurels qui menacent leurs emplois, et cela avant qu'ils ne se produisent, si nous voulons réduire au minimum le coût des pertes d'emplois et la résistance au changement. La clé de cette politique consistera à créer les incitatifs nécessaires pour amener les entreprises et les syndicats à

s'impliquer davantage dans l'élaboration de politiques et de mesures de développement et d'adaptation des ressources humaines, et à assumer une plus grande responsabilité dans l'administration de celles-ci.

3. Une réforme en profondeur de la politique américaine en matière de relations du travail devra accompagner les nouvelles stratégies précédemment énoncées. Cette politique doit d'abord assurer la protection adéquate du droit fondamental des travailleurs de s'organiser collectivement, s'ils le désirent. Il existe suffisamment de données empiriques pour conclure que la législation actuelle est déficiente à cet égard. Cependant, une telle politique doit aussi assurer que les *formes* de participation et de représentation des travailleurs qui se développeront dans l'avenir, seront à même de faciliter à la fois la recherche de nouvelles avenues de solution aux problèmes, l'investissement dans les ressources humaines, la flexibilité dans l'organisation du travail et l'amélioration de la qualité et de la productivité. Ces éléments sont nécessaires autant pour mieux répondre aux besoins de la main-d'œuvre qu'aux défis auxquels font face les employeurs. Il ne nous apparaît pas possible qu'un simple retour aux politiques du travail du *New Deal* puisse permettre la réalisation de cet ensemble d'objectifs interdépendants. C'est pourquoi nous favorisons une politique qui s'appuierait explicitement sur diverses pratiques innovatrices dans le domaine des relations du travail mises à l'essai dans un certain nombre d'entreprises d'avant-garde. Celle-ci en ferait la promotion tant par leur diffusion que par leur institutionnalisation. Plus précisément, au-delà de ce qu'il est convenu d'appeler une réforme du droit du travail, il faudrait que soient éliminés de la législation actuelle les obstacles à la participation des travailleurs sur les lieux de travail et à diverses formes de participation ou de représentation en matière de prise de décision stratégique dans l'entreprise. Les expériences telles la représentation des employés à des conseils d'administration de sociétés, les comités de ressources humaines favorisant la participation des employés dans le développement et l'administration des politiques de ressources humaines de l'entreprise et les rencontres patronales-syndicales aux niveaux de l'industrie ou de la communauté locale, doivent toutes être considérées comme les éléments clés d'une politique du travail favorisant la diffusion et la reconnaissance institutionnelle des innovations dans la pratique des relations industrielles et la gestion des ressources humaines.

En résumé, à moins que les Etats-Unis n'optent pour une stratégie renouvelée et intégrée "économique - ressources humaines - relations du travail", il ne sera pas possible d'éviter l'érosion graduelle de la représentation syndicale, en raison du déclin dans le membership syndical, la radicalisation des positions à mesure que les parties patronale et syndicale intensifient les luttes au sujet de l'avenir de la négociation collective, une diffusion lente et limitée des pratiques innovatrices dans les relations du travail et la gestion des ressources humaines, et une nouvelle baisse dans le niveau de vie des individus et dans la capacité concurrentielle de l'économie américaine.

Si un tel scénario devait se réaliser, l'histoire nous enseigne qu'une nouvelle politique du travail et des ressources humaines émergera d'une crise sociale et économique. Par conséquent, aurons-nous la clairvoyance pour agir maintenant afin d'éviter une telle crise?

Futuras direcciones de la política americana del trabajo y los recursos humanos

Este ensayo examina cuatro modelos acerca de la futura política en los Estados Unidos que actualmente están en debate: (1) una continuación del *laissez-faire* y la política de desreglamentación; (2) un regreso a la regulación más extensa e intensiva de las normas del trabajo; (3) la reafirmación de los principios del nuevo acuerdo que acentúan la centralidad de la negociación colectiva, y (4) el acercamiento integral, que une estrategias macro-económicas para revitalizar la economía americana, con un nuevo conjunto de políticas de recursos humanos y relaciones laborales. El argumento central de este ensayo, es que la cuarta alternativa es la mejor calificada para aumentar la competitividad de las empresas americanas y sostener los niveles de vida que el público americano espera.

Existen varios indicadores que señalan que las políticas americanas del trabajo y de los recursos humanos se encuentran en transición. Primero, el desafío central que enfrenta la economía de los Estados Unidos hoy en día, es el restaurar el nivel competitivo de las industrias americanas. Competitividad que solo puede obtenerse mediante la caída del dólar y que llevaría a una reducción en el nivel de vida de los americanos. Para evitar esto la productividad debe mejorar. Por lo tanto, las políticas del trabajo y los recursos humanos deben ayudar a mejorar la productividad. Segundo, el sistema de negociación colectiva estimulado por la política del trabajo del Nuevo Acuerdo, se ha deteriorado significativamente en años recientes y no ha sido un sistema adecuado para la productividad, la calidad y la innovación de las empresas americanas. Las perspectivas de reducción en la afiliación sindical, presentan un reto a los creadores de la política, para decidir una vez más que papel deberá jugar el movimiento laboral en asuntos económicos y sociales de carácter nacional, así como en la administración de las relaciones laborales específicas. Tercero, las proyecciones de la fuerza laboral, indican un desequilibrio potencial entre la más alta educación y habilidad requeridas en los trabajos del futuro y la calidad de las nuevas generaciones de trabajadores de aquí a fin de siglo. Aún más, cambios estructurales en la economía continuarán produciendo altas tasas de empleo, mezclando — pérdida de trabajos con la creación de nuevos empleos — entre la fuerza laboral actual. Una política de recursos humanos activa, será necesaria para mejorar la calidad de la nueva fuerza laboral, así como para facilitar el proceso de ajuste de la fuerza laboral actual. Cuarto, un gran número de propuestas laborales normales que han sido recientemente introducidas, sugieren que el péndulo político se mueve en favor de una regulación gubernamental más estricta de las relaciones laborales. Hay razón para dudar, no obstante existe una capacidad del gobierno para financiar y poner en vigor un amplio orden de regulaciones.

Dadas estas condiciones, argumentamos en favor de una política económica integral de recursos humanos y de relaciones laborales con las siguientes características generales:

1. Los creadores de la políticas macro-económicas, deben declarar como objetivo principal el mejoramiento de la productividad a largo plazo. A un micro-nivel esto significa que las empresas necesitan acentuar estrategias de negocios que busquen ventajas comparativas a través del desarrollo, uso efectivo e integración de sus recursos humanos y tecnológicos.

2. Para apoyar estas políticas macro-económicas y estrategias de negocios a nivel de las firmas, una política del trabajo y los recursos humanos activa y

decentralizada será necesaria. Este modelo, deberá descansar en la base de un sistema educacional de alta calidad y deberá alentar individuos y empresas a expandir las inversiones en aprendizaje continuo de por vida y de mejoramiento de las habilidades. Políticas activas en el mercado laboral, también serán necesarias para preparar mejor a los trabajadores contra los cambios tecnológicos y estructurales que ponen en peligro su empleo actual, antes de que esto se materialize, si el costo de la pérdida de trabajo y resistencia a los ajustes se quiere minimizar. La clave de esta política de recursos humanos, será el crear incentivos para que empresas individuales y sindicatos tomen mayor responsabilidad en (1) invertir en el desarrollo de recursos humanos, el ajuste de políticas y prácticas y (2) la toma de responsabilidad en la ejecución y administración.

3. Una reforma a fondo y ajuste de la política de las relaciones laborales, será necesaria para apoyar estas estrategias económicas y de recursos humanos. Esta política debe comenzar por asegurar que los derechos fundamentales del trabajador americano, como el organizarse colectivamente si así lo desean, están apropiadamente protegidos. Existe amplia evidencia empírica, para demostrar que la ley actual no esta realizando su función básica adecuadamente. Pero la política laboral, debe también asegurar que las formas de representación y participación laboral que se desarrollen en el futuro, sean del tipo que facilitarán la solución de problemas, inversión en recursos humanos, flexibilidad en la organización del trabajo y mejoramiento de la productividad y calidad necesarios, para satisfacer las necesidades de la fuerza laboral y los retos competitivos a los que se enfrentan las compañías americanas. No creemos que un simple regreso a las políticas de Nuevo Acuerdo, pueda conseguir este conjunto de objetivos interrelacionados. Por lo tanto, argumentamos en favor de una política laboral, que explícitamente apoye y busque el difundir e institucionalizar, las diversas innovaciones en la práctica de las relaciones laborales que han estado en experimentación en las relaciones de algunas de las empresas líderes y las administraciones sindicales. Más específicamente, además de una reforma a la ley laboral como se define convencionalmente, algunas barreras en la ley actual que inhiben la participación del empleado en su area de trabajo y varias formas no-exclusivas de participación o representación en el proceso de toma de decisiones administrativas estratégicas deben ser retiradas. Experimentación con la representación laboral en el consejo directivo de la compañía, asambleas de recursos humanos que introduzcan las iniciativas de los trabajadores para el desarrollo y administración de las políticas de recursos humanos dentro de la empresa, y foros conjuntos de trabajadores y empresa a niveles industriales y comunitarios, son todos vistos como las claves en el diseño de una política para promover la difusión e institucionalización de innovaciones en relaciones industriales y prácticas de recursos humanos.

En resumen, sino cambiamos a una nueva estrategia, más integral, laboral, de recursos humanos y económica para la nación, es muy posible que experimentemos (1) continúa erosión en la representación de los trabajadores, conforme la membresía de los sindicatos declina, (2) un incremento en la rivalidad cuando los trabajadores y la administración aumentan sus batallas sobre el futuro de la negociación colectiva, (3) una lenta y limitada difusión de las innovaciones en las relaciones industriales y prácticas de recursos humanos, a medida que los trabajadores y los sindicatos vean su seguridad amenazada, y (4) un mayor deterioro en la competitividad de la economía americana y el nivel de vida de los Estados Unidos. Si esto ocurriera, la historia nos mostrará que una nueva política del trabajo y los recursos humanos, finalmente resultará de una crisis económica y social. La pregunta por lo tanto es : ¿Tendremos la capacidad de realizar acciones ahora para evitar dicha crisis?