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Testimony of ASQC

before the

Commission on the Future of Worker-Management Relations

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presented by

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Mr. Chairman and distinguished members of the Commission, thank you for extending the invitation for me to speak to you today.

My name is Jack West, and I am chairman of ASQC, the American Society for Quality Control.

I am here not as an expert on labor relations or labor law, but as a representative of the more than 130,000 quality practitioners who make up ASQC's membership. ASQC members include quality managers, quality assurance technicians, engineers, consultants, statisticians, academics, and others. They work in every type of organization in the private and public sectors, including large and small businesses in manufacturing and service, union and nonunion establishments, government and education, and as independent contractors.

In addition to providing educational materials and opportunities for our members' professional development, we are involved in development of international quality systems standards and many activities that help to define the state of the quality arts and sciences and to educate both our members and the public about quality matters. We have been chosen by the National Institute of Standards and Technology to administer the Malcolm Baldrige National Quality Award. Recently we have taken an active role in facilitating dialog between management, unions, and quality professionals on cooperative quality improvement efforts. We sponsored the first ever Labor/Management Roundtable on Quality last autumn, which was very well received and has led to further opportunities to continue this needed interchange. (A summary and transcript of the roundtable proceedings were previously presented to this Commission.)

All of these activities have put ASQC in the middle of sweeping and fundamental changes in the ways business is conducted in America. As organizations have attempted to deal with these changes, they have adopted a tremendous diversity in approaches to quality improvement. True to the American spirit, they have tried many different ways--some successful, others not successful.

Based on these experiences, ASQC offers two principal recommendations for dealing with current worker/management relations issues: 1.) U.S. labor relations policy and law must encourage rather than impede the types of participative working relationships that are required by modern quality management approaches in diverse organizations; 2.) we would encourage government action to recognize and actively promote initiatives in the private and public sectors that are laying the groundwork for new cooperative labor/management quality efforts.

These two recommendations have a direct bearing on several of the specific questions that the Commission raised in its Fact Finding Report.

How can the level of trust and quality of the relationships among workers, labor leaders, managers, and other groups in society and at the workplace be enhanced?

From the viewpoint of quality practitioners, we see two ways in which this objective might be met. Primarily, by more widespread adoption and deployment of quality improvement programs, and also by encouragement of labor and management joint efforts on quality improvement.

There are countless ways in which quality programs foster cooperation, sharing of information, and cross-functional teamwork in order to be truly successful. People who are involved in these activities come to expect certain levels of cooperative effort as a precondition for meeting common quality goals. And we do have documented evidence that these efforts have an effect on employee attitudes toward participation and empowerment. For example, in a 1993 survey of workers done by the Gallup Organization for ASQC, employees who participate in team activities were shown to be significantly more likely to say, among other things, that one individual can make a big difference in an organization and to believe that management is open to new ideas. In general, these people have more positive feelings about their organizations.

Efforts are underway in the private sector to bring about better working relationships among management, labor, and quality specialists in American organizations. Last fall, ASQC initiated its first Labor/Management Roundtable on Quality, bringing together leaders from several unions, management, and the quality profession. It had a very positive impact; plans are underway to conduct a similar roundtable this October focusing on the automotive industries. Initiatives such as this deserve to be encouraged, as they break down many of the subtle barriers that too often can hamper improved relationships.

In addition, trust and quality of relationships can be enhanced by showcasing existing models of labor/management cooperation that have been in place for several years and that have shown positive results, such as those at Ford, Corning, and Motorola and in the public sector as well; by discouraging the efforts of some who see worker participation as a means for decertifying of unions; and by encouraging rigorous problem solving that involves unit workers as a means for conflict avoidance and resolution, instead of arbitration panels or judges.

Is there a deep unrealized interest in participation in the American workforce? If so, what keeps these employees from taking the initiative on these matters?

We have evidence from our own studies to support the view that there is indeed a fundamental

interest in participation in the workforce. In a 1990 ASQC/Gallup survey of employees in large and small organizations in both the service and manufacturing sectors, "More involvement in making decisions that affect you" ranked very high among a list of changes that would make their job more satisfying. In this same survey, the primary reason given for not participating in quality programs is that they are not offered or unavailable. Only 66% of employees said they have been asked to be involved in making decisions about significant aspects of their jobs (that figure has since risen to 74% in the 1993 survey). "Letting you do more to put your ideas into action" ranked highest among ways to increase work performance. More training in job skills and educational opportunities ranked high as ways to achieve high quality. So the desire to be involved in meaningful ways appears to be very strong.

Further evidence of a deep-rooted interest in participation is provided by a new ASQC program, "The Stuff Americans Are Made Of." Based on research that unearths the American archetypes for quality and teamwork, this training program allows us to understand and tap into our cultural patterns--the things we do naturally--to unlock the power to achieve world-class results.

The program reveals the uniquely American character and how that national character determines the nature and extent of workers' interest in participation. Factory workers who have participated in the program have felt for the first time that their input is valued by their employer. Teams of workers who have received this training are making significant improvements in quality where they work.

Understanding the cultural tendencies that predispose Americans to full participation can have a profound impact in the workplace. Unless every member of the workforce is allowed to contribute and until barriers to participation and cooperation are removed, the American economy will necessarily be limited in expanding to its full potential. Clearly, an understanding of the desire and need for full participation must be broadly dispersed throughout the American workforce.

The one significant competitive advantage the U.S. has is the initiative, ability, and curiosity of its workers. There is ample demonstration that these attributes have been historically neglected and that companies now succeeding on the world scene, such as Motorola, are getting their incremental advantage from their workers. However, the employees cannot take the lead. The first requirement for any successful quality effort is top management leadership. Workers are rarely able to lead this change; management must.

Although there are barriers to participation (including resistance by people in both unions and management who feel threatened; time pressures preventing people from leaving their regular duties for team activities, especially in a continuous flow manufacturing situation) there is a state of readiness for participation, and this readiness can be raised by adequate preparation, including education and training.

Should employees have a voice in initiating employee participation? If so, how might this be done?

A more appropriate question might be, What is the role that employees play in workplace redesign? In terms of a team perspective on participation, there are at least four levels of teams. The first is very artificial: teams are assembled basically to listen to management announce what it plans to do. This is generally under the guise of sharing information. The second level entails asking employees to help implement new directions coming from management. At the third level, teams make decisions, but they must clear with management before implementation. At the fourth level, decisions are made and implemented without prior management review, with management providing oversight after the fact or when invited in as advisor.

Quality systems operate in organizations that fall in each of these levels. The most effective quality systems thrive on ideas from everyone in the organization. So what is needed is an atmosphere in which this high level of input is encouraged.

All of the steps in the long-term process of building a quality system help to form this kind of atmosphere, as well as putting in place the structural and cultural changes needed in order to make the quality system work--in the short run and over time--and to drive the system to the highest level of participation appropriate to the situation.

Should employees have a voice in determining whether, once started, a given employee participation process should be continued, changed, or terminated? If so, how might this be done?

A cornerstone of a quality system is the institution of a Plan-Do-Check-Act cycle which includes as part of the review phase an evaluation of whether a process is meeting its broad objectives; this may include a determination of whether these are effectively linked to the overall goals of the organization. When employees are involved in this type of review, it becomes readily apparent to them when the process is in need of either minor or major change or if it has outlived its usefulness. Ideally, however, the review does not just focus on whether the process is in need of change or termination, but rather, it develops a consensus on how the process ought to grow to handle the next problem or the next level of complexity. And so the employees themselves become partners in an adaptive process of continual improvement.

In a high-performance work place in which basic quality tools are understood and used, this level of employee involvement in decision making is more likely to take place.

What, if any, government strategies can assist the diffusion of employee participation and labor-management cooperation?

A government strategy of vocal and visible inter-agency support for and recognition of existing

labor-management cooperation efforts would be welcomed. These efforts include the initiatives involving ASQC and major labor unions and corporations, plus other activities initiated by groups such as the Wisconsin Labor-Management Council.

Support could take many forms, from official encouragement, funding of initiatives, support for training, and recognition and showcasing of existing models of labor/management cooperation, such as those already mentioned here (Corning, Ford, Motorola, AT&T, Inland Steel, Xerox).

There are also examples of labor-management cooperation within the public sector. The best of these can be held out as models for others to follow and as demonstrations of lessons to be learned by others.

New tax incentives for worker training could be beneficial especially for small businesses.

Whether, and if so, how, the NLRA should be revised or interpreted to permit nonunion firms to develop one or more of the array of employee participation plans that have been challenged under Section 8(a)(2):

- * *self-managed production teams;*
- * *in-house resolution procedures;*
- * *joint quality of working life committees.*

Which of these options (or others) are preferable:

- * *retain Section 8(a)(2) in its present form;*
- * *Section 8(a)(2) should no longer limit the freedom of nonunion employers to establish procedures by which its employees will "deal with" (as opposed to "collectively bargain" about) conditions of employment;*
- * *Section 8(a)(2) should be relaxed to permit employers to establish such employee participation procedures dealing with conditions of work, if these procedures meet certain standards about employee selection, access to information, protection against reprisals, and the like;*
- * *Section 8(a)(2) should be altered to require employers to offer their employees participation procedures meeting these minimum quality standards.*

Many organizations contend that the prohibitions of Section 8(a)(2) are not a significant issue for them, that their quality and participation approaches are not adversely affected. For those that have enlightened relationships, perhaps this is not a problem. But for others, for whatever reasons--whether intent, or lack of knowledge of potential pitfalls, or an acrimonious human

relations atmosphere--it may be inevitable that problems will continue to arise. Quality activities and discussions of topics that could be considered conditions of employment, it seems, may be inseparable. An opportunity now exists to introduce harmony between the law and the new realities of the workplace; retaining Section 8(a)(2) in its present form does not therefore seem desirable.

The widest possible array of quality-related activities should be allowed unless there is an antiunion intent. This includes the use of self-managed production teams, in-house resolution procedures, and joint quality of working-life committees in nonunion firms.

ASQC maintains that any attempt to use quality activities to interfere with the right of employees to join a union, or to decertify a union or weaken a collective bargaining process, is improper; we would caution any organization that considers such an approach that it violates the spirit and the precepts of quality and is therefore not likely to succeed. We do believe, however, that the vast majority of quality improvement initiatives that involve employee participation activities are honest efforts to engage the full capabilities of the work force for legitimate economic purposes. We therefore believe that the Commission has an opportunity to perform a real service (to the quality profession and the nation) by not only instituting safeguards against abuse but also, and more importantly, by encouraging the ongoing experimentation with new organizational relationships that may lead to breakthroughs in quality improvement.

We disagree with mandating employers to offer to their employees participation procedures meeting certain minimum standards. To do so would limit the tremendous variability and diversity of quality approaches that arise to accommodate a wide variety of situations and cultures.

In summary, two main points emerge in our responses to the Commission's inquiries.

First, ASQC strongly encourages government action to recognize and actively promote initiatives that are beginning to take shape in which various organizations are laying the foundations for a new level of cooperation between labor and management on quality-related issues.

Second, labor relations policy and law should encourage rather than impede the types of participative working relationships that are required by today's quality improvement approaches in diverse organizations.

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