

# Helping labor and management set up a quality-of-worklife program

*A consultant reports on his role in assisting American Telephone & Telegraph Co. and the Communications Workers of America establish a quality-of-worklife program designed to continue after divestiture*

MICHAEL MACCOBY

**EDITOR'S NOTE:** *During the past 3 years, the American Telephone and Telegraph Co. (AT&T) and the Communications Workers of America have cooperated in a quality-of-worklife program unique in scope and intensity. The program is based on a memorandum of agreement covering half a million workers in 21 Bell System companies, including operating telephone companies, Western Electric, and Bell Laboratories. About 40,000 Bell System employees have participated in the program, which survived a 1983 strike and in which the parties agreed to continue after divestiture of AT&T. A subsequent survey indicated that more than 80 percent of the employees would volunteer to participate in the program.*

*The Monthly Labor Review asked Michael Maccoby, who has served as consultant to both the company and the union, to report on the origin and development of this unusual example of labor-management cooperation. This is his first-person account.*

My involvement in this project began in 1977 when the management of American Telephone and Telegraph Co. invited me to lecture on quality-of-worklife programs at a corporate policy seminar. I was asked to talk about the Bolivar project, a quality-of-worklife experiment in an auto

parts factory in Tennessee, which was the first successful American union-management experiment to improve the quality of working life.<sup>1</sup>

However, most Bell System managers were not interested in the Bolivar experiment. They wanted to hear about my studies of managerial character.<sup>2</sup> As company men/craftsmen, they felt threatened by the gamesmen-marketeers newly recruited to the company, and wanted advice on how to deal with them. However, a few recognized that the traditional Bell System managerial character was too cautious and inflexible for a fast-arriving competitive market.

Among the latter was Rex Reed, Bell System's vice president of industrial relations. He saw the quality-of-worklife experiment at Bolivar and at the GM assembly plant in Tarrytown, N.Y., as promising models for the Bell System. He had surveyed Bell employees over a 5-year period and found disturbing trends. Although satisfied with pay and benefits and motivated to work productively, both workers and supervisors were dissatisfied with technology and perceived too much supervisory control. They believed they were mismanaged, pushed around, not listened to, and that the spirit of service was being eroded by the drive to increase profit.

## **Persuading managers**

In January 1978, Reed met with Bell System regional presidents to present new approaches to raising morale and improving service. He cited examples from Ohio and Pacific Northwest Bell, and asked me to describe how employee involvement had increased both satisfaction and productivity

---

Michael Maccoby is Director of the Project on Technology, Work, and Character, Washington, D.C.

in other companies.

I stressed to the Bell presidents the importance of cooperation with the union. Those present agreed they should moderate the rigid bureaucratic system, but there was no consensus about how to do so. Their concern at this point, before competition and divestiture had forced a new outlook on management, was as much humane as economic. They mentioned their own work history, how some had started as linesmen or clerks and had moved up with the help of friends. "Working for the Bell System has been more than making a buck," one said. "We have the obligation to make it a good place to work for others. Everyone should feel important, respected, needed."

This meeting, together with support from Charles L. Brown, the Bell System's new chief executive officer, reinforced experimentation in participative management in some of the Bell companies, but most of the experiments were without union involvement. In fact, some middle managers reacted with anger at the idea of cooperating with the union.

Relations between Communications Workers of America (CWA) and AT&T had been stormy in some companies and always complex. Strikes had caused violence and bitter feelings in certain areas. The processing of grievances had become a sizable business. Although relationships at the top, between AT&T vice president of industrial relations Rex Reed and CWA President Glenn Watts, were cordial and respectful, at lower levels there was considerable distrust.

As in many American companies, management tended to view the union as a symptom of failure to create a good workplace. Bell System managers were proud of their achievement—building a great company, providing effective universal service, and creating new technology. In the view of executives, management was identified with science and productivity, while the union represented unproductive politics. This sense of superiority seemed to divide union and management, obscure shared values, and impede productive cooperation.

In the spring of 1978, Robert Gaynor, vice president of Long Lines in Kansas City, began a change project with his managers. Gaynor was a leader in shifting AT&T to a more market-oriented business. He believed this could not be achieved by decree, that managers had to analyze the new competitive demands together, combine knowledge, and agree on goals. Through interviews with their peers, a research team of managers defined problem areas, including the need for innovative leadership; the need to maintain a spirit of service; the need to make measurements and control systems more flexible; and the need to improve the planning process which, like most large companies at that time, was mainly a matter of extrapolation.

Most managers believed change was essential, but were concerned that AT&T's positive values—caring about people, the spirit of service, high standards and integrity, and technical excellence—be preserved. How to begin this process of change became the subject for task forces, and I

was asked to help create more open and participative management, starting with Gaynor's team. By January 1980, we had improved management teamwork and addressed interdepartmental problems, but the process had not reached the worker level and did not include the union.

### **CWA becomes interested**

In January 1980, Ronnie J. Straw, director of research at CWA, asked if I was interested in studying the various forms of union participation in management, with recommendation for the union on how it should approach AT&T. The CWA was interested in a range of possibilities, from membership on the board to shop floor participation. Was I interested?

Very much so. The CWA was an exceptionally forward-looking union. Its members were affected by changing technology and were asking the leadership to do something about job stress. The union had a good research department and creative leadership. I believed that a strong informed CWA would both further the interests of its members and put pressure on the Bell System to improve its management, and that both union and management would benefit from the project I was being asked to undertake.

But there was a problem: I had been an AT&T consultant. CWA President Watts would have to decide whether this made a difference. Also, I would not take the job unless it was approved by Rex Reed. There were two reasons for this: first, I would be bringing knowledge of Bell System management to the union; and second, I wanted to keep alive the chance to work with both.

### **Defining quality of worklife**

Quality of worklife grew out of the collective bargaining process. It is a commitment of management and union to support localized activities and experiments to increase employee participation in determining how to improve work. This process is guided by union-management committees and facilitators, and requires education about the goals of work and training in group process.

In the Bell company and AT&T, I see quality of worklife as a means to move from the bureaucratic-industrial model of scientific management with its fragmentation of jobs and hierarchical control, to a flexible, broadly skilled, participative team. This is a more effective way of managing market-driven technoservice work while protecting the rights and dignity of employees.

The new automated workplace requires decentralization, responsiveness to customers, and ability of workers to solve problems where they occur without waiting for hierarchical approval. Quality of worklife develops the flexibility essential for effectiveness and at the same time strengthens the union.—MM

Watts liked the idea that I was familiar with the Bell System; it would save time. Furthermore, John Carroll, CWA executive vice president, had attended the AT&T corporate policy seminar at which I urged management to cooperate with the union. Reed had no objections. In fact, he agreed that a stronger, more knowledgeable union would push management to improve, while a weaker, more reactive union would be less able to understand and support change.

To develop a strategy for CWA, I proposed that Straw and I together interview CWA leadership on its views of what changes were needed. Previous recommendations to the union had not been acted on, largely because those who had to make use of the findings were not involved in the study process. All proposals for change are a likely threat to those who are adapted to the status quo. I wanted CWA to own the study and the strategy, which meant that it had to participate from the start.

Straw and I, assisted by others, interviewed the union executive board and more than 100 local officers from all over the country. We asked AT&T for examples of participative management projects, and asked the local union leaders for comments.

A consensus emerged: the union leaders believed that in recent years, management had tightened to prepare for deregulated competition; workers believed they could give better service if there was less monitoring, both technological and supervisory.

The union noted a number of attempts to improve morale through increased participation, but they were often short-lived. A few of the attempts tried to involve the union, and some had become the cause of grievances, as "participation" resulted in actions considered in violation of the contract. (An example was one which encouraged employees to criticize those who were less productive.)

The local presidents we interviewed did not favor participation on the board and were skeptical of joint committees which in the past had done little. They liked the idea of a quality-of-worklife program in offices and garages, based on the Bolivar or Tarrytown models. In fact, the most enthusiastic union leaders were those currently taking part in joint initiatives of this sort.

### **Joint committee developed**

When I reported these findings to the union executive board in July 1980, Watts asked me to draft an article for the contracts he was then negotiating with Reed. I recommended joint sponsorship of participative experiments, including a National Committee on Joint Working Conditions and Service Quality Improvements with the following function:

1. Developing and recommending principles and objectives relative to working conditions and service quality improvement which will guide experiments or projects such as quality circles, problem-solving teams, and the like, in

various work situations. These should be designed to encourage teamwork, to make work more satisfying, and to improve the work operation.

2. Reviewing and evaluating programs and projects which involve improving the quality of the work environment.

3. Arranging for any outside consultants which it feels are necessary or desirable to assist it, the expenses thereof to be shared equally by the company and the union.

The national committee first met in the fall of 1980. It agreed on a set of principles but had trouble developing a strategy. Some management members wanted to take a relatively passive role, basically supporting whatever local companies initiated. They viewed quality-of-worklife programs as a means toward healthy decentralization, and were sensitive to playing the traditional controlling role. The union distrusted this approach: it believed that Bell companies interpreted quality-of-worklife projects as participative management without union involvement, and union officials were getting messages from local leaders that such programs were causing problems. If the national committee was not to direct the quality-of-worklife programs, CWA members wanted it to at least control the quality of the programs and set minimum standards. The union proposed that I be retained as consultant to the committee. Management resisted the idea.

The debate was not so much about me as about the committee's role. When management agreed to hire me, it meant a decision had been made to experiment with a more active strategy. I organized a series of meetings with union leaders, district vice presidents and their assistants, and company counterparts, including personnel vice presidents and their labor relations assistants. I described the quality-of-worklife project to them, its potential benefits and risks, and the development in skills and relationships necessary for both management and union to make it work. I emphasized that management had to share power, to treat the union as a partner, and that the union had to learn more about the business, to learn to work cooperatively, and to agree that ongoing quality-of-worklife projects would not be held hostage during unrelated conflicts. Quality-of-worklife projects should not be a substitute for collective bargaining, but a development of bargaining into issues of mutual interest.

Union and management groups then met separately to discuss what they wanted from quality-of-worklife projects, and what they thought the other side wanted. Then they shared their deliberations. There were high levels of trust in some companies, especially in companies in which top management invited union leaders to discuss changes and ways of decreasing grievances. In other companies, there was little trust or communication. Even in instances where top leaders had created a good relationship, lower levels might view each other warily. The fault might be in either side or both. Managers might be insecure and inflexible, overcontrolling, or paternalistic; union leaders might want

to make all the deals themselves, and fear giving more power to members who might criticize them or discover they do not need either managerial or union bosses.

We established quality-of-worklife committees in each company, with union and management coordinators who would communicate with the national committee. The strategy was to educate and train facilitators from both sides so there would be no need to hire outside consultants. This strategy avoided having to deal with approaches which might distort the shared goals and principles. It strengthened internal skills, gave a sense of ownership to both union and management, and created a group of dedicated proponents.

The national committee developed a quality-of-worklife training package, designed by CWA District 5 and Mountain Bell. It included four modules which described quality-of-worklife, its implementation, how a group would identify and solve problems, and how to deal with interpersonal relations within the group. This became the basic training required for all levels, from workers to the problem-solving team.

The strategy announced by the national committee was to start with voluntary leadership from both sides. The first stage was to create successful models which could be copied by others.

The committee planned a series of meetings to stimulate union and management to consider quality-of-worklife projects in relation to an organizational vision. The participants were chief operating and personnel vice presidents from each Bell company with the corresponding union vice presidents. Professor Richard Walton of the Harvard Business School and I conducted the seminars, using Harvard Business School cases to describe a range of visions, from Japanese paternalism to European work councils. We persuaded management that the union was not seeking control of their decisions, and persuaded the union that management respected their role as representing workers' needs for security, fair rewards, and a chance to develop skills. This was the first time some of the operating officers had ever met union leaders; they testified that these traditional adversaries were responsible and intelligent about business needs, and were potential allies in the task of making the Bell companies more competitive in a deregulated environment.

By the summer of 1982, the national committee had achieved its first goals—designing a cooperative structure and training for teams and facilitators—and were organizing a meeting to showcase its success.

For the next stage, we invited leaders from both sides for discussions. They concluded that good models existed, but required initiative and involvement from management, and only a few innovative leaders were willing to take the risk. Support from the top was needed, including rewards for risk-takers, and a roadmap showing how to manage the process. To encourage support, the national committee planned meetings with the top management of the new regional companies. To develop a roadmap, union and man-

agement staff interviewed exemplary leaders, representing levels from company president and regional vice president to district manager and local union presidents.

Both management and union leaders believe that quality-of-worklife projects are meant to strengthen their organizations, and that a quality-of-worklife project requires teamwork, trust, and coordinating committees that manage the process, but not the content (which must come from the workers). All the leaders interviewed had invested liberally in training and used internal consultants. They stayed with the process, holding frequent meetings, in contrast to some managers who give their blessing and then withdraw.

Union leaders reported the quality-of-worklife projects require them to gain new skills and knowledge. They also commented that intra-union struggles over turf impede the process. It is clear that quality-of-worklife projects deteriorate unless union leadership maintains an active, informed role.

The strike of August 1983 slowed down the momentum, but quality-of-worklife programs emerged intact. Watts is convinced the strike would have been longer and more violent without them. Local presidents I have interviewed agree. They say members recognized the difference between areas which demand cooperation, and those, such as wages and benefits, which are areas of disagreements. In one Bell company where such projects have widespread support, the company president talked to picketing workers and congratulated them for their loyalty to the union. Since the strike, that company has made rapid strides to extend quality-of-worklife programs.

### **Will divestiture affect commitment?**

Both union and management leaders in the divested Bell companies have declared their commitment to quality-of-worklife projects. Internally, the union has used the process to improve its own management at headquarters and in the district teams. But further development depends on the willingness of management to work cooperatively with the union on all factors that influence the quality of working life, and the willingness of the union to understand the new problems of a competitive market. Quality-of-worklife projects must include the design of technology and the organization of work. As management builds more efficient systems, it must consider from the start whether such changes create good jobs. Will workers be "deskilled?" Will work be organized to allow broad learning, including problem-solving skills that are not made obsolete by change? In a monopoly that has been able to maintain high levels of job security, how will management deal with downturns and technological unemployment?

The growth of quality-of-worklife projects requires a developing relationship between management and union built on mutual respect for institutional interests and values. CWA leaders have seen that quality-of-worklife can strengthen the union's ability to serve all its members, not just those with

grievances. Indeed, such projects make the union more attractive to educated service workers. But no union can operate if management threatens its existence. If the new Bell companies pursue a strategy of cutting costs by becoming nonunion, quality-of-worklife projects will wither. If man-

agement sees the union as a potential ally to be brought into strategy, quality-of-worklife projects can guarantee the new companies a highly motivated, flexible, and productive work force. □

—FOOTNOTES—

<sup>1</sup>In 1972, Irving Bluestone, then vice president of the United Automobile Workers, and Sidney Harman, Bolivar chief executive officer, had asked me to help them design and direct that project which pioneered many of the practices subsequently used by GM, Ford, and AT&T. This included a union-management plant-level committee and department-level teams trained to analyze problems and to propose solutions. Bolivar went farther than most subsequent programs in supporting general education and arts and

crafts, as well as technical training. The project was effective not only in terms of work satisfaction, but also in union-management cooperation to gain new business, cut costs, and achieve mutually beneficial early bargaining.

<sup>2</sup>See Michael Maccoby, *The Gamesman* (New York, Simon & Schuster, 1976).

---

**A note on communications**

The *Monthly Labor Review* welcomes communications that supplement, challenge, or expand on research published in its pages. To be considered for publication, communications should be factual and analytical, not polemical in tone. Communications should be addressed to the Editor-in-Chief, *Monthly Labor Review*, Bureau of Labor Statistics, U.S. Department of Labor, Washington, D.C. 20212.

---