

**Events**

Continuing the celebration of ILR's fiftieth anniversary, the spring ICB meeting will be cosponsored with the school's Center for Advanced Human Resource Studies. The theme for the two-day event will be "the new corporation and the employment relationship." Speakers from academia, business, and labor will address topics such as white collar blues, organizational agility and the human resource implications, and union perspectives on changes in the telecommunications industry.

The meeting will be at the Grand Hyatt Hotel in New York City beginning at 9:00 a.m. on Thursday, May 2, 1996, and ending on Friday at 1:30 p.m. To reserve a seat, call Jackie Dodge at (607) 255-6693.

**Electronic Library Alert**

Access to BLS news releases can be obtained through the World Wide Web (WWW) browser at address <http://stats.bls.gov/newsrels.htm>

Changes in the SIC classification system will start appearing in 1997. For more information, check the Web at address <http://www.census.gov/pub/epcd/www/naics.html>

Librarians at the University of North Carolina at Charlotte have created a new Web site for international business information. The address is <http://library.uncc.edu/lis/library/using/services/reference/intbus/vibehome.htm>

**Sabbatics**

ICB Director Harry Katz and Executive Director Robert Landsman are on sabbatic. In their absence, ILR Associate Dean Ronald Seeber and Director of Labor Studies Rick Hurd will organize programs and manage the Institute's affairs.

**Teams: A Tale of Two Plants**  
Marcus and Weisen

A small, family-owned garment maker based in New York City might seem an anachronism in an era of fierce, low-wage foreign competition. But Marcus and Weisen, whose 50 employees produce about 200 girdles a day, is betting that work teams will be the ticket to its long-term survival. The payoff could be delayed, however, by workers' coolness to the team-based incentives.

Several years ago Marcus and Weisen joined forces with the former International Ladies' Garment Workers' Union (recently merged with the Amalgamated Clothing and Textile Workers' Union to form the Union of Needletrades, Industrial, and Textile Employees — UNITE) to design a team production system that would replace the standard piece/sequential-operations method. The intent was to show that American jobs could be saved by competing on efficiency and quality, instead of on wages.

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**Romeo Engine**

The transition to teams occurred quickly at Ford Motor Co.'s eight-cylinder engine plant in Romeo, MI. Once the company shuttered what had been the last remaining tractor operation in the U.S., the 400 surviving employees authorized representatives of the United Auto Workers (UAW) union to negotiate a contract that sanctioned team-based production. Although there remain small pockets of indifference, the vast majority of employees are committed to teams.

Employees have reason to be satisfied with the arrangement. The hourly workforce has grown to 1,000 employees, including 200 new hires. Union members are involved in all facets of production: they perform their own inspections, arrange scheduling, retrieve necessary parts, participate in vendor selection, and work with the engineering staff. Each of the 40 or so teams are jointly led by a salaried team manager, who handles business and financial matters, and at least one hourly team coordinator, who interacts with management, engineers, and skilled trades workers and makes sure team members have the resources required for their jobs. Production workers are cross trained and divided into six classifications, compared to 73 in the tractor

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## Resources

U.S. law requires that employers and labor unions accommodate workers with disabilities unless undue hardship can be proven. To learn more about obligations under the Americans with Disabilities Act (ADA) and how to manage related collective bargaining and human resource issues, ILR's Program on Employment and Disability has developed a series of brochures, issue papers, and training guides in hard copy, braille, or large print, and on audio cassette or computer disk. Contact Susanne Bruyere or Andrea Haenlin at (607) 255-7727, 255-2763 (fax), 255-2891 (TTY), or [smb23@cornell.edu](mailto:smb23@cornell.edu) (e-mail) for a list of publications and price and information about technical assistance and training sessions.

## Publications

For an overview of the costs and benefits of downsizing, as well as myths and facts, case studies, and references, try *Guide to Responsible Restructuring*. Published by the U.S. Department of Labor, Office of the American Workplace, this 35-page publication sells for \$3.25 (stock number 029-000-004544). To order, call the Superintendent of Documents, U.S. Government Printing Office, (202) 512-1800 (fax at (202) 512-2250.) A one-hour video is available from PBS Adult Learning Satellite Service, 1-800-257-2578.

The World Bank's eighteenth annual *World Development Report (1995)* explores the impact on workers of development strategies, international integration, and government intervention in labor markets. Entitled *Workers in an Integrating World*, the \$20 report is also filled with tables that compare international data on topics such as wages, production, government expenditures, imports and exports, net resource flows, health and nutrition. For a copy, call the World Bank book store at 202 473-2941.

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plant. (Skilled trades retained the usual 10 craft divisions, partly to guarantee high quality work and to facilitate training of new apprentices.) Mandatory team meetings encourage all members to share in decisions.

Romeo workers have no interest in reverting to the old ways. "Teams give us the ability to address and fix problems," Dave Weston, plant chairperson of UAW Local 400, told attendees at the fall meeting of the **Institute of Collective Bargaining**. "There can be no take aways on this kind of decision-making process."

The team setup has generated other benefits as well. Product quality at Romeo surpasses other Ford engine plants. Since the plant opened, the number of problems at launch has dropped to 28 per thousand from 37 per thousand; launches at other engine plants have been marred by as many as 160 problems per thousand. Trust between labor and management has blossomed, and some workers are so committed that they work through lunch to finish a job.

A few trouble spots exist. Weston says the stress level is a bit higher, but no one is sure whether this reflects the faster pace of the line or increased stress from the outside environment. Excessive rotation has also caused tension. Although workers at many facilities prefer to stay with the machine or task they know best (see accompanying article), some teams at Romeo were rotating every 15 minutes. Management and the union finally realized this was adversely affecting quality and efficiency and recently agreed to slow rotations to a maximum of once a day.

Union leaders and most members understand the pressures bearing

down on the plant. Says Weston: "We told the company that they closed the tractor plant and if they close the engine plant, it's their fault. We'll do whatever it takes to keep the competitive edge." Weston can be reached at (810) 752-8315. ♦

## Aside ...

Keeping team members motivated is an ongoing challenge in the auto industry. Where workers are cross trained and paid by the number of skills or tasks mastered, many quickly hit the top wage rate and incentives loom large. Small tokens of appreciation, be they free lunch tickets for the company cafeteria, wooden nickels to buy coffee, or team jackets, let employees know their efforts are valued. Workers are willing to give their best, especially when they too get something out of the bargain.

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The one three-woman team now in operation has demonstrated the viability of that goal. Team members are cross trained to perform more than a dozen operations and can produce a girdle from start to finish in 30 minutes. By contrast, throughput in the rest of the plant takes up to three weeks and requires one worker, who happens to be chairwoman of the UNITE local, to walk from station to station distributing bundles of semi-finished pieces for each succeeding stage of the process.

Other benefits from the team setup include more consistent quality, faster response to customer orders, less supervision, lower overhead costs, and more even production schedules. Team members are motivated and proud of their work, they arrive early, and they have the best attendance

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record in the plant. "The team has helped insure our future," Fred Levine, president of Marcus and Weisen told attendees at the fall meeting of the **Institute of Collective Bargaining**.

Unfortunately, the transition to a team-based system is proving slow and difficult. Having learned from prior experience that grafting teams onto the shopfloor was bound to fail, Levine and his colleagues spent months talking to workers about the team concept and employee participation. Management and the union then asked for volunteers to help design the system. Together they identified goals for each party and jointly worked out the supporting structure, including a switch from piece-rate pay to a compensation package that would reflect the increase in skill and responsibility associated with teams. Enough workers volunteered to staff one team.

Despite the massive bilingual communications effort, most workers have resisted the team concept. Many are veteran employees who are not interested in cross training or moving from machine to machine and seem willing to forego the more consistent work year that accompanies team production. The changeover is also complicated by linguistic and cultural diversity. And Marcus and Weisen simply lacks the staff and the resources to keep momentum rolling.

Still, Levine remains optimistic. "We've learned how workers can help us improve the process," he said. "We've learned the importance of buying better raw materials and the need for bilingual communication. And we've learned to show a lot more respect for what people want." Levine can be reached at (708) 361-9025. ♦

## Labor Marches On

Consider the challenges facing organized labor: the percent of unionized workers continues to decline, Congressional conservatives are trying to unwind regulatory and social legislation, the threat of low-wage foreign competition is growing, the gap between rich and poor Americans is widening, and current

labor law makes successful union organizing extraordinarily difficult. Complicating matters is the change in leadership at the highest levels of the AFL-CIO and an unsettled debate over how to revitalize the movement (see Labor's Challenges on page 4).

Labor leaders nonetheless deliver an upbeat message that is underscored by its urgency. Both Lynn R. Williams, former president of the United Steelworkers of America, and Edward J. Cleary, president of the New York State AFL-CIO, acknowledge that the union movement is at a crossroads. They also say that its leaders are well aware of the need for fresh thinking and renewed determination. "If we do not find a way to meet these challenges," Williams told an overflow crowd of faculty, students, alumni, and guests at the pre-Labor Day kick-off of ILR's year-long fiftieth anniversary celebration, "then workers themselves will insist something be done."

Several initiatives are already underway. At the state level, Cleary reported, grass roots lobbying efforts have intensified, union affiliates are stressing cooperative organizing, and the leadership is involved in the national debate on future strategies. Noted Cleary: "If Congress succeeds in transferring decision making to the state level, then the state labor councils will become even more important."

Nationally, the AFL-CIO is also moving into new areas. The federation supports an "Evolution of Work" committee, which looks at innovative ways to make unionism appealing to an increasingly diverse workforce. The "Strategic Approach" committee focuses on creative

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### Related Facts...

Just what do workers think about team-based production systems? Do they use the knowledge acquired in training programs? Are they stressed out, satisfied, committed?

Although teams and other forms of employee participation have become increasingly common, answers to these questions are hard to find. Most research has focused on teams' impact on economic performance. But a new multi-industry study, jointly led by Professor Tom Bailey of Columbia University, is trying to understand how employees view this form of work organization.

Results of a pilot survey that compared nine innovative and traditional apparel plants (including one plant that fell somewhere in between), reveal a mix of expected and surprising attitudes. For example, workers in team modules report a higher use of their knowledge and creativity than do workers in traditional bundle production systems. They report being more challenged and engaged in significant informal, on-the-job learning. On the other hand, employees in traditional plants are more committed and feel less stress than do module workers. Weekly earnings are about the same in both types of plants, although team members receive extra compensation in the form of fewer hours. Workers in the two systems express no difference in levels of satisfaction.

## Labor's Challenges

- How to organize the hundreds of thousands of minority and female workers who toil in low-wage, transient occupations;
- how to redefine and rebuild what has become a moribund political strategy;
- how to derive benefits from the growing wave of union mergers at a time of limited resources and growing demands for local autonomy.

Six panelists, including Harry Katz, Rick Hurd, and Francine Moccio of the ILR School, *Chicago Tribune* labor reporter Steve Franklin, May Ying Chen from the Union of Needletrades, Industrial, and Textile Employees (UNITE), and William Fletcher from the Service Employees' International Union (SEIU), spoke about these matters at the **ICB** fall meeting.

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bargaining and other tactics that suit current socio-political-economic conditions. The Organizing Institute teaches young Americans and veteran workers how to succeed as union organizers. And the merger among the Steelworkers, the United Auto Workers, and the International Association of Machinists presages a new style of labor organization with the clout and resources required in an increasingly hostile environment. ♦

## ICB briefing

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## Data Alert

The Conference Board is taking responsibility for the preparation and dissemination of the composite indexes of leading, coincident, and lagging indicators. The Department of Commerce will withdraw from this arena during the coming months. Changes in methodology and composition will not occur during the transition.

The Census Bureau reported that the bifurcation in job growth for men between relatively high- and low-wage jobs is continuing. About 23% of adult men who found fulltime work between 1991 and 1993 accepted entry-level positions that paid poverty-level wages. This figure is roughly comparable to the number of men who found jobs paying an average of at least \$600 a week. ♦

## ICB briefing

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