

THE ACADEMY OF ELECTRICAL CONTRACTING

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Labor-Management Relations  
A Formula for Success  
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This paper assumes today's progressive electrical contractor is sincerely interested in his community's economic growth - that he is serious about trying to understand and to be understood by his labor force - that he is concerned about productivity and would like to discuss it with his employees - and, finally, is a little worried about the "Bad Labor Image" of his "town."

The following chronologically listed news headlines tell a success story regarding labor-management relations in Evansville, Indiana.

BAD LABOR IMAGE TARGET OF COMMITTEE, Evansville Press, August 13, 1975.

CITY OUT TO WHIP "BAD LABOR" IMAGE, Evansville Courier, September 6, 1975.

UNION-BUSINESS DINNER TOLD CITY'S IMAGE NEEDS REPAIRS, Evansville Press, September 6, 1975.

"THE MYTH" (STOP EXCUSING THE CITY'S POOR IMAGE), Evansville Press, lead editorial, September 6, 1975.

WHEN YET ANOTHER COMMITTEE IS GOOD NEWS, Evansville Press Editor's Notebook, September 1975.

IN A "BAD LABOR" TOWN THE ENEMY IS US, Evansville Press, February 7, 1976.

AREA PANEL TO RECEIVE NATIONAL NOD, Evansville Courier & Press, April 25, 1976.

FIXING A BAD LABOR IMAGE, Evansville Press, May 4, 1976.

LABOR-MANAGEMENT PROGRAM TO AIM AT "BAD LABOR" IMAGE, Evansville Press, October 26, 1976.

UNION, COMPANY LEADERS TO MEET DURING SEMINAR, Evansville Courier,  
October 27, 1976.

LABOR-MANAGEMENT MOVING SLOWLY, BUT MOVING, Evansville Courier & Press,  
April 10, 1977.

LABOR-MANAGEMENT COORDINATOR SAYS ACCENTUATE THE POSITIVE, Evansville  
Press, August 16, 1977.

ZENITH PLANS TO HIRE UP TO 200 MORE IN CITY, Evansville Press, Spring 1978.

LABOR-MANAGEMENT COMMITTEE MAKING PROGRESS, Evansville Courier & Press,  
March 12, 1978.

FEDERAL MEDIATOR IS SPEAKER FOR LABOR-MANAGEMENT DINNER, Evansville Press,  
May 17, 1978.

LABOR AND MANAGEMENT, TOGETHER, Evansville Courier, May 27, 1978.

MEDIATOR TERMS GOVERNMENT COURT OF LAST RESORT IN DISPUTES (FEDERAL MEDIATION  
DIRECTOR, WAYNE L. HORVITZ, SPEAKING AT THE ANNUAL DINNER OF THE EVANSVILLE  
AREA LABOR-MANAGEMENT COMMITTEE), Evansville Press, June 6, 1978.

IN EVANSVILLE IT'S A WHOLE NEW BALLGAME...WHIRLPOOL GETS AN EARLY BIRD  
SETTLEMENT, Federal Mediation and Conciliation Service Newsletter, The  
Mediator, June 1978.

LABOR AND MANAGEMENT: WORKING TOGETHER, Indiana Department of Commerce  
Monthly Magazine, Indiana, November 1978.

DINNER MAY DRAW 1,000, Evansville Press, May 1979.

BOTH SIDES HAVE TO KEEP TALKING, LABOR, MANAGEMENT OFFICIALS AGREE,  
Evansville Courier, May 24, 1979.

A SUCCESS FORMULA, Lead Editorial, The Evansville Press, May 1979.

COMMITTEES OF LABOR AND MANAGEMENT ENJOYING RESURGENCE IN COMMUNITIES,  
The Wall Street Journal, August 8, 1979. Byline Evansville, Indiana.

"IT COULDN'T HAVE HAPPENED HERE FIVE YEARS AGO."

MAYORAL CANDIDATE SHEPARD WOULD APPOINT LABOR ADVISORY BOARD, Evansville Press, October 19, 1979.

"PULL TOGETHER," LABOR BUSINESS LEADERS AGREE, Evansville Courier, May 1980.

GOVERNOR ORR SELECTS EVANSVILLE MAN FOR STATE LABOR JOB (LABOR MEMBER OF THE EVANSVILLE LABOR-MANAGEMENT COMMITTEE BECOMES INDIANA'S COMMISSIONER OF THE STATE'S DIVISION OF LABOR), Evansville Courier, January 8, 1981.

The success is obvious, but under these headlines is this story.

In the long history of industrial development in the United States, management and labor have traditionally been adversaries. Evansville, Indiana, was no exception. Prior to 1975, Evansville had a reputation as a "bad labor town." Strikes were common; mistrust was rife. It was perceived by many, including local representatives of the Federal Mediation and Conciliation Services, that most problems resulted from inadequate channels of communication between top management and labor officials.

The conclusion was obvious. A combination of a poor labor image and inadequate labor-management communications nourished each other, creating an atmosphere detrimental to Evansville's stability and growth.

In the summer of 1975, responding to the request of Federal Mediation and Conciliation Service's Mr. Leon Grove, ten men met for the purpose of establishing a committee to concern itself with the relationship between labor and management in the Evansville community. Five of these individuals were owners or managers of Evansville businesses. Five of them were leading officials of Evansville's major unions.

Officers were elected and a By-Laws Committee was established. Meeting several times a month for the next several months, by-laws were presented, corporation papers were filed, and the organization was in business. The by-laws had the following statement of purpose:

"The object and purpose of this Committee is to provide a forum through which labor and management representatives can work to promote and maintain good and harmonious labor relations in the Evansville area.

"The Committee shall concentrate on improving communications between labor and management through informal meetings, conferences, or other means necessary to achieve the purpose and objectives of the Committee. The Committee shall not interfere in labor-management disputes under any circumstances."

The initial news release added the following comment:

"The formation of this Committee has grown out of the recognition on the part of leaders of both labor and management. That a positive force is needed in the community to assure a constructive atmosphere in which labor and business can conduct affairs of their mutual concern and resolve their differences in a way that serves the best interests of the entire community."

Two months after the formation of the Committee, a joint "kickoff" dinner was held. Featured speakers were Mr. C. R. Cook, former Chairman of the Board, General Foods Corporation; and Mr. Paul Jennings, President of the International Union of Electrical Radio and Machine Workers. With extremely short notice and questionable planning, this dinner included almost 500 representatives of labor and management -- the interest and support of the Evansville community was obvious.

The Committee sensed and accepted the philosophy of achieving slow but steady progress. Each member of the Committee was recognized as an individual with particular problems, concerns and feelings. No decisions were accepted without the consensus of all members. Any member could stop an action simply by expressing opposition.

And progress continued. The Committee asked for and held a joint meeting with the Republican Mayor of Evansville and the Democratic Congressman from the Evansville district, telling them of the need for money while warning there must be no political strings.

Using the Evansville Manpower Consortium as the funnel, federal funding was obtained. Justification of this funding was as follows:

1. The Committee's efforts would open new channels of communication between labor and management.
2. The bad labor image of the Evansville-area labor market would be dispelled.
3. Frequency and duration of work stoppages would be reduced.
4. The number of job opportunities in the area would increase.

With funding intact, the Committee saw the need for a full-time staff director. Even here, sensitivity to position was recognized, and the Committee elected to advertise for a "Coordinator" not an "Executive Director," feeling the need for a coordination of policy and not for a "director."

Splitting the cost amongst the ten Committee members, an ad was placed in The Wall Street Journal. Approximately 100 applications were received! Narrowing the list to about ten of the best of these applicants, they were invited into town on the same day and scheduled one-hour individual interviews. The whole Committee was invited to participate as their individual work schedules allowed.

The Committee had, by this time, worked together as a team for approximately a year, and in this interviewing process, a most significant and interesting phenomena was discovered. We found that as each of us would individually explain to the potential coordinator candidates the ideas and activities we hoped a coordinator would accomplish in Evansville, we found it made no difference whether it was a labor representative or a management representative doing the talking. Lo and behold, we had met so often we had learned to communicate more than we had ever thought possible, and to agree so completely on our goals we honestly couldn't tell whether it was management or labor expressing an opinion.

After working with the Committee for six months, the newly hired coordinator, Mr. Christopher Abbott, is quoted in the Evansville Courier & Press as follows:

"People think of the Committee as a panacea, something that can solve problems right away. But it takes a long time."

Abbott goes on. "The Committee's mission to tackle the 'bad labor town' image of Evansville will not be quickly accomplished. We have to change the image by identifying and handling specific problems in specific plants."



Accordingly, the Committee went about determining those specific solvable problems, and through various meetings and seminars arrived at the following priorities.

1. To establish and maintain "inplant" committees, consisting of members of management and labor in specific plants or projects, meeting together with third party motivation, to work at non-controversial, solvable problems.
2. To promote better understanding on the part of the news media for the dynamic interaction existing between management and labor in times of crisis.
3. To expand the present Committee by establishing a larger base for labor-management cooperation, suggesting a 50-person labor-management council.
4. To continue the practice of annual dinners wherein labor and management leaders might share a meal and listen to nationally known business and labor executives.

These priorities have been continued. Inplant committees are now functioning in several local industrial plants and more are planned.

Reporters from television, radio and newspapers have attended seminars with representatives of both labor and management to learn of problems with inaccurate and irresponsible news reporting during times of extreme labor-management stress. And we have attended seminars to learn of their problems. The change of attitude of the news media has been astonishing!

As a union member of our Committee has said, "Some of our problems are still with us, but the new method of reporting certainly makes them seem less significant."

The Committee has expanded and now -- in addition to the Committee -- Evansville has a functioning Labor-Management Council consisting of approximately 40 additional labor and management leaders of the community.

Annual dinners have continued with attendance reaching nearly 1,000 individuals, representing the total spectrum of labor and management of the Evansville Metropolitan area.

The success of the Committee's various efforts might best be presented by quoting Mr. Elisha "Bud" Gray, former Chairman and Chief Executive Officer of Evansville's major employer, the Whirlpool Corporation, when, in May of 1979, he told nearly 800 individuals at the annual labor-management dinner as follows:

"What the Committee is doing about the community image as a bad labor town is the most exciting thing I have seen in a long time."

"Already," Gray continued, "the effectiveness of this Evansville plan has attracted national attention for its constructive accomplishments, and well it should."

Gray continued, "This labor-management project is the best tool that I could imagine for accomplishing the goals of both parties. If you will keep this momentum going, your city-wide accomplishments will accelerate, I guarantee you. If you think Evansville has been a good place in the past, and it has, you'll be surprised at how much better it can be in the future. The economic development that results from this cooperative effort will improve the quality of lives for all of the people in the community."

Twelve days later, PPG Industries broke ground for a \$25 million plant in Evansville, stating when they did so that they would not have selected Evansville had it not been clear that Evansville had eliminated the bad labor-management climate.

The work of the Committee goes on, receiving statewide as well as national attention. Just recently, the new Governor of Indiana reached into the Evansville Labor-Management Committee and selected a labor member as the Indiana Commissioner of Labor.

Within the last several years, the concept of community-wide labor-management committees has been developed in communities other than Evansville, and organized in 1978 is a National Association of Area Labor-Management Committees. The present Evansville Coordinator serves on the 15-member national board of that Association. This writer is also on that board and is the Association's Secretary and a member of its three-member Executive Committee.

The Federal Mediation Service in February of this year, after considerable lobbying effort by the National Association, received a \$1 million grant for the purpose of assisting the establishment of new community labor-management committees, as well as for the fostering of the existing committees.

A dramatic change has occurred in the relationship between management and labor in Evansville, Indiana. It is no longer "fashionable," it is no longer the "in thing" to air grievances in the news media.

Rather than expecting a strike, the leaders of management and labor are "expecting" to settle. We have a "climate" for understanding and not the tension of a pending crisis.

Communication and cooperative efforts between parties of the labor-management community in Evansville have made understanding personalities out of remote adversaries.

In Evansville, in the industrial community, a group of men determined and committed to cooperation and understanding have made significant progress.

While some of the problems in our industry are different, similarities are obvious: The need for effective work relationships, the prevention of problems before a crisis atmosphere develops, the elimination of personality-based problems, the development of leadership (particularly in labor, where opportunities are limited), and the development of atmosphere conducive to productivity discussion, are suggested applications to our industry.

To the members of this prestigious Academy, and to our Association's competent and progressive leadership, I offer a LABOR-MANAGEMENT FORMULA FOR SUCCESS.