

CHAPTER III

INDUSTRIAL RELATIONS PROBLEMS OF EMPLOYING THE DISADVANTAGED

I. INDUSTRIAL RELATIONS IMPLICATIONS IN HIRING THE DISADVANTAGED

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No one needs to be reminded that America is in the throes of a soul-wrenching urban crisis. The riots of Watts, Detroit, and Newark focused national attention on our cities and their problems. They made it abundantly clear, had there been any doubt, that many of our citizens are dissatisfied with their plight and the status quo and that change is essential.

The responses to this unrest will be as varied as the causes giving rise to it. If they have a common objective, it likely would be to meet the urgent aspirations of the poor for dignity and self-respect. Providing jobs will not be enough, for the problem is deeper and more complex than that. Employment is only part of the answer, but it is an indispensable part. A man without a job who cannot support his family is unable to hold his head high. If he can't participate in the system, then he may seek to change it. The simple fact is that all our citizens who want to work must be able to find rewarding employment. Without the jobs, there will be no workable solution.

It is clear that government alone has not been able to solve this problem and that other elements of our economy and society must become involved. Today the heads of U.S. businesses are spending a good deal of their time, company money, and know-how in efforts to find jobs for the hard-core unemployed.

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Business has undertaken this role because it wanted to assist in relieving the deep human frustrations of unemployment among the disadvantaged and because it is clear that the government can't meet the need without major help. This role is entirely consistent with the responsibility of business to conduct itself soundly and profitably. Business also recognizes that it has the jobs and can best relate the necessary recruitment and training to employment needs. At the same time, business knows it has a stake in a peaceful, healthy community. As Mr. Henry Ford II said in a recent letter to company management, "By helping people to help themselves, we can help cure a social cancer that threatens the vitality and peace of the communities where we do business, to reduce the costs of welfare and crime and the taxes we all pay, and to enlarge the markets for our products."

Making the disadvantaged into productive employees is not easy. Most of them have longstanding impediments to employment. All suffer from either educational shortcomings, police records, spotty prior work experience with frequent job changes, extended unemployment in the relatively recent past, medical problems, or some combination of the foregoing.

For many, these problems have created a failure syndrome. Prior job experience has confirmed to them what they believe they can expect in the future. Those who have known only infrequent employment, and then generally in low-paying menial jobs, are not easily convinced that things are going to change for the better.

Employers who hire the disadvantaged begin, then, with persons who frequently can't measure up to many others available in the labor market. This requires, of course, a complete change in hiring tactics. But mostly it requires a change of mind, an intent to screen in rather than screen out. A company cannot for long follow noncompetitive hiring practices, but it can look for innovative ways to include the hard-core unemployed in its employment plans and not adversely affect the quality of its workforce.

Employment Procedures

Once this decision has been made, an employer must consider what employment procedures should be changed. Perhaps the

most difficult problem is whether the disadvantaged can be measured and treated by standards different from those used for the rest of the workforce. Can employment eligibility be different for the disadvantaged? Can job performance be lowered for this group? Can an employer hold back longer or be easier in imposing discipline on the disadvantaged than on others? These issues arise at the hiring and persist to the firing gate.

Let us look first at the problem of hiring qualifications. How it is handled is critical, for ultimately it influences the quality of the workforce. The danger lies in slipping into action that has an unwanted impact on the workforce skill level. It is easy to justify a lowering of hiring standards for a few on the basis that an emerging corporate consciousness now requires it or that the workforce quality can't be hurt very much. This route becomes particularly attractive to employers faced with strong demands from militant minority or civil rights groups.

Of course, an employer should assure that his employment standards do not exclude applicants for irrelevant reasons. Some employers may unknowingly keep good workers from employment, even in times of tight labor market conditions. This is an obviously short-sighted and damaging action for the employer; it is always injurious to the rejected applicant. If tests are used, should they be stopped? If not, are they predictive of job performance? Should hiring be done on off-plant premises? Are recruiting sources appropriate for reaching the hard-core? Is any financial assistance indicated, at least at the outset? Have entry-level jobs been analyzed to see if they are broken down into simple requirements? What kind of training programs are required? Have the company's affirmative action program and other personnel practices been reviewed and updated?

Entrance standards that survive this kind of review will be based on realistic job needs and, at the same time, should assure a workforce competency that does not place the employer at a disadvantage with his competitors. Relaxation of hiring standards without regard to job needs ultimately results in such a disadvantage and can be a costly course to pursue. Realistically, we all know that productive jobs can't be created out of thin air or sustained by the goodness of our hearts.

Rather than permit a lowering of workforce skill level, then, employers wishing to hire the unqualified disadvantaged must raise the applicant's level of qualification. No one has all the answers as to how this might be done. We are learning as we go. Much of the training is costly and experimental, but there is substantial evidence that this can be a fruitful effort and, with government funding, under appropriate circumstances many of the costs can be offset. In fact, it has been surprising to some, including us at Ford, how many of the so-called hard-core who are thought to be unemployable are in fact employable. Through our Detroit Inner-City Hiring Program, we have hired 5,500 of the so-called hard-core who have performance and turnover experience comparable to others hired through conventional procedures during the same period.

Job Performance

Next, what about performance and conduct on the job? This, of course, is the ultimate test for this or any other hiring program. It is not enough merely to hire. The real job is to do what we reasonably can to help newcomers make the grade after they are hired. The problems run from job skill training to questions of punctuality, attendance, defiance of authority, and quasi-criminal acts. Quick dismissal in such circumstances leads to high turnover experience which is, of course, extremely costly to employers. Thus, it is in the self-interest of the employer and the interest of the employee to make him a productive, continuing member of the workforce.

This much having been said, can we permit a lower standard of job performance or conduct for the hard-core? We often are admonished to lend a helping hand and to be more patient or tolerant of substandard conduct. Of course, employers must be prepared to exercise forbearance during the initial period a new employee is on the job, and we are learning that, for some, sizable doses of personal counseling and supportive service may be required as well. But again, as in the case of his entrance eligibility, the employee's job conduct must reach the industrial norm. Reasonable and relevant rules assume that nonconforming conduct should not be tolerated. Moreover, even if a job foreman could ad-

minister a dual standard, it is not likely it would be acceptable for long to fellow workers expected to behave on a different level. And, most important, we believe that the hard-core employee wants to be treated the same as any other person. We find he wants, as soon as possible, to become a part of the regular workforce and subject to the same rules of conduct as all other employees.

Actually, what now seems to be emerging from our recent concentrated attention on the hard-core is a realization that rather than devising special treatment for them, we really need to be applying the same enlightened practices to our whole workforce. This realization may well be one of the greatest benefits of our preoccupation with the supposed employment problems of special groups.

Quality of Supervision

One of the most important factors in attaining—and maintaining—a well-performing workforce is the quality of its first-line supervision. It is at this level that the employer confronts the employee most directly. It is here that the company's personnel policies are seen most intimately by the employee. It is as important for the foreman to be trained in dealing with his employees as it is to assist the new employee in becoming adjusted to the workforce.

The first thing that has to be done is to get management at all levels committed to the effort. In this sense, commitment is not necessarily a state of mind. More important, it means involvement and action. It may be an impossible task, perhaps even an improper one, to make each member of supervision agree in all respects with company policy. But they surely can be made to understand that it is part of their job to act in accordance with that policy.

It is surprising how often lack of information of the corporate policy is the reason for inadequate supervisory response. A communication void may suggest to some that the company is actually unconcerned about supervisory actions in these matters. Companies that have a firm equal employment policy and want it im-

plemented effectively must see to it that line management knows what is expected of it.

At Ford we have learned a few things about the training of supervision as well. Our first effort was directed at acquainting foremen with their responsibilities in helping the new employee succeed on the job. We described the help which the disadvantaged would need in adjusting to fellow employees, his foreman, and new, possibly frightening, surroundings. While we were careful to caution that we could not ignore unacceptable behavior or job performance, we also stressed the importance of helping these employees become productive members of the workforce.

Our experience has shown that some of the so-called hard-core unemployed who meet our hiring standards do have special employment problems and require special efforts to help them adapt to the industrial climate; but it also has confirmed that good supervisory practices and techniques are as effective for the hard-core as they are for the rest of the workforce. We were reminded of the importance of making the new man feel at home on the job and, as the old rule says, of treating him as we would like to be treated—not as another pair of hands that can be replaced from a bottomless well of manpower. We must take the time to instruct him effectively and to see that he is properly broken in on the job. When he encounters a problem, help him resolve it. It is neither good business nor good sense to write off a man until we have given him all the help that he can reasonably expect. This is said not only in an employee relationship sense, but also from the standpoint of the employer's economic self-interest. I need only mention the costly and frustrating problems of absenteeism and turnover to remind us all that any contribution made to longer employee job tenure is eagerly sought by every employer.

Now let us touch briefly on a point that has had little attention by most managements. What help should there be to the supervisor if we require him to meet the special needs of the newly employed hard-core? This problem will require a whole new orientation by management. Supervision that is asked to produce for a period with underqualified employees must be supplied extra employees or more supportive assistance if it is expected to meet normal production targets. At my company we have been experi-

menting with the problem in different ways. In some departments we have decreased the foreman-to-hourly ratio; in other cases we have added counselors, assistant foremen, or other members of supervision. The cost of such allowances is obviously going to have an impact on present supervision performance measures.

Opportunities for Upgrading

The opportunity—or lack of it—for promotion and job betterment has increasingly important personnel implications. While those without work quite naturally seek first to secure employment, it is not long before many look for better jobs. This is not surprising. Basically it is what underlies the civil rights movement itself—a yearning, a struggle for self-improvement.

Qualifying the disadvantaged for promotion, however, is apt to prove difficult. Most of them will have educational shortcomings. To begin with, managements wishing to help remedy these deficiencies will have to develop and perhaps underwrite training and education programs for that purpose. But, even when available, program utilization may be low, especially where there is no immediate associated job or wage improvement, as is often the case.

For the trapped employee, dissatisfaction is often the result. This is frequently reflected by deterioration in his work affecting product quality, increased absenteeism and turnover, and intensified behavioral problems. And for the longer run, an employer finds his pool of employees qualified for promotion is smaller. This same condition is likely to result in increased pressure, whether there is a union present or not, for seniority to be determinative in job movements.

Employee eligibility is only part of the answer to the question of upward mobility. Equally important is the presence of promotional jobs and the belief among employees that they are attainable with reasonable effort. Increased opportunities in higher level, white-collar jobs is especially critical, but providing these is no easy task. Generally, it seems there are not enough better jobs to go around. Often, however, this is because management has done little, if anything, to invite attention to available jobs or to

publicize the means of getting them. It would be pleasantly surprising, I think, to learn how much employers could improve the promotional climate in their plants merely by making employees better informed of already existing paths to better jobs and the advantages of using them.

At the same time, managements will have to be more creative in making jobs better and more interesting. Can a reassignment of job elements or job mergers add a degree of responsibility or a variety of skill that upgrades the total job? How many of the more mundane operations can be eliminated or done mechanically? Job improvement efforts will not always be fruitful, nor can all employers profit from them. Sometimes they may appear inconsistent with the need to keep some entry-level jobs as simple as possible for the incoming low-skilled employee. Nevertheless, job improvement can enlarge to some degree the pool of better jobs and must be considered in any program designed to cope with the upgrading problem.

Union Cooperation

Where unions are present, their participation and cooperation are necessary to make employment programs for the disadvantaged totally effective. They can help make the new employee welcome on the job, assist him in getting along with fellow employees and in solving his personal problems. Attitude and desire are required and, if present, can go a long way to making the day-to-day plant relationships work.

The need for union accommodation will vary by industry, company, and other circumstances. Where accommodation is desirable, it sometimes may be difficult for unions to make. Can they agree to seniority bypasses for trainees in periods of layoff? Can they agree to extension of probationary periods for the marginally qualified? And, from their standpoint as well as management's, what about a more relaxed standard of behavior for the disadvantaged? In a word, what kind of, and how much, special attention can a union realistically be expected to give to one segment of its constituency? Indeed, in certain areas such as seniority, a union may have little control over what happens. We are now witnessing government efforts in the courts and through admin-

istrative agencies to achieve modification of seniority in agreements in the paper and steel industries.

Nor is union participation apt to end up a concern of the unions alone. Union participation in programs for the disadvantaged can involve some deviation from the labor agreement or the normal personnel procedures of the employer. Managements who are wary of efforts to enlarge the union's role in contract administration might see this as a distinct threat to management's ability to operate efficiently.

Union Government

Of much more significance to unions, I believe, will be the possible changes in union hierarchy as the racial composition of the workforce changes. This will occur without special programs to hire and train the disadvantaged, but these programs will be adding to its pace and perhaps to its acceptability. (While the disadvantaged are not exclusively Negroes, they are disproportionately represented.) Plants with increasing numbers of Negroes in the workforce will have more black leaders. This will be reflected at regional and national levels as well. Only a few months ago, for example, the first Negro was elected a UAW Regional Director, replacing the deceased Joe McCusker in UAW Region 1-A Detroit. The press recently reported that the International UAW is also studying steps to increase the percentage of black international representatives on its staff.

At the same time, the union's role as bargaining agent may be diluted by the need of both unions and employers to confer with Negro in-plant groups on some problems and on some occasions. Even now it is frequently heard that the black interests feel they are not adequately represented by the white leadership.

One of the results is that discrimination claims frequently are filed simultaneously with government fair employment practice agencies or the courts and also under the parties' contractual grievance procedure. To the degree that the government appeals are more productive, employees will tend to pursue that route and circumvent the contractual procedure. Care must be exercised by management to see that such cases are resolved in the appro-

priate forum in such a way that union relationship problems do not arise as a consequence.

The waves—or ripples—of each union political problem are felt by management. As the varieties of in-plant interests keep enlarging, management's job becomes ever more difficult. It appears that the Negro, like the skilled tradesmen who recently have achieved special recognition as an interest group, has learned how to get special attention.

The changing racial composition of the workforce also has its effect on relations between fellow employees. The same feelings, frictions, and frustrations often found in the community are sometimes present at the plant level, although perhaps not as intensely since the confrontation is not as complete. The whites may see the problem of employing the hard-core as a threat to their job security or advancement. The blacks may feel that their progress is not enough or not coming fast enough. And some of both whites and blacks may see the problem quite directly as a racial one. Of course, managements must maintain order in their plants. At the same time, they must also insure fairness, equal opportunity—in a word, industrial justice. Here again, there is no easy solution; but much like other problems with which managements contend, the problem of employee racial relationships must and can be managed.

Role of the Arbitrator

And now let me make a few comments about the role of the arbitrator in cases dealing with the disadvantaged. Certainly, the nature and the frequency of some of the issues arbitrated will change. The question of testing for promotions and its relevance and validity will be more prominent, for example, and I would expect that in this procedure, as well as in other arenas, we will see more cases dealing with discrimination. The presence of this issue will make the already difficult promotion and disciplinary cases even more vexing.

More important than the changing character of the issues, however, is the role assumed by the arbitrator in dealing with them. His role, absent contrary language, is to interpret and apply

the agreement, not to make it. From long involvement in the arbitration field, I know that it is often difficult to stay within this constraint. But as difficult as it may be, that is the arbitrator's assignment. No arbitrator—regardless of how familiar he might be with the parties or their problems—is really close enough to make their agreements for them. He cannot really know whether dual standards of discipline should be imposed, for example, or whether training programs should be instituted, or seniority provisions modified. To the casual observer, his solutions to the problems may seem to be most equitable and fair. However, the arbitrator's job is not to effect such solutions but to operate within the contractual limits of his authority.

At the outset, I noted that it would not be easy to make the disadvantaged productive employees. There will be false starts and times of uncertainty as to what will work. But what augurs well for the chances of success is that industry has joined the effort. It has the tools, the skills, the ability, and, most important now, the determination to make a meaningful contribution. The business community knows the task is urgent. The deeply imbedded problem of hard-core unemployment must be rooted out because it threatens our national health. Part of the quality of America must be the assurance that every man has a truly equal opportunity to earn a decent life. Employer efforts to employ the disadvantaged are the best bet to make that chance real.

II. INDUSTRIAL RELATIONS PROBLEMS OF EMPLOYING THE DISADVANTAGED

SAUL WALLEN *

This subject, "Industrial Relations Problems of Employing the Disadvantaged," in its broader reaches is one of profound significance for both practitioners and students of labor relations.

Out of the turmoil of the thirties and early forties, there have developed orderly procedures for the determination of wages, hours, and working conditions, and for the resolution of day-to-

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