Towards Taming the Labor-Management Frontier: A Strategic Marketing Framework

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ABSTRACT. Turbulent changes in the American business landscape over the past several years present a potentially ominous future for our society. The confluence of corporate downsizing, declining unionism and the surging preference for hiring part-time/temporary workers poses a threat to the very existence of our blue-collar middle class. Furthermore, when these conditions are juxtaposed against prevailing corporate rhapsodies to employee participation programs and a teamwork approach to quality improvement, the scenario becomes absurd.

Solutions to the societal and workplace problems we face require both ethical and practical attention. This paper examines current labor-management hostilities from the Mutual Trust perspective on morality. Furthermore, I propose a strategic internal marketing framework as one mechanism for trust-building at the labor-management frontier. The premise for the study is that as a society we will be better off with the system of checks and balances which labor unions can provide; that positive business performance will result from cooperative rather than adversarial relations; and that to be a premier player in the global economy, we must replace worker cynicism and detachment with hope.

Recent headlines in the business news taken collectively portend jarring structural changes in nearly every sector of the U.S. economy. From Sears to May Company in retail, from IBM to aerospace in high-tech, from Babcock & Wilcox to sewing machines in manufacturing, we seem to be hemorrhaging blue collar and managerial jobs. Reasons for the layoffs and plant closings are attributed to diverse causes including years of recessionary pressure, the end of the cold war and diminishing demand for military goods; and new opportunities in Mexico as well as other offshore locations.

As the dust begins to settle from this massive "reinvention" of the corporation, there is an urgent need for business practitioners and academicians to address the ethical dilemmas posed by the new business landscape. We need to collaborate and find the appropriate mechanisms to ensure that U.S. industries are competing in the global economy in a manner that is both fiscally and socially responsible.

This paper focuses on the examination of current trends at work in the U.S. marketplace and proposes a strategic framework for the ethical conciliation of the traditionally adversarial relationship between big business and labor unions. The underlying premise is that we, as a society, will be better off with both of these institutions – corporations *and* labor unions – than without them.

Current trends

Employment practices

The U.S. economy is increasingly services oriented, union membership is declining, and there is a dramatic rise in the use of contingent (part-time, temporary) workers.

According to one source: America's largest employer is no longer GM or IBM, but Manpower, Inc., a temporary employment agency;

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in 1992, while the U.S. economy was generally stagnant, temp jobs grew 17%; one of the largest financial services companies in the country will soon have fewer than 20% of its employees working full-time (Walljasper, 1993: p. 154). Furthermore, recent statistics show that the hotbeds of job growth between November, 1992 and December, 1993 are health care jobs (up 3.7%), financial services (up 2.8%) and autos and trucks (up 4.0%). While these increases are moderately promising, consider the rise in temporary services in the same period of time: 19.1% (Smart and Gleckman, 1993: p. 35). One author interprets the statistics to issue a rather cynical and bleak warning to policy makers: "Lawmakers who believe that the federal debt is America's biggest problem need to trade in some of their frequent flyer points for a ticket to the real America, where they can taste the despair hanging over city avenues and small town streets. Hopelessness is in the air because people know there's a slim chance of getting a good, steady job that offers health benefits and decent pay" (Walljasper, 1993: p. 155).

Bartkowiak (1993) also examines the trend toward part-time employment as a low wage/high turnover hiring philosophy. She argues that this is a short-run cost-cutting solution that is neither advantageous for the company in the long run, nor societally ethical. The consequence of hiring temporary or part-time workers ultimately will be higher costs to the company (initial training, employee theft, absenteeism) and a lack of employee loyalty inhibiting productivity and quality. Furthermore, the societal consequences of the low wage/high turnover model will be a permanently entrenched core of poor people with little or no savings, retirement benefits or medical insurance. The quality of life for these employees and their children is being severely damaged by this trend and Bartkowiak concludes ". . . that many businesses are willing to ignore the needs of the employee for a short term increase in profits for the company. Thus legislation will be required to alter the business practice of adopting a part-time employment policy" (p. 815).

Unionism

A concurrent or perhaps consequential trend in the business environment is the decline in union membership. Unions represent only 11.5% of the private labor force, down from 16.8% ten years ago and 35% forty years ago (Noble, 1993). The tremendous loss of manufacturing jobs, the traditional union stronghold, has not been viewed as alarming, because of the rapid increase in services-related jobs. The macroeconomic data show a steady decrease in national unemployment, with 18 million new jobs created over the past decade. The Government data mask the fact that most of these new jobs are either part-time, temporary, and/or in traditionally lower-paying service jobs. The problem then, is that ". . . two or even three of those jobs together don't provide the same kind of economic security as one of the old-fashioned, full-time, well-paying union jobs that we're losing in droves" (Walljasper, 1993: p. 154).

Lynn Williams, former president of the United Steelworkers of America states the issue succinctly; "One cause of our country's problems is that we spent the 1980s pretending it didn't matter if we made microchips or potato chips . . . To the extent that we have said manufacturing does not matter, we have done severe damage to the standard of living in the United States and to the U.S. economy as a whole" (Noble, 1993: p. 118).

It should be noted that the decline in union membership reflects the elimination of union-held jobs, rather than the members deserting. The result is that a large number of previously well employed people with highly technical, industry-specific skills are scrambling to find janitorial or odd-job employment simply to keep their families afloat. The once proud, blue-collar elite are being told to cede their pride of place to an ascendent new class – temps or "just-in-time" workers. The workers who can be used when needed and then discarded. Corporations argue that the flexibility afforded by these hiring practices, and not having to deal with the cumbersome restraints of union work rules and collective bargaining is the best way to remain profitable, competitive and adaptable in the turbulent world economy.

From the moral and ethical perspective, however, by adopting the non-union, temporary worker philosophy are we not in danger of polarizing U.S. society into an elite cadre of corporate managers and professionals existing inside a nation of permanently underemployed and disenfranchised workers? As a society, we must consider the reflections of one United Auto Workers member: "(Our local union's) . . . members have decreased in membership over the last two years by over 55% Many good workers have lost their jobs. The jet engine business calls it downsizing, consolidation, streamlining – but the effects are still the same. Union members are losing jobs. What will become of the working class? Only the Lord knows" (*Solidarity*, 1993: p. 5).

Internal markets

A third trend contributing to the ethical dilemma facing U.S. business, in my opinion, is the surge of importance afforded to the quest for total quality through employee involvement programs. From a marketing perspective, the basic premise is intuitively simple: When *every* employee is actively focused on delivering superior value to its market, customer loyalty will increase and profits will rise. But in order to achieve this self-reinforcing system, employees must be involved, empowered and participative within the organization.

Internal marketing, a concept originally applied to service organizations, involves focusing a company's marketing efforts not only on its external customers, but also on its employees as internal customers. The underlying tenet of the model is that by coordinating the efforts of marketers and human resource managers to identify and address the needs and concerns of employees the work environment and morale will improve and thus service to external customers will also improve (Lovelock, 1992: pp. 29–30).

The importance of the employee-customer relationship in a service setting is critical to building customer loyalty. For example, when a guest encounters a problem at a hotel, how the complaint is handled by the employee behind the front desk is far more important to the guest's overall perception of the hotel than any policy written by the owners/executives. Thus, the internal marketing agenda is represented graphically as a pyramid with management at the top, with internal customers and external customers poised as equal recipients of marketing efforts along the base.

The importance of creating a company that is conducive to employee satisfaction in order to achieve customer satisfaction has given rise to a plethora of employee involvement programs in corporate America. Unfortunately, these have been primarily ad hoc programs rather than evolving as an integral component of a company's basic business strategy (Reichheld, 1993: p. 64).

The tenets of internal marketing have been expanded beyond the services sector to a means of improving new product development and implementing cross-functional integration especially with respect to R&D and marketing (Gupta and Rogers, 1991; Moenaert *et al.*, 1994). Indeed, one author looking to the future of work in our society, feels that any distinction between services marketing and product marketing will become moot: "Truly understanding the emerging economy takes a change of mindset or, inevitably, of paradigm: from thinking of business as making things or churning out product, to realizing that it consists instead of furnishing services, even within what has traditionally been thought of as manufacturing" (Kiechel, 1993: p. 51)

An ethical dilemma

The issue which must be addressed is a growing schizophrenia lurking in the business/academic community. On the one hand, the management and marketing journals are replete with articles espousing the positive impact of employee participation programs, empowerment and interfunctional integration as means of maximizing quality, customer satisfaction and, therefore, business performance. On the other hand, the popular press and business newspapers are daily reporting the corporate rush to downsize, outsource, and hire contingent workers in order to survive and flourish in a fiercely competitive global economy. The demise of labor unions is heralded by many as the last gasp of a "dinosaur" (Wiesandanger, 1994: p. 56).

Taken separately, each of these trends can be seen as sound, logical and ethical results of skillful management decision-making in the wake of changing technology and international competition. However, taken collectively, the premise becomes absurd. Can we, as managers, really expect our remaining work-force to trust us? To trust that, as a laborer on the shop floor, input and participation in meeting quality goals or customer satisfaction goals will be appreciated and rewarded? Or will the workers view management attempts at "teamwork" as a means of increasing productivity in order to eliminate more full time jobs? The chasm created between management and the hourly employee by the convergence of these trends is certainly exacerbated by years of mistrust and ill-will at the union-management interface.

The moral analogy suggested by corporate America's scramble to change is that of talking marriage and thinking one-night stand. A recent article states, "The rush to downsize and replace long-time employees with temps and part-time workers makes corporate rhapsodies to empowerment, partnership, and teamwork so much sweet talk" (Kuttner, 1993: p. 16).

If the fundamental idea of employee involvement programs is to "unleash the energy, creativity and talents of all employees" (Boone and Kurtz, 1994: pp. 2–26), then it is important both strategically and ethically to extend the focus beyond managerial level integration studies to the labor-management interface.

Strategic and ethical considerations

The strategic importance to U.S. businesses and labor alike of conciliation and cooperation is starkly highlighted by the recently published study conducted by the government sponsored Dunlap commission. The study is based on a nationwide series of hearings over the past year (May, 1993–April, 1994), seeking to document the current relationship between American labor and management. As noted in one newspaper account, ". . . the report is expected to declare that the United States will never reach its potential in global economic competition unless it replaces current patterns of labor-management conflict with a more peaceful model" (Everett, 1993: p. 1). The spectre of falling short, of being a mediocre player in the new world order of things, should serve as a clarion call for all of the players in the U.S. workplace to strive for new ways to approach one another. The Dunlap report is expected to set the stage for sweeping changes in U.S. labor laws, for the first time in sixty years (*ibid*). Certainly, legislative adjustments to improve workplace relations are needed. But forward-thinking corporate executives and labor-leaders alike must now seize the moment to crush the mental walls that have divided them for decades; or no amount of legislation will be fruitful.

Opinion leaders from both sides sound cautiously optimistic that true cooperation is attainable. Jeff McGuiness, President of the pro-Management Labor Policy Association, notes, "Usually we have two armed camps that are bitterly opposed to one another's interest. But what I hope will happen now is that both sides will discuss things and say, 'OK, on what do we agree?'" (Everett, 1994: p. 16). Likewise, a member of the AFL-CIO states, "If the business community unites in the view that it needs to fight the right to organize, then we will be back in the old religious wars of the past. But our hope is we can find a way out of that" (*ibid*).

The ethical imperative of labor-management conciliation is simple. Labor unions represent the voice of the American blue-collar middle-class. If we allow that voice to fade, we will be left with the discordant cacophony of individuals struggling to survive. From a utilitarian perspective, U.S. society will be better off with a cooperative equilibrium between labor and management. Lynn Williams argues, "Growing up during the Depression watching things spiral downward has shaped my views . . . The existence of the labor movement has helped prevent a repeat of the 1930s. Unions provide a reason for companies to grapple with maintaining wages. Left alone, capitalism's natural inclination is to hack away. In fact, capitalism needs the checks and balances that labor provides and that the U.S. system recognizes in so many other areas" (Noble, 1994: p. 120).

One could argue that the social conscience of business executives and the quest for quality through employee participation programs will assure that employees are treated fairly, and that the need for labor unions is obsolete. However, it is the institutional continuity provided by the labor union, that should allow the greatest degree of freedom for each individual to participate fully in the workplace. For example, Sidney Rubinstein, a Princeton, New Jersey consultant who has helped corporations develop labor-management "teams" since the late 1950s, estimates that four-fifths of union-less programs fail. "Without the institutional continuity provided by the labor union, programs depend on the enthusiasm of influential individuals. And as influential individuals tend to come and go, so does support for the participation concept" (Noble, 1994: p. 122). From the individual worker's perspective, "The Union empowers us to say what we feel without having to face repercussions. It helps us build a better product" (*Solidarity*, 1993: p. 19).

The mutual trust perspective

Crossing the "great divide" between labor and management necessitates an understanding of why such intransigence exists on both sides. The use of terms such as "armed camps" and "religious wars" illustrates the traditional war-like posture which has characterized this relationship for decades; and which must now be tempered if we hope to compete most effectively in the global economy.

The current situation in labor relations may be viewed in light of a theory of morality in practice put forward by Cramton and Dees (1991). The premise of this theory is that "shrewd" (or deceptive) bargaining occurs, at least in part, because no basis for mutual trust exists between the parties involved. Further, the absence of a basis for trust provides the justification for defensive, self-interested behavior. The Mutual Trust perspective relies on two simple principles, which go a long way in understanding why there is continuing friction rather than cooperation between labor and management. These two principles are: (Dees and Cramton, 1991: p. 144)

> Mutual Trust Principle: It is unfair to require an individual to take a significant risk or incur a significant cost out of respect for the interests or moral rights or others, if that individual has no reasonable grounds for trusting that the relevant others will . . . take the same risk or make the same sacrifice.
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> Efficacy Principle: It is unfair to require an individual to take a significant risk, or incur a significant cost out of respect for the moral rights of others if . . . it would benefit only those who would not willingly incur the same risk or cost.

Because years of adversarial negotiations (punctuated by strikes, lock-outs, etc.) form the background against which current labor relations exist in many companies, neither side trusts the other. The practical difficulty of creating grounds for mutual trust in this hostile environment creates a "moral frontier", beyond which each party must be concerned first and foremost with self-preservation.

Viewed in light of Mutual Trust theory, the clash between labor and management over the adoption of employee participation teams, for example, is predictable. Management sees the implementation of teamwork as an integral part of improving quality and productivity, reducing waste and contributing to long-run viability and profitability. It should be obvious to the worker on the shop floor that her cooperation in following these initiatives will lead to more job security and higher wages as conditions improve. (Furthermore, if you don't do what we suggest, we'll be forced to layoff more workers and we will all be worse off. Trust us.)

The hourly workers at their machines hear all the exhortations toward quality goals as management propaganda, not communications. Probably just another fad. If we become more productive will we be out of a job? Will we benefit from giving you our best ideas, or will our contributions line *your* golden parachutes? How come if you expect us to trust your vision of quality teams, you didn't trust us to be involved with evaluating and overseeing the process to begin with?

Certainly the negotiations and transactions revolving around these issues constitute the pragmatic reality of the Mutual Trust perspective. Because the foundation of trust is absent between labor and management, there is no moral obligation on either side to take a risk. Self-preservation strategies will prevail.

It is interesting to consider anecdotal examples illustrating that when both sides realize that self-preservation strategies *require* honest cooperation between management and labor, positive results can be dramatic. In 1988, Akzo Salt was ready to close a rundown, money-losing plant in Michigan. Labor relations at this site were horrible – and reflected the fact that this plant ranked last in the company for productivity, safety, quality and efficiency. One of the general managers of the company put it simply, " 'Both sides really hated each other' " (Wiesendanger, 1994: p. 52). Given this state of affairs, neither the union nor the managers had anything left to lose by agreeing to a last-ditch new approach to preserve everyone's job – cooperation rather than confrontation. Management was willing to "risk" upgrading the facilities, production machinery and training and to *listen* to employees' suggestions in the process: the union was willing to incur wage concessions and modified work rules to permit greater flexibility and work teams. Results of this teamwork within three years: ". . . lost-time injuries on the job plunged from an average of 21 a year to zero. Customer complaints reduced by over 80%. Formal employee grievances dropped from an average of 40 to 50% a year to just one. And in spite of pay increases and higher prices for raw materials, the plant's operating costs declined by 15%" (*ibid*).

This example serves to illustrate that when both sides share the same irrefutable information and, thus, knowledge about the "state of nature" in which they are operating, cynicism and mistrust may be successfully replaced by cooperative endeavors. From the moral pragmatist's view, the benefits derived from cooperative efforts to improve on the state of nature "provide the impetus . . . for risk-taking in hopes of reducing the undesirable features of the moral frontier" (Dees and Cramton, 1991: p. 157).

The Mutual Trust view allows us to justify, or at least understand, why unions and managers continue to resist one another as partners. It also offers a practical springboard to improve the situation, based on the Trust Building Principle of the theory: "When mutual trust is absent or weak, individuals should be willing to take modest risks or incur modest costs, in an effort to build or reinforce the trust required to secure moral action in the future" (*ibid*).

Practical implications of the Mutual Trust model involve relationship building and development of feelings of group identity through more frequent communications and informal contact. "Sometimes all that is needed is for the parties to get together on a regular basis to share concerns and other information relevant to an upcoming negotiation" (*ibid*, p. 160). Actionable strategies, creating a climate of trust for these things to occur, seems to be the fundamental first step which union leaders and corporate executives must tackle on the way to realizing true labor-management cooperation.

Internal marketing strategies

The concept of internal marketing as a strategic competitive advantage in services marketing offers a framework for labor and management to begin creating "climates of trust". After all, one may view the employee-employer relationship as a service transaction: the union machinist is providing her labor services which result in a physical product; the company in exchange is providing employment services which result in a paycheck, health and retirement benefits.

From this perspective, management and labor can view the relationship building process within the structure of the internal marketplace. Just as the relationship between an external (paying) customer and the company is the focus of the "4 Ps" of marketing, the relationship between employee and employer is the focus of an internal marketing mix. Following are suggestions which may provide some actionable strategies for improving management-labor relations, based on the internal marketing mix perspective.

Product. Consider, for example, a company which manufacturers wheels and brakes for aircraft. To management, these parts are sold according to their core benefit (safe and reliable stopping); tangible features (made of steel and titanium); and augmented services associated with the product (quick delivery, replacement guarantees). To the machinist who actually makes the various components of the wheels and brakes, the product is defined by some combination of axes, inside and outside diameters, tooling requirements, and the quantities expected by his supervisor.

Internal marketing suggests that management communication with the machinists and other direct laborers shift, from an emphasis on product quantity expectations to an understanding of the "big picture". That is, give the workers the opportunity to see where this torque tube or clutch assembly fits into the big picture of airline safety – *and* company survival. This requires training programs, on company time, for workers. The result will be an understanding of the importance of efficiency and quality as long-run job security for *all* employees; and ease the mistrust that increased productivity will only lead to more layoffs.

An additional understanding of the product, for both the workers and the customers, may be promoted by worker participation at trade shows. This approach has been tried by some progressive U.S. companies and UAW locals who participated in the 1994 North American Auto Show in detroit. From a manager's viewpoint, "Who better to explain to the customer the ins and outs of the new vehicles than the people who build them?" (*Solidarity*, 1994: p. 19). From a 20-year union employee, "Being in the plant you don't have a perception of the customer. It makes you feel good to see the connection by meeting the buyers" (*ibid*).

Promotion. The need to effectively communicate new ideas and new processes to internal markets is just as important as advertising new products to external customers. The same care and attention must be paid to promotion strategies targeted to workers, if managers expect them to "buy into" new ways of doing things.

For example, management may want to implement quality initiatives involving employee participation teams. Supervisors then tell the workers how this is going to work, how the teams will be made up, and when the teams will meet. The thrust of this approach is to dictate that workers participate in teams because the boss says you have to. It is no wonder that the workers are cynical and cooperation is minimal. One worker sums it up ". . . I'm aware of management's attempt to force participation in programs that tout 'flexibility' and 'worker participation' with no more participation than to assist in deciding what color to paint the restroom walls" (*Solidarity*, 1993: p. 5).

Taking the internal marketing view, management has the opportunity to win cooperation from the union for the participation program by effectively promoting its benefits. Just as consumers buy products that promise to benefit them in some way, workers will "buy" management proposals if there is an explicit benefit for them to do so. Thus, before trying to implement a participation program, management should get the union involved in the planning process. By making evident the core benefits of successful employee involvement programs – job security and/or potential monetary gains from meeting quality goals – the odds are much greater that workers will accept and embrace the challenge.

Price. To the external market, the price of a good or service serves as a signal of value between buyers and sellers. And when buyers are convinced that the perceived value of the product exceeds the perceived cost, the purchase is made. When the post-use evaluation of the product is positive (e.g. the benefits far outweigh the costs), customers feel that they have received superior value, and will likely tell others and remain a loyal customer. On the other hand, when customers find that the purchase cost more and delivered fewer benefits than expected, they are likely to feel angry and misled. In this case, customers may simply choose not to deal with the supplier again, or seek restitution for being misrepresented. "Ethical managers seek to provide full disclosure of all costs associated with using a service, and carefully scrutinize advertising claims and sales presentations to ensure that customers are not misled" (Lovelock, 1991: p. 237).

Taking an internal marketing view, senior managers seeking to win labor cooperation and enthusiasm for employee participation programs can consider this as a transaction: if the product which management is selling is the concept of participation and teamwork, then in addition to making the core benefits evident to labor, costs must also be considered. Obviously, by maximizing the perceived benefits and minimizing the perceived costs of this transaction, managers will be more likely to win acceptance for the proposals.

What are these "costs" to workers which must be considered? There is no monetary exchange involved, but there are several other key costs that may be incurred, including time, physical efforts, and most importantly, psychic costs (Lovelock, 1991: p. 236). From a union worker's perspective, the time spent attending team meetings represents an opportunity cost. If the perceived benefit to him of such meetings does not exceed the opportunity cost of working at his machine, then the process will be perceived as a "poor value". Likewise, if the team approach requires the machinist to be responsible for running additional equipment, then he must perceive that the physical effort to do so will be more than outweighed by the benefits which will result.

Perhaps the greatest costs to be considered in the context of labor relations are what Lovelock (1991: p. 236) described as psychic costs: mental effort, feelings of inadequacy or even fear. In asking workers to "purchase" management's view of quality initiatives, efforts must be made to allay many unions' view that any ". . . formal systems that foster direct contact between workers and management are deliberate challenges to their role as go-between" (Wiesendanger, 1994: p. 53). Indeed, having the participation-team approach forced into place caused one local union leader to denounce teams as "un-American" (Noble, 1993: p. 122). While this resistance may be seen by some as a stubborn, close-minded reaction, and an indication that unions prefer adversarial relations to cooperation, there may be a more rational explanation for senior managers to consider: workers simply don't see what they will get in return for what they're asked to give.

One actionable strategy to minimize the psychic costs involved with implementing labor-management cooperation is through information sharing. In many cases, workers have very limited access to their company's financial and production figures. Thus, they are left to wonder and speculate on how the company wastes money, gives huge salaries and bonuses to executives, and whether management is telling the truth about quality goals or has some ulterior motives behind its actions (Noble, 1993: p. 121).

Anecdotal evidence exists that an "open-book" management and worker education approach has positive results. Springfield Re-Manufacturing, located in Springfield, Missouri was recently honored by the Business Enterprise Trust for "marrying skillful management and social conscience" (Steinfels, 1993: p. 7). This company, which was a failing plant in 1979, has grown to 750 employees from 170, and increased annual sales from \$21 million to \$73 million in the same time period. The basis for this turnaround, as recounted in the *Wall Street Journal*:

> Instead of using numbers secretively to turn workers into rivals or into machines Mr. Stack [the senior executive] used numbers candidly to let workers educate themselves and participate intelligently in a collective effort.
>
> If knowledge is power, Mr. Stack was willing to share it. Bonuses ceased to be a mysterious instrument of management control and became reasonable incentives once everyone could understand their basis. Productivity soared, and so did cooperation" (Steinfels, 1993: p. 7).

By allowing workers to have access to, really understanding and discussing ". . . all the numbers that measure the company's finances and all the production figures that support them . . ." (*ibid*), the workers will clearly perceive that the benefits of cooperation more than outweigh its costs.

Place. The fourth "P" of external marketing, focuses on the effective and efficient distribution of products and services from manufacturer or service provider to the end user. Translated into the internal setting of the labor-management interface, the focus is on mechanisms for effective and efficient distribution of cooperative programs.

First and foremost, the literature suggests that for cooperative programs to be truly successful, they must have the commitment of time and resources from the very top of the company on down (Noble, 1993: Kohli and Jaworski, 1990: Jaworski and Kohli, 1994). Assuming then that senior managers are seeking ways to "distribute" information and encourage innovative participation formats to the direct labor force, what methods are available? First, internal employee research can help identify worker attitudes and perceptions concerning the current work environment and the way in which work-related tasks are currently performed. From this baseline of information training sessions can be molded to introduce participation concepts in a manner which is responsive to worker concerns.

Beyond formal training sessions, managers may consider more informal channels for "distributing" or communicating commitment to cooperation. These may include personal conversations, newsletters, direct mail or videotaped presentations (Lovelock, 1991: p. 234).

Methods suggested to enhance cross-functional managerial relations may be equally useful in distributing ideas across the labor-management chasm. Kohli and Jaworski (1990) propose social interaction opportunities such as interdepartmental lunches, and sports leagues that required mixed-department teams. More advanced efforts include the exchange of employees across departments, cross-department training programs, and senior department managers spending a day with executives in other departments.

By extending these strategies beyond the managerial level to include union leaders at the local level as well as workers on the shop floor, the result will be to "foster an understanding of each others' personalities . . . their culture, and their particular perspectives" (Kohli and Jaworski, 1990: p. 15).

Conclusion

Many questions remain about ways to tame the particular "moral frontier" which exists today at the management-labor interface, particularly in light of current trends toward the use of contingent employees and declining labor union membership.

The rise in the use of part-time, temporary employees with no benefits under the guise of corporate flexibility poses a long-run threat to the fabric of our society. Worker loyalty and allegiance are rapidly being supplanted by cynicism and detachment. The decline in union membership and influence exacerbates the problem, tipping the balance of power precariously away from the needs and concerns of the individual factory worker.

Prevailing labor tensions underlying the domestic economy, coupled with the just-in-time hiring bent of many employers, present challenges which, if ignored, may well relegate the U.S. to minor league player status in world competitiveness. The growing gulf between high-wage and low-wage American workers must be addressed before the blue-collar middle class disappears entirely. Surely labor law reform is appropriate, given the changes that have rocked the U.S. workplace over the past decade.

But over and above the importance of the law, labor and management must find mechanisms to achieve a *partnership* with one another if we are to gain a sustainable global competitive advantage. "In this new world order of labor relations, both sides agree they want more productivity, job security, mutual respect and a safe workplace. Then they sit down together and figure out how to achieve it. Both parties understand that if we're going to survive we have to move beyond sneering at each other" (Hershey, 1993: p. 7).

The Mutual Trust perspective offers a logical foundation for understanding how the adversarial relationship has evolved between labor and management. The Trust Building principle gives us the promise that this particular moral frontier may indeed be tamed. And we have several anecdotal "success stories" that the business performance results of cooperation can be dramatic.

The ethical and practical need for conciliation between labor and management is urgent. Supplanting hostile, arms-length negotiations with cooperation built on mutual trust must be viewed as a realistic achievable goal rather than as utopian, philosophical ravings. The internal marketing framework offered here is, perhaps a workable beginning for ". . . creating a climate of trust in which our moral ideals might stand some hope of being implemented" (Dees and Cramton, 1991: p. 161).

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