Time to outgrow those traditional animosities

The latest interest-rate increases by the Federal Reserve followed the announcement of several closely watched statistics. The number of Americans filing for unemployment benefits remains near its lowest level since 1973, and the Conference Board's monthly index of help-wanted ads rose in December. Both figures are considered proof that many companies are still trying to attract employees in a very tight labor market.

Finally, the Bureau of Labor Statistics has reported that the number of employees represented by labor unions increased in 1999 for the second consecutive year.

Transportation and unions have been together for a long time. As recently as the late 1970s, railroad labor exerted its influence over politics with its role in facilitating a short-lived compromise that enabled Surface Transportation Board Chairman Linda Morgan’s reconfirmation by the Senate. Labor can also be counted upon to play a part in rail merger deliberations.

In the ocean-shipping industry, the prominent unions in the news have been those of stevedoring employees.

West Coast troubles with the International Longshore and Warehouse Union continue as employers are unable to generate productivity savings to offset increased labor cost. Reaching agreement on simple items — such as getting workers to start work on time — seems impossible.

Meanwhile, on the East Coast, International Longshoremen’s Association members are becoming competitive and are often leading development of commercial initiatives for prospective customers.

The Teamsters, who embarked upon a flurry of reform to remove the last vestiges of federal oversight, have made news with their recent war of attrition with Ominite Transportation Co. As in the trench warfare of World War I, both sides have dug in for the long haul.

The strategy of some transportation companies has been to pursue extreme measures to avoid hiring any union workers. considering today’s full-employment economy, this approach may be shortsighted. After all, many companies are suffering from an inability to attract — let alone retain — qualified employees.

Many ocean-shipping companies have closed local customer-service offices to consolidate support operations at a single site. While these new locations may be in states with company-friendly laws, they are also usually right-to-work states.

Many of these shipping companies have made such moves to preempt organizing attempts in their local offices. Some companies have even gloated about the misfortune of competitors who remained in place and had their forces unionized.

But although relocated organizations have initially laid claim to a new, low-cost, anti-union work force, it is also a work force that often doesn’t understand the business, is frequently leaving for better job offers and very often disappoints customers. It would appear that the lack of a union and uniting industry heritage has created a transient work force.

My own introduction to transportation unions involved the Teamsters in northern New Jersey in the early 1980s. When at corporate headquarters, I had heard horror stories of atrocious labor practices at the South Kearny intermodal terminal.

Then, when working nights at the terminal, I saw the other side of the story. Certainly many drivers made more than most of the company’s management. Yet previous managers of the company had agreed to every deviation from the national agreement. The Teamsters were simply better negotiators.

Moreover, our shift loaded trains carrying time-sensitive cargo for customers such as JPS and the U.S. Postal Service.

In those days, South Kearny had numerous infrastructure problems to overcome to provide the required time-definite service. Over time, management had come and gone, yet the Teamster work force was the institutional memory — and the embodiment of best practices. Many nights I marveled at what this work force accomplished in order to complete loading.

The Teamsters also recognized their responsibility to ensure available labor. Even on the coldest, wettest nights, sufficient qualified labor was always there. The seniority system was a social contract. If not enough labor existed, senior employees were expected to cover the work. Management never had to intervene, as the union met its responsibilities as its own.

Finally, when management took a strong position to renegotiate the contract due to the changed world of deregulation, the Teamsters recognized the reality and signed a contract that preserved union jobs.

Union membership has swung like a pendulum over the years. Management abuses caused labor to organize in the early 1900s. Economic forces since the 1970s caused unions to decline from both the efforts of companies and the indifference of employees.

Can unions and management reach a new understanding whereby companies use union labor to provide a competitive product? Can histories of mutual mistrust be overcome to share prosperity and develop true win-win situations?

Traditional animosities need to be outgrown to survive the challenges of today’s global markets. Members of management must nourish their relationship with workers as well as with customers. They must manage issues with unions as carefully as they handle the problems of the most critical supplier.

While union problems have existed in the past, transportation companies can no longer ignore this viable supply of traditionally dedicated workers.

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