

---

January 1990

## Goal Setting Peoplewise for Canada-U.S. in the World Competitive Context: What Should Our Goals Be and How Do We Get There

Stephen L. Schlossberg

Follow this and additional works at: <https://scholarlycommons.law.case.edu/cuslj>

 Part of the [Transnational Law Commons](#)

---

### Recommended Citation

Stephen L. Schlossberg, *Goal Setting Peoplewise for Canada-U.S. in the World Competitive Context: What Should Our Goals Be and How Do We Get There*, 16 Can.-U.S. L.J. 315 (1990)

Available at: <https://scholarlycommons.law.case.edu/cuslj/vol16/iss/38>

This Speech is brought to you for free and open access by the Student Journals at Case Western Reserve University School of Law Scholarly Commons. It has been accepted for inclusion in Canada-United States Law Journal by an authorized administrator of Case Western Reserve University School of Law Scholarly Commons.

## Goal Setting Peoplewise for Canada-U.S. in the World Competitive Context: What Should Our Goals Be and How Do We Get There?

*Stephen L. Schlossberg\**

**F**irst, I would like very much to acknowledge the herculean task that Henry King has performed during this whole weekend in keeping everybody on the ball, getting you here on time and keeping you going. He has done a wonderful job with this conference, and I am personally grateful to him for it and I know you are too. I am glad my friend Charlie Smith is here, and is still on the U.S. Delegation to the ILO Conference and thank God he will be there in June. It is going to be a very interesting time.

I am going to try to get to my subject in a minute, but I want to put it into context by talking about some of the realities that we have in the world today and I will refer to the ILO a little bit, even though I know I am not supposed to give any commercials here today. The ILO, however, is a very unusual institution in our society. It was the first human rights organization of any multilateral scope which said, in effect, that how one government treats its citizens, whether freedom is really given to them or not, is the business of people everywhere. And we are beneficiaries of people who in 1919 under Article 13 of the Versailles Treaty, set down a notion that the concept of intervention, at least intellectual intervention and public intervention into the affairs of other nations, how they treated their citizens on the whole is valid and important. Human rights was a matter of concern for the civilized world. This was the precursor and origin of the United Nations view that these are matters which concern everybody, everywhere.

We have gone through some rough times in the ILO. We are on the verge of a whole different period. As Charlie Smith and I agreed just this morning, we do not know what is going to come out of it or where it is going to proceed. It might be that a year or two from now the only totalitarian nations — really tough, hard-lined nations in the membership of the ILO — will be the People's Republic of China, Albania, some African Republics, outside of Cuba, and that is it because the situation is really changing. Conditions are also changing dramatically in Eastern Europe. I will refer to that occasionally because I think it helps to put what we are dealing with here today in context.

Also, the ILO is unusual because there is no other organization —

---

\* Director, International Labor Office, Washington, D.C.

multi-lateral or multinational — that operates through voting entities of employers, workers and governments. These tripartite or social partners are institutions, themselves, just like the ILO is an institution. The mere fact that these people, who make decisions at the ILO are also those who decide what happens at the workplace affecting big livelihoods, nations, and almost everything in the whole world, gives the ILO a particular pragmatism, which makes its deliberations very important.

There is a pragmatic idealism of the ILO, and some of the people who have been American representatives and representatives from other countries have shown great courage. It was recalled earlier in this session that the U.S. labor movement is one of the very few and unique labor movements in the whole world that it is a strong supporter of freedom, democracy, as the employers and as western governments, that live and act democratically. As Irving Bluestone said in his speech, it is a labor movement without “isms.” It is a labor movement concerned with putting a human face on capitalism. The U.S. unions are, by and large, in the ILO and generally oriented strongly to free market concepts.

I am puzzled. You see, I wanted to come here and preach a certain wonderful sermon to you today that we could all agree with. I have this grand topic: What do we have, what do we want and how do we get there? I wish I could tell you all those things. I keep thinking of a Congressman who was so mean to his staff. One day he was making a speech, and after he laid out all the troubles of the world he said, “Now, here’s the answer.” And he turned the page and there was written “You’re on your own now.” It is a very difficult thing because there are a lot of anomalies around: the labor movement here being different from the labor movement in other countries. We heard Irving Bluestone talk about productivity. Not in a light way, but to say productivity was so important that it had to do with the standard of living in the United States and in Canada.

Mr. Bluestone also told a wonderful story about quality. But we heard that unions, at least the UAW, is concerned about quality, productivity and in some ways, bottom line issues. We heard Ben Fischer talk about trust and working together — unions with employers — and some new experiments and very exciting programs.

There are some very impressive employers, however, who take the ads in the paper and talk about their people and how they engage in “teamwork,” and about the necessity and importance of people. They emphasize the importance of employee training, growth and skills, while finding it necessary to spend huge amounts of money and huge reservoirs of psychic energy on keeping out any kind of a union. That, to me is an anomaly. I do not understand it because of the nature of the labor movement in this country and the nature of what is happening in the world. If those employers would invest in research and development instead of keeping a non-union face, they and the country would be better off.

We hear a lot about trust and understanding, cooperation, participa-

tion and employee involvement. But, on the other hand, as Mr. Bluestone said, there is another track where people are still at war with each other. I do not mean literally at war, but in an economic and social war. Since this conference is centered on the words "Human Resources" I thought I might talk about these words and what they mean. I think it is a "right-on" topic. Human resources is a marvelous topic because they are the resources that Canada and the United States have that are the most valuable and the most important and need to be re-emphasized. *Human Resources*. Words are very funny things. I can remember when you pretty well knew what a word meant in the English language. Well, I submit that the liberal democratic party in Japan is neither liberal nor democratic. I submit to you that when President Reagan said that, he was too liberal and moving too fast.

When Admiral Crowe came back from his visit to the chief of staff in the Soviet Union, and was asked on television, "Well, what do you think is going to happen?" He said, "Well, you have got to understand that Gorbachev has a real problem with real conservatives there." Now, by "real" conservatives, he meant hard-lined communists. I just want to make sure you understand what we mean: Words do not mean the same thing all over the world and they do not mean the same thing today, as they did a week ago, a year ago or ten years ago. And human resources was a title, I think, that was dreamed up to replace industrial relations and it was supposed to be a fancy word for a new kind of manipulative organizational development. Whatever it was supposed to be, it has become a very important term. And it is a proper term because that is what our people, our workers and our managers are — they are our human resources.

More and more businesses and unions are looking not at only stockholders, but stakeholders. And by "stakeholders" I do not mean only the managers, executives and stockholders, but also the workers who are, in a real way, tied to the business as important stakeholders. The suppliers are stakeholders. The community is a stakeholder. When you think of all those things, you see American industry and American business in its very best light, considering the various stakeholders. So, there is great hope in this outlook and approach.

I understand that Canada does not have as many experiments as we have here in worker involvement with management. I was interested in Irving Bluestone's quote from Sidney Hillman: "In the days of Franklin Roosevelt, American labor was expressing a need to have a voice in American industry." That is quite interesting to me because it has always been a kind of article of faith, that American business and American labor have more in common than they do in conflict — although they certainly have some things in conflict. We have some zero sum situations. But if, for instance, I have two ideas and you have two ideas and I give you my two ideas you now have four ideas. And if you give me

your two ideas I now have four ideas. So that there are eight ideas and there is no zero sum concept to that at all.

A very important employer from West Germany, here for a meeting of the Tri-lateral Commission, visited me this week, and we were talking about education, training and some of our problems in this country, and he said, "In our secondary education, the students spend sixty-five percent of their time at the work place and only thirty-five percent in the schools." I thought that was fascinating and I was impressed. He also said, "We are not afraid to invest heavily in the training of our workers." We work closely with the German metal workers and with our unions. We also work closely with the works councils. We spend a lot of money to train these workers because we know that, first, they have a certain loyalty and a certain tie to the enterprise and to business that makes them not just floaters in the major labor markets in Germany.

Second, we know that even if we train a worker and he or she then goes into military service, as they are all required to do, or is enticed away by some new business or other business, that other workers are being trained by other employers and we can employ them. So, that is an investment that we never lose. And I think the amount of investment is tremendous in training, in skills.

You see, capital flows across borders and is not stopped by customs inspectors or border guards or anything else, it knows no boundaries and it goes all over the world. If we have a Dutch, British, Japanese, French, or German company — we have plenty of them in this country — and they are willing to invest in this country to train workers, really train workers and to do innovative, highly skilled work and not just assembly line work, then we ought to give them encouragement. Of course, it is good for American employers who have placed some of their most valuable manufacturing and engineering and innovative development links overseas to do that because we are going to make money which will come back into the United States, benefiting our tax system. Fiscally it is helpful. It also provides investment capital, which we desperately need in this country. But it is even more important to have people do it from the ground up; take it from the innovative invention and make it into something the people can use: to market it, to manufacture it, to see it develop in quality and to see it blossom.

We are all workers of one kind or another no matter how exalted our title is. In this society when one goes to a resort or a conference or a hotel or meets a stranger and is asked, "Who are you? What do you do?" They do not want to know your hobby. They are not asking you what your religion is. They are not asking you whether you fish or you play golf. They want to know what your work is. And when Irving Bluestone tells you that automobile workers are now concerned about quality, they now clearly understand that one of the reasons, no matter how glorious they thought their institution was with respect to civil rights, with respect to democracy, union democracy, that the American people did not

like it when they made bad automobiles. If you say to people, "I'm an auto worker" and you make or have a hand in making a product that is inferior, you are likely to be judged by the quality of that product. People tend to judge you by what you do, and how well you do it.

We see what has developed in Eastern Europe with great excitement. We sometimes mix metaphors as freedom and democracy, the free market and a capitalist's economic system. That system has, unquestionably, worked better than any other. It has produced higher productivity and therefore a higher standard of living, better quality, more consumer goods and bigger profits. But the free market will never be confused with the golden rule. It is a testing device and a hard master, and while it can do all of those wonderful things, we in the West have found that we need capitalism with compassion. We need a social dimension in this country and in Canada. We have requirements that people bargain collectively with representatives of workers. We have Social Security programs and safety nets of all kinds to take care of the sick, the old and the young — the people who need to be taken care of in our society — because we in the West know that our capitalism must have a human face.

Some approach Eastern Europe in what I see as irresponsible ways. First, there are the fast-buck artists who pose as legitimate businessmen, as legitimate entrepreneurs, but just want to make a quick buck and run. They are always there. They are in everything. They are even in religion. We have to worry about them. But we must also worry about the people who say, "Let's be 'Adam-Smith-Pure'. Let's do it the hard way in those countries, when they know that the West would not be able to live that way." They want suddenly to take these people from their communist cocoons, who have not known freedom, but have known ultimate security, no unemployment, no need for labor market devices to take care of people when they are unemployed, no need for elaborate schemes of retraining and so on because everybody had a job. Whether they worked well or not did not matter. Whether the productivity was high or not did not matter, really, until the economy collapsed. Polish workers, for instance, believed that they paid a fractional percent of income for housing. Now, there might be a family of ten living in one room, but they had no conception, there was no real relationship between the market and what was going on.

We must provide a real safety net for these people. If we do not provide that consideration that goes with these market changes, we may very well drive some of these countries back into totalitarianism; back into the kind of security they were used to. Now, in the turnover, it seems to me Eastern Europe has only two or three years to accomplish a free market with a strong social dimension, or they will be in deep, deep trouble. People are not distinguishing between the necessity to nail down the gains of freedom and democracy and at the same time establish a real

free market, a capitalism with altruism and while not being distracted by excessive and maybe slightly premature nationalism.

I understand the yearning for independence in Lithuania, but I would first nail down Glasnost and Perestroika. Before I set sail, I would be sure that my boat was not leaking and my sails were working and my auxiliary engine was there before I set out on a perilous journey. I think it is going to work out, but I must say I have some sympathy for Gorbachev. He is not unlike the woman on the Titanic who said, "I rang for ice, but this is ridiculous." I think the President is playing it right, and showing the proper patience. I certainly hope it works out well for all.

I know that the Canadian Labor Congress ("CLC"), and the AFL-CIO have both opposed the Free Trade Agreement between Canada and the United States. And I guess I understand why they did it and how these things work. But in light of the movement that is going on in the EEC, where the European Community is knocking down barriers and moving towards a true regional trading block, we need other regional blocks in the world. It seems to me we are in effect two peoples that have so much in common. In most cases, our language, except for certain Canadian provinces, is the same. We certainly share a value system, and culture. We have been allied in wars. Why can't we work together in these kinds of things, and solidify the benefits of free trade, an open market and a regional trading system that will stand with the rest of the world, with its head high and its ships in the water, rather than to fall apart over nationalism.

I do believe we can learn from each other. No one can claim perfection because people are human beings and their schemes and projects are designed by humans, not angels. But their concepts can be institutionalized. I am a great believer in institutions, and have been fortunate enough in my life to work for many institutions — the United Automobile Workers, United States Government, and now the ILO. Three great institutions. I see unions as institutions. I see employer organizations and businesses as institutions. General Motors is an institution, not just a business. Institutions are so important. The great peace makers like Bill Utery, John Dunlop and others, ought to institutionalize their skills and their views.

Well, I must say a word about — especially for our Canadian friends — what I view as boiling down in essence all this stuff about labor/management cooperation for worker participation or intervention in the business, or employee involvement, or whatever you call it. I think it is healthy and very good. I can sum it up the best by referring to what Dick Walton of the Harvard School of Business has said: "There are four basic propositions that an enterprise needs to be a success in this world, where not only nations are restructuring, but industries and individual enterprises are restructuring because of pressures that they never had before and did not understand because the world is really changing."

He said, first, the world class enterprise has to be socially as well as economically oriented. Second, the world class organization must be based on employee commitment rather than compliance. Third, that to exploit the array of new tools for offices and plants, based on advanced information technology, the organization must be coordinated in better ways. And fourth, union-management relations must undergo radical change.

Our two countries consist of skilled people doing good, useful things. We need to shake some of our fears to be brave and courageous. That is, we should not worry about people always finding the lowest common denominator. We need to encourage people in research and development and in investment. We need to share ideas.

If West Germany and the United Kingdom can enter into a regional agreement; if Denmark and Portugal can be in agreement together along with Greece in a community without any barriers, so can Canada and the United States. We can have movement of people, without any green cards, without any border restrictions so that people of all occupations can cross the borders with the same ease that currency and investments cross borders. Canada and the United States can do it and make some beautiful music.



