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## Conference Opening

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## CONFERENCE OPENING

*Henry T. King, Jr.\**

AS HERACLITUS, THE FAMED GREEK philosopher, said some twenty-five hundred years ago, the basic eternal verity with which we all must deal is change. Change is certainly a fact of life in the context with which we are dealing here today — the human resources context.

There are indeed many factors which contribute to the changed human resources context of today, but three stand out — firstly, a world in which competition is on a global scale and no longer on a national scale; secondly, the very rapid march of technology which frequently eliminates some jobs and also recasts the context of other surviving jobs; thirdly and finally, the resounding approval which the financial markets give to corporate downsizing and restructuring as reflected in higher stock prices.

In the old days, company loyalty established the bond between employers and employees. Companies gave built-in job security to many members of the workforce in exchange for their loyalty. To a considerable extent this is no longer true. Now company loyalty counts for naught where the particular job can no longer be justified for competitive reasons. The axe will fall on the employee regardless of his or her length of service. The net effect of this on smart employees will be their recognition that real security lies in the development of skills which are transferable from one employer to another.

Another factor which has changed the context of human resources development is the lessening of the role of the unions. Union membership is down, and union influence is declining in part because of global competition, technological changes, and the trend towards a service focused economy. No longer do unions represent the advance guard of changes in the human resources area. On the contrary, they are now trying to hold on to progress already achieved.

In a world where a few cents per unit may determine who gets the work and where production is based, the feelings and sensitivities of our human resources many times get lost in the shuffle — because the corporation must survive and prosper to satisfy its owners — its stockholders. In that context, for example, speed ups for workers to ensure corporate competitiveness may be the normal pattern in some cases.

Currency devaluations may affect the human resources context.

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For example, if the Mexican peso is devalued, then the human resources element of Mexico's competitive costs for goods sold in the U.S. market will be less and the cost of U.S. goods in Mexico will be higher. On a world competitive scale the irony is that financial difficulties for weaker nations which affect the value of their currencies may produce jobs for them and reduce job levels in prudently managed competitive countries where currencies are stable or subject to upward revaluation.

Our speakers for this Conference are individuals whose scope is very broad indeed. They have much to offer us in terms of both describing for us the issues to be faced in the human resources context and in offering possible solutions for resolving what some have characterized as our human resources crisis.

In our first session we shall be getting our bearings as to where we stand today in terms of the development and utilization of human resources. Here, Peter Pestillo, Executive Vice President of Ford Motor Corporation — one of the world's largest employers, and Gordon Betcherman, Executive Director of EKOS Research of Ottawa will be our guides.

The role our governments can play in the development of human resources by assisting in training for employability will be the subject of our second session. Here we have Marie Louise Caravatti, Senior Policy Advisor at the Office of Global Competitiveness and Business Advocacy of U.S. Department of Commerce. Yves Poisson of Canada's Office of Human Resource Development will be our Canadian speaker.

Canada and the United States have always operated in an intensely competitive world — but now world competition is more intense than ever. Phyllis Eisen, Senior Policy Director of the National Association of Manufacturers, will set us straight on this subject and give us her perspective as to where we stand in the fiercely competitive international world of today.

The statutory framework governing the hiring and termination of employees and the regulation of the workplace in which our companies operate in Canada and the United States is a vital part of the competitive context in which we operate. Here, Bob Cottington of the United States and Roy Heenan of Canada will be our guides.

At our next session we shall be examining approaches for increasing the development of human resources through incentivization and employee participation which are in many companies a critical part of their human resource program. Don Hastings of Lincoln Electric, with its world renowned incentive program, and Michael McDermott of Human Resources Canada will be looking at the role of incentives, profit sharing and employee participation in human resources development.

In our evening session on our first day of this Conference, we will be looking at the development of a corporate culture for maximizing

the balance between the utilization of human resources and employee fulfillment. Here, Richard Lidstad of 3M and Margaret Kerr of Northern Telecom will be giving us the benefit of the approaches of two highly respected companies in this area.

Barriers to trade affect human resources. Protectionist policies raise prices to consumers. Free trade is consumer friendly because it promotes competition. Free trade, however, may adversely effect the job security of individuals in industries where there is strong foreign competition.

NAFTA went into effect on January 1, 1993, and it changed the competitive context in which our firms do business. It is therefore important that we examine its effects on human resources development and utilization. Our guide here will be John McKennirey, Executive Director of NAFTA's Commission in Labor Cooperation. He will be followed by James McIlroy who will discuss NAFTA's rules regarding cross border provision of services. Ellen Yost will then review NAFTA's regulations affecting temporary entry and immigration.

In a world where basic and advanced skills are becoming more critical every day, the establishing or re-establishing of the connection between education and the workplace is vital. We are looking forward to what our broadguaged speaker Stuart Smith has to say on this critical subject at our Saturday luncheon session.

We are also in the process of taking a second look at affirmative action in the United States. We want to know whether pay equity and employment equity in Canada have worked. Here, Tom Powers, now with Motorola, who argued the *Weber* case before the U.S. Supreme Court, and Mary Cornish of Toronto will be our discussion leaders.

So that our working people in non-union plants or in non-unionized sectors of unionized plants do not have grievances that fester and grow, and so that our people work as a team, expediting human resources conflicts is indeed vital and necessary. To lead us in our discussion concerning the use of ADR in that regard, we have Robert Meade of the AAA and Edward Chiasson of Ladner Downs of Vancouver as our speakers.

Our final session will grapple with the basic issue of challenges to human resources utilization resulting from globalization, technological advances, restructuring, and downsizing. Here we are indeed privileged to have James Bennett of McKinsey & Company, and Harold Giles of Bell Canada to lead us through this thicket which will cover the impact of these developments on various stakeholders in corporate activity.

This is indeed an ambitious program. Following our tradition, we hope indeed that it will be mind expanding. We also hope that when our session ends, you will be richer for having been with us.

So much for the introduction. It is a pleasure to introduce our opening speaker who has created much of the wonderful pattern that

Ford Motor Company has in employee relations. He is a trend setter. He is Executive Vice President of Ford, one of the largest employers in the world. He has a very impressive academic background, having gotten a law degree at Georgetown and also taken a special course at Harvard Business School. He graduated from Fairfield University in Connecticut. Like myself, he is a native of Connecticut. Peter Pestillo comes from Bristol, Connecticut which is very near the town where I grew up; namely, Meriden, Connecticut. I am honored, Peter, to have you here today, and I know we all are so honored. So without further ado, I present Peter Pestillo, the Executive Vice President of Ford Motor Company.