

## Relations industrielles Industrial Relations



**Paul F. GERHART : *Saving Plants and Jobs : Union Management Negotiations in the Context of Threatened Plant Closing.***  
Kalamazoo, Michigan, W.E. Upjohn Institute for Employment Research, 1987, 109 pp., ISBN 0-88099-047-3

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A new view of **leadership** is badly needed at all levels. "The firm must become a hotbed of tests of the unconventional. It must become an experimenting (and learning), adaptive, change-seeking organization (...). "In control" by the old standards is "out of control" (fast slipping behind) by the new standards" (pp. 394-95). The inspiring vision needs to be promoted. It is up to the leaders at all levels to *manage by their own examples*. A visible management should be practiced instead of a secretive management. Delegation of power and trusting people are badly necessary. Not only vertical communication, but also horizontal communication, needs to be cultivated. The positive attitude of people towards the change and development needs to be evaluated, recognized and appreciated. A sense of **urgency** should be much promoted and reinforced in order to make clear to everybody that it is essential for the survival and success of the company.

The concentration on the **priorities** is a must. The chief control tools need to be revamped accordingly. Information, authority, and strategic planning have to become much decentralized. The goals of the company need to be realistic but ambitious enough to achieve a visible success. "Financial objectives should be small in number and conservative — only rarely should a manager fail to meet his or her objectives. Every growth plan must be backed up by the near-certainty of available supporting infrastructure" (p. 512). Total **integrity** is absolutely necessary. "Successful organization must shift from an age dominated by constructs and litigiousness to an age of handshakes and trust" (p. 518).

To take the chaos as given and to learn how to thrive on it is the basis of organizational proposals promoted by T. Peters. "Capitalizing on fleeting market anomalies will be the successful business's greatest accomplishment" (p. XII). It is a definite rejection of a traditional structuralist rigidity, dependence on the strict rules and procedures, appeal to the blind discipline. The "organic" organization definitely takes place occupied until recently by the mechanistic versions of order and obedience. In this respect the perspective offered by the author is much modern and innovative. It goes against the bureaucratic tradition, rejects the organizational status quo, puts full emphasis on dynamics and not on statics.

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**Saving Plants and Jobs: Union Management Negotiations in the Context of Threatened Plant Closing**, by Paul F. Gerhart, Kalamazoo, Michigan, W.E. Upjohn Institute for Employment Research, 1987, 109 pp., ISBN 0-88099-047-3 and ISBN 0-88099-046-5 (pbk)

**Saving Plants and Jobs** is a fascinating set of nine Ohio based case studies that focus on the prevention of plant closings. This short monograph is well worth reading. The author sets out to answer four questions: how can plant closings be prevented; which cases are preventable; why are preventive steps taken in some cases; and why aren't preventive steps taken in other cases.

The text is divided into five well written chapters: "The Economics of Plant Closures"; "Why Plants Close"; "Why Plants are Saved"; "Securing the Future"; and "Findings and Conclusion".

Gerhart's findings are threefold. First he argues that the most important set of factors driving plant closings are market forces. He finds that product diversity and new technology can enhance a plant's life expectancy. He states that while labour costs are not irrelevant they

are certainly not the **only** factor effecting a decision to close. Gerhart supports Anil Verma's (**Industrial Relations**, Fall, 1985) conclusion that unions have no choice but to negotiate for more new investment.

The author's second and third conclusions relate directly to collective bargaining. Thus he finds that collective bargaining can address plant closings where high unit labor costs are an issue. He cites the joint problem solving approach as the most effective collective bargaining mechanism for dealing with closings. Gerhart also concludes that there may be factors deeply embedded in the collective bargaining relationship, such as interpersonal conflict and/or general lack of trust, that may affect the probability of success in reversing the drift to plant closure.

Gerhart addresses additional practical questions that should be of interest to scholars, practitioners, and students of personnel/industrial relations. These questions include: how to know if the employer's threat to close is bona fide; why does an employer initiate plant closing discussions with a union; what factors influence the union's response; and what are the distinguishing characteristics of successful plant closing negotiations.

Gerhart's proposals for public policy changes to deal with plant closings are important. They should be read carefully by those in Canada currently trying to revise existing or create new legislation dealing with the issue; taking into account, of course, contemporary differences in U.S. and Canadian labor legislation.

The author proposes that demands for contractual rules relating to plant closings and demands for contract clauses concerning company investments be made mandatory subjects of bargaining under the **National Labor Relations Act**. He argues that the current legal standard that requires an employer to negotiate a closure only if that decision turns on labor costs is difficult to interpret and enforce. It requires a determination of motive. Gerhart convincingly argues that since it is futile to try to separate a plant's profitability from its labor costs why not give unions the legal right to demand to negotiate on closings. He points out that the employer certainly has the right to disagree with the proposed clause.

This book makes an important contribution on a key topic. It would certainly be useful reading for undergraduate classes in collective bargaining and graduate classes in industrial relations.

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**Capitalism vs Socialism? Canadian and Swedish Labour Market Policies Compared**, by Joseph Smucker and Axel van den Berg, Working Papers in Social Behaviour, No. 88-8, Montréal: McGill University, 1988, pp. 75.

The commitment of Sweden to active labour market policies allows to save on unemployment insurance, maintain full employment, limit wage disparities, promote technological advance and increase international competitiveness. In Canada the prevailing expediency approach makes it impossible to promote the long run perspective. The weak and fragmented trade union movement is not able to follow a consistent line. On the other hand, in Sweden the government itself is a major employer and this leads to some negative effects: a growing gap in the job security between the public sector and the private sector, bureaucratization, heavy tax burden, limitation of entrepreneurship, etc.