

ENGINEERING AND SCIENCE

Monthly



Vol. X, No. 2

February, 1947

Management's Responsibility for Discipline

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The accompanying address was presented by H. W. Anderson, Vice President in Charge, Personnel Staff, General Motors Corporation, Detroit, Michigan, on January 27, 1947, at a dinner-discussion meeting held in the Music Room of the Biltmore Hotel, Los Angeles, under the auspices of the Industrial Relations Section.

Reprints of this article are available from the Industrial Relations Section of the California Institute of Technology.

THIS analysis of "Management's Responsibility for Discipline" covers the experience of General Motors over a period of many years in more than 100 plants, employing a large number of people, varying from 150,000 to half a million, supervised by some 20,000 foremen and supervisors. In view of this scope, I will limit my discussion of some of the experiences we have had to the fundamental principles of our disciplinary policies, with a few case illustrations.

It has become quite customary to pose the general subject of discipline and then talk about its rougher and rather minor manifestations. The subject is, of course, broader than such treatment would indicate. Discipline is a fundamental which makes it possible for folks to work together. Unless a group recognizes and observes the adjustments requisite for unity of purpose, the enterprise cannot succeed.

First, I want to discuss the usual everyday plant disciplinary problems, and later I will go into a special problem involved in dealing with wildcat strikes in violation of agreement terms.

SHOP DISCIPLINE

Much has been said and written about discipline in the shop. Unfortunately, the word "discipline" has for most persons a harsh connotation which is not justified by the actual application of the term to shop disciplinary situations.

Shop discipline in General Motors does not mean strict observance of rigid rules and regulations. On the contrary, it means working, cooperating, and be-

having in a normal way as anyone would expect an employee to do. For example, "discipline" means:

- Reporting for work regularly, on time, and without unnecessary absences;
- Doing a fair day's work;
- Respecting the prestige and authority of supervision;
- Obeying reasonable orders and carrying out job assignments;
- Cooperating with others; and, in general, Conducting oneself in a reasonable and orderly manner.

The maintenance of discipline in a plant is a Management responsibility. We in General Motors do not consider discipline to be a matter of Management's inalienable right or prerogative—it is a responsibility—it is a primary part of the job of managing the business. All of our labor agreements specifically provide that the matter of discharge and discipline for cause, and the maintenance of discipline and efficiency are the sole responsibility of Management. When Management yields this responsibility or agrees to share it with others, it has failed in its duty to manage.

I think this concept of the matter of responsibility for discipline was very well stated by Dr. George W. Taylor, who enjoyed an enormous experience with the problem as impartial umpire and as Vice Chairman and Chairman of the National War Labor Board:

Discipline as a Duty

Instead of considering only the right to discharge, perhaps we should ponder briefly why management must undertake discipline at times as a duty. Management's job is to run a plant efficiently. Instead of viewing discipline and discharge as an unchallengeable right, I should like to suggest that it be conceived as a heavy responsibility that frequently cannot be avoided if the interests of the workforce and of the company are to be protected. Every progressive executive will recog-

nize that the discipline function is not a license to be tough or capricious but a phase of maintaining an efficient working force. It is closely related to the selection of employees. Excessive use of disciplinary measures is often a symptom of a poor selection or assignment or of an inadequate training program.

When, however, an employee cannot make the grade despite management's assistance, and when his continued employment hinders the productive possibilities of other employees, management may have the disagreeable responsibility of discharging him. Considering discipline from this point of view, as a function of management, lends emphasis to management's usefulness and essentiality rather than to its inherent rights, which can be abused.

If management retains not so much the right but the duty to discipline when the effective operation of the working force requires it, one need have no fears about the reviewability of disciplinary action through collective bargaining. Such reviewability is a necessary protection to employees. Admittedly, this approach is harder going, but it emphasizes the professional competence of management. It is through collective bargaining that management must preserve its responsibility for exercising, in a professional way, such discipline as is necessary to operate efficiently.

In the earlier days of collective bargaining, some of the less experienced union leaders insisted upon negotiating shop rules and penalties with us. We resisted the demand on the grounds that such a sharing of Management's responsibility would be unsound from Management's point of view and equally unsound from the Union's standpoint.

We pointed out that the Union could not retain its proper function of representing the employee and protecting his interest if it assumed any part of Management's function of setting disciplinary penalties. If the Union should agree with Management as to what a proper penalty should be in a case, it would thereby foreclose its right to protest the penalty. The Union should be in a position to protest any disciplinary action taken by Management on the grounds that the discipline is unfair, unjust, discriminatory, lacks cause, or is too severe. Any procedure which forecloses the right of an employee to have his case appealed to the highest authority in the grievance procedure is basically unsound. This has been our position every time a union insisted on negotiating rules and penalties. We believe the wiser heads of the Union realize that our position is sound and realistic, because we have not heard anything about this subject from the experienced Union leaders for some time.

In General Motors, Management establishes the rules and it disciplines for violations. The Union is free to challenge the application of any rule in a given situation and it can "walk the last mile" with a disciplined employee without embarrassment.

Several basic principles govern our application of shop rules. Some of these were hammered out the hard way!

1. The employee is entitled to know the rules.

In every plant of General Motors the shop rules are posted in conspicuous places throughout the plant. Most plants also include the rules in handbooks given to employees. The rules are written in simple language which can be understood by all.

2. Management accepts the full responsibility for assessing discipline.

It is the foreman's job to maintain discipline in his department. It is his job to assess penalties for infractions. He may consult his superiors for advice in some cases, but the final responsibility is his. He may discharge on the spot for very serious infractions. He often suspends the employee, pending a complete investigation. We have learned that a case which appears to be simple can become very complex and involved by the time it goes through the various steps of the grievance procedure. It pays to have all the facts before the discipline is set.

We have no mechanical formula for establishing disciplinary penalties. It cannot be done with a slide rule. We do have a penalty spread for violation of each posted rule. This specifies a minimum and a maximum within which the penalties are set. In arriving at the proper discipline within the spread, the foreman takes into consideration four factors:

1. Seriousness of the offense
2. Past record of the employee
3. Circumstances surrounding the particular case
4. Plant practice in similar cases

3. Management is willing to have its disciplinary actions reviewed, after the fact, by an impartial Umpire to determine in an impartial way whether the action was for cause and fair in the light of all the facts and circumstances.

Our labor agreements provide for an impartial Umpire as the terminal step of the grievance procedure. Under these agreements, Management delegates to the Umpire full discretion in the case of shop rule violations. Any employee who is disciplined can file a grievance, and the Union has the right to process the case through the grievance procedure up to the Umpire. The Umpire, after a full hearing of the facts and circumstances, can decide whether Management's action was proper. He has the power to revoke the penalty and award reinstatement and full back pay for time lost, or he may modify the penalty and award appropriate redress.

We make no claim that this method of handling disciplinary problems is perfect. But it does work pretty well; we continually learn as we go along. The Umpire machinery under our agreement with the UAW has been functioning for more than five years. During this period, more than 500 disciplinary cases have been decided by the Umpire. These decisions deal with a wide variety of disciplinary situations and they stake out the guide posts for handling similar cases. This backlog of decisions forms a kind of common law which is used by both Management and the Union in appraising cases. We print more than 10,000 copies of the Umpire decisions and circulate them throughout our entire supervisory organization. The Union distributes copies to the Local Union officials. Needless to say, these decisions are of great value as educational material in the plants.

Our discipline is for the purpose of correcting improper conduct and obtaining compliance with shop rules. It is not punitive in nature.

Discharge is resorted to in two types of situations:

1. Where the offense is of such a serious nature as to make any other form of discipline inadvisable. For example:

- Assault on a member of supervision
- Leadership and direction of a strike in violation of the agreement
- Theft
- Sabotage

2. In cases of repeated violations where other efforts to bring about correction have failed.

This is what the Umpires call "corrective discipline." It requires that some corrective action be taken in violations before the violations accumulate. It is definitely contrary to good practice to overlook violations until they pile up and then to discharge the offender as the first disciplinary effort.

I hope that this discussion will not leave you with the impression that all we do in General Motors is to hand out discharges and disciplinary layoffs. On the contrary, our experience shows that a policy of firm, even-handed discipline creates respect and actually lessens the disciplinary problem. Fortunately, in shop operations the vast majority of personal adjustments are, because of the innate sense of fairness of the American workman, self-imposed and self-administered. If this were not so, we could not operate a single day. Employees prefer to work in a well-disciplined plant. The majority of employees want to do a good day's work and never get into trouble. It is the few in any large group who try to beat the rules of the game.

In a group of more than 200,000 employees, there will naturally be a considerable number of situations which require discipline and over a period of a year there will be a sizeable number of discharges. One might think that cases of this kind would overload an Umpire procedure. As a matter of fact, however, in more than 90 plants covered by the GM-UAW agreement, only 30 employees appeared before the Umpire protesting disciplinary action against them in the year 1946—and only nine of these were discharge cases.

The Union has knowledge of all the disciplinary cases, as the foreman informs the district committee-man of disciplinary actions within 24 hours after the action is taken. The disciplined employee has three days in which to file any grievance he may have as a result of the discipline.

It seems a fair conclusion that our supervisory organization is doing a good job of handling shop rule disciplinary cases.

STRIKES IN VIOLATION OF AGREEMENTS

Strikes in violation of agreements present unusual disciplinary problems and require unusual treatment. Whenever we have a strike or stoppage in a local plant, it ceases to be a local matter—we treat it as a strike against the Corporation. We immediately telegraph the top officers of the Union, demanding that the strikers be ordered back to work. We believe that it is the responsibility of the Union to live up to its agreements, but we do not leave it up to the Union alone. Our agreements specifically pro-

vide that Management may discipline any employee for violation of the no-strike section of the agreement.

During the war, there was considerable comment in the public press about the fact that General Motors had a much better strike record than the other automobile companies or the war production industries as a whole. There was some difference of opinion as to the exact reason for this. One of the obvious reasons for the small number of strikes was the existence of a comprehensive grievance procedure which included a full-time Umpire to settle disputes. We believe, however, that the long-established policy of General Motors of dealing promptly and rather severely with leaders of strikes in violation of agreements was an important factor in this record.

Our experience with this problem began immediately after the first agreement was signed by the UAW ten years ago. At that time, the Union leaders were new at the business and they had no concept of their responsibilities under a labor agreement. The local Union leaders were inexperienced and many of them felt no particular responsibility to the International Union. Consequently, the first few months of operating under an agreement with the UAW were hectic indeed.

Daily wildcat strikes and quickie sit-downs were the usual thing. We decided then that the Union and its members must learn to respect the agreement. So, in April, 1937, General Motors notified the UAW that unless wildcat strikes were controlled there might as well be no agreement. The Union's demands for revision of agreement terms were met by a refusal to enter into negotiations until the International Union took steps to get its own house in order. In September of that year, after the impasse had continued for three months, the Union took a public stand against wildcat strikes and acknowledged that it was Management's right to discharge or otherwise discipline any employee guilty of violating the no-strike clause in the agreement.

From the outset, Management disciplined the leaders of unauthorized strikes. For example, on March 31, 1937, a group of employees stopped work and manhandled an employee who refused to join the Union. Seven employees were disciplined, and this became our first Umpire case.

Progress in controlling wildcat strikes during the early days was slow and it is difficult to point to any particular situation which could be said to have been a turning point; however, two cases at the Fisher Body plant in Flint, Michigan, are particularly significant:

In September, 1940, a group of employees left their work and proceeded to another floor of the plant, where they attempted to physically eject a worker who was a leader of a rival Union group. This demonstration naturally caused a stoppage of work. The Union at this plant had been through a bitter factional split and, although the group affiliated with the C.I.O. won a majority vote in an N.L.R.B. election, there was still a considerable group who followed the UAW-AFL leaders. This was the plant where the 44-day sit-in strike occurred in 1937, and the local Union leaders were particularly recalcitrant and scornful of orderly agreement procedure. The demonstrators demanded immediate dismissal of the

rival unionists. Management refused to become involved in the factional fight and discharged 17 employees who were active in leading the demonstration. After a short strike, operations were resumed without the 17 leaders of the demonstration. The case of the 17 was appealed through the grievance procedure and out of it came a long strongly-worded statement by the International Union, denouncing unauthorized strikes. Incidentally, some of the 17 men were later given employment as new employees.

Five months later, at the same plant, an employee was sent home for one day for "horse-play" in violation of safety rules. The other 82 men in the department refused to work, demanding the cancellation of the one-day penalty. The group crowded around the Superintendent's office, demanding action. Management discharged the entire group—the whole department. This action was severe enough to finally impress upon the local Union leaders the necessity for ending wildcat strikes as a means of attempting to force settlement of Union disputes. The plant resumed operation with a new crew in the department. Management later put most of the 82 men back to work in other parts of the plant as probationary employees. Only one minor stoppage has occurred in that plant since.

I am not suggesting that this is the easy way to curb wildcat strikes. It definitely is not the approach for the timid, for once you discipline for strike leadership, you must be prepared and willing to see it through. An experience we had in one of our key plants during the summer of 1945 will illustrate the point. The plant was covered by agreement with the UE-CIO. On V-J Day this plant had all of its war contracts cancelled. The post-war program was put into effect immediately and, although the conversion problem was considerable, the unemployment which resulted was limited to a temporary layoff of 295 women employees. The situation was fully explained to all of them and they understood the problem. Not one of them complained. Most of them said they were glad to get a couple of weeks off.

Nevertheless, the Union filed a grievance, charging violation of the seniority agreement. Before the grievance could be answered by Management, the Union planned a meeting of the employees during working hours to discuss the matter. This device had been tried out before by the Union in some other plants not in General Motors.

Management warned the local Union leaders that a stoppage to attend a Union meeting would be a violation of the agreement and would be treated as such. We notified the International Union officers of the situation and put them on notice that if the plan went through we would treat it as a strike.

At the appointed hour, the local Union officials began a demonstration and attempted to lead the employees out of the plant to the Union hall. About 15 per cent of the people went along—the others continued to work. After the Union meeting, Management was served with an ultimatum to immediately reinstate the employees who were on temporary layoff; otherwise the Union would take further action.

This was a challenge which could not be overlooked. The alleged violation of the seniority agreement was a matter on which the Umpire under the agreement was fully empowered to rule. If Manage-

ment was wrong, he could make it right. The ultimatum was a challenge not only to Management but also to the whole concept of peaceful relationships under a collective bargaining agreement.

The five Union leaders who were responsible for the stoppage were notified of their discharge for violation of the agreement. As would be expected, the discharged leaders promptly organized picket lines and closed the plant.

Management's position from the start was: (1) Return to the agreement, (2) go back to work, and (3) submit to the Umpire the seniority question and also the disciplinary cases. The top officials of the Union conceded the soundness of this approach to settling the strike, but they could not sell the idea to the local leaders.

The strike continued for seven weeks. This plant was a key supplier of all the car plants as well as many important customers outside General Motors. Naturally, there was great pressure on the Management to yield and get back to work. From Management's point of view, the issue was simply whether disputes were to be settled under the orderly procedure of the agreement or by a show of force. On this issue, there was no room for compromise.

Finally at the end of the seventh week, the Union agreed to return to work (except for the discharged employees) and to submit the matter to the Umpire. Incidentally, the Umpire later ruled that there was no violation of the seniority agreement; the disciplined employees were reinstated by the Umpire because of a highly technical loophole in this agreement. The Union found a way legally to authorize the strike retroactively. We have not had any further trouble in that plant.

The so-called "company security" plans have received sensational publicity during the last year or so. Some of these plans called for joint disciplining of strike leaders. No matter how attractive such proposals may appear to be, we believe they are basically unsound. We had an experience in a case which may illustrate the point.

At our Diesel Plant in Grand Rapids, three members of the Shop Committee organized a walkout one morning in March, 1944, in protest against the suspension of a girl who refused to operate her drill press unless she were permitted to wear canvas gloves—a dangerous practice which could not be permitted. It later developed that the strike plan was all set and the glove incident just happened to be the first one which could be used as an excuse to walk out. The strikers set up picket lines and kept the plant closed for several days. The three members of the local Shop Committee were openly active in leading and directing the strike. They were promptly discharged.

The International Union conceded we had an open-and-shut case against the three who were discharged; however, the Union argued that the real planner and instigator of the strike had remained behind the scenes and had escaped discipline. The Union offered to deliver to us a signed confession from the hidden leader. This offer sounded interesting, but closer examination revealed dangerous implications. It was an open secret that the real cause of the strike was a factional struggle for control of the local Union. Moreover, the Union's offer had a string on it. The

three discharges would have to be reduced to long penalty layoffs. We offered to consider any evidence the Union was willing to deliver, but we refused to make any commitments regarding the three discharges, nor would we make any "horse-trade" of one strike leader for another. We stuck to our policy of disciplining those whose guilt could be established by our own evidence, and the three stayed fired. The official who offered to deliver the secret leader, later admitted he was unable to obtain any signed confession.

You have heard, no doubt, the argument that the Union should discipline its own members for strikes in violation of agreements. We tried that idea a few times but it did not work.

One of our earliest experiments with this approach occurred in one of our Pontiac plants in November, 1937, shortly after the sit-down episodes. In that period of Union development, the local leadership was not particularly noteworthy for deliberation or conservative action. Curtailed schedules necessitated the layoff of some employees in accordance with the seniority provisions of the agreement; but the Shop Committee succeeded in inducing the employees to pull a strike, unauthorized by the Union, demanding a restoration of full production, including the transfer of operations from our Linden plant to provide full schedules. The strike resulted in a full-scale seizure with all the sit-down trimmings, which was terminated after five days by persuasion of higher Union officials.

For organizing the incident, the Management discharged some 20 men and the Union requested permission to identify the ringleaders and participate in the setting of penalties. To this the Management agreed, but in a series of nine meetings over a period of several months the Union failed to agree upon or produce a single guilty member, and settlement was finally made on the basis of Management's action. It was impossible in a political organization such as the Union to fix the blame—and perhaps unreasonable to expect any such result.

The Union usually defends those we discipline for violation of the agreement. It does so on the grounds that the complainant is innocent or that the discipline is too severe. This is a proper function of the Union. On the other hand, the Union benefits directly from our policy. It assists the Union in maintaining some semblance of discipline over the local Unions. In many cases, the wildcat leaders who defy the agreement also defy the International Union. In reducing the frequency of wildcat strikes, our policy builds the Union's reputation for contract observance. We have reason to believe the top leaders of the Union fully appreciate this fact.

One indication of this appreciation was shown by Walter Reuther in his testimony before the Meade Committee of the United States Senate. You may recall that the Meade Committee came out to Detroit to learn why certain plants were not producing war material. One of our competitors bore the brunt of investigation; however, the Unions were invited to testify and they blasted everybody in general, hoping the noise would divert attention from strikes as a major cause of the lag in production.

Mr. Reuther in his testimony was asked about General Motors. We consider his reply to be a fine, although perhaps unintentional, compliment. He said:

"General Motors is tough. We don't agree with everything they do, but at least they have policies and they know where they are going."

It seems appropriate to quote from a speech made by the late Justice Brandeis in Boston at the conclusion of a long and bitter strike more than forty years ago. In speaking of what we now call collective bargaining, he said:

Men fail at times to see the right; and, indeed, what is right is often in doubt. For such cases arbitration affords frequently an appropriate remedy. This remedy deserves to take its place among the honorable means of settling those questions to which it properly applies. Questions arise, however, which may not be arbitrated. Differences are sometimes fundamental. Demands may be made which the employer, after the fullest consideration, believes would, if yielded to, destroy the business. Such differences cannot be submitted to the decision of others. Again, the action of the union may appear to have been lawless or arbitrary, a substitution of force for law or for reason.

You may compromise a matter of wages, you may compromise a matter of hours—if the margin of profit will permit. No man can say with certainty that his opinion is the right one on such a question. But you may not compromise on a question of morals, or where there is lawlessness or even arbitrariness. Industrial liberty, like civil liberty, must rest upon the solid foundation of law. Disregard the law in either, however good your motives, and you have anarchy. The plea of trade unions for immunity, be it from injunction or from liability for damages, is as fallacious as the plea of the lynchers. If lawless methods are pursued by trade unions, whether it be by violence, by intimidation, or by the more peaceful infringement of legal rights, that lawlessness must be put down at once and at any cost.

If labor unions are arbitrary or lawless, it is largely because employers have ignominiously submitted to arbitrariness or lawlessness as a temporizing policy or under a mistaken belief as to their own immediate interests.

As I said, Justice Brandeis made that statement over forty years ago.

In conclusion, I would summarize our experiences as follows:

I. We believe our experiences show beyond a doubt that discipline is necessary for efficiency. For without discipline, efficient production is not possible. By discipline, I do not mean the ironclad discipline of military rule, but rather the smooth-running discipline of teamwork and cooperation.

II. Disciplining is a responsibility and duty of Management which cannot be dodged or shared with others. It is a task of Management which must not be shirked.

III. Voluntary arbitration, under rules and procedures agreed to in advance by the parties, is a fair and workable means of settling disputes arising under agreement terms. Our experience with the Umpire machinery in our labor agreements shows that impartial review of Management's action in disciplinary situations protects employees from errors or unfair treatment and provides a fair and peaceful means of settling such disputes.

IV. We in industry must continue to improve discipline and efficiency to produce more and better things for more people at lower costs and at a profit. This is the only road to prosperity and the fuller life in America.