

They're Our Employees First: Old Lessons for the New World of Work

by [Rick Warters](#)

Not that long ago, I got a call from someone who used to work for me. She asked, "How can I get my General Manager (GM) to pay attention to our Human Resources (HR) agenda?" I replied, "If your HR agenda doesn't address the things that keep your GM awake at night, you're working on the wrong things."

In the nine quarters since I retired, I've written, taught, trained, lectured, consulted, and, most importantly, reflected on the evolution of the HR function since I started studying the field in 1980. The most significant change over those generations has been a very real shift from Personnel Administration to Human Resources. It went far beyond rebranding. We evolved from policy writers and form fillers to partners with varying degrees of equality "at the table", depending on the competence of the HR partner and the self-confidence of the line manager (s)he supported.

An early indication of the next change came in the mid-aughts in the form of another call. This time from an HR leader who was attending a product launch event in Las Vegas. The president of the business she supported asked her whether anything in the play list submitted by the night's entertainer could be construed as offensive. "When did I become the Company's social conscience?", she asked.

It was clear to me. Even when we were "Personnel", we interviewed, advised, and recommended appropriate corrective action for rule breakers. When we became the advocates for and enforcers of "zero tolerance" policies, we became the line managers guide to social consciousness and their insurance policy for job security (at least as it applied to interpersonal improprieties). "HR said it was OK."

Once we accepted the role of social arbiter, judge, and jury, it wasn't a step too far to think that a separate agenda - an HR agenda - might be next. The business case for social good is, of course, "good" itself. Other "partners" at the business table don't enjoy the same luxury. Imagine the head of operations proposing to invest in a new location because it would be good.

"It will be 'good' to create those new jobs. Think of the social capital.", (s)he says.

"Uh-huh. What's the investment and where's the return?", the Chief Financial Officer asks. "We have a fiduciary responsibility to consider. Who do you think you are, HR?"

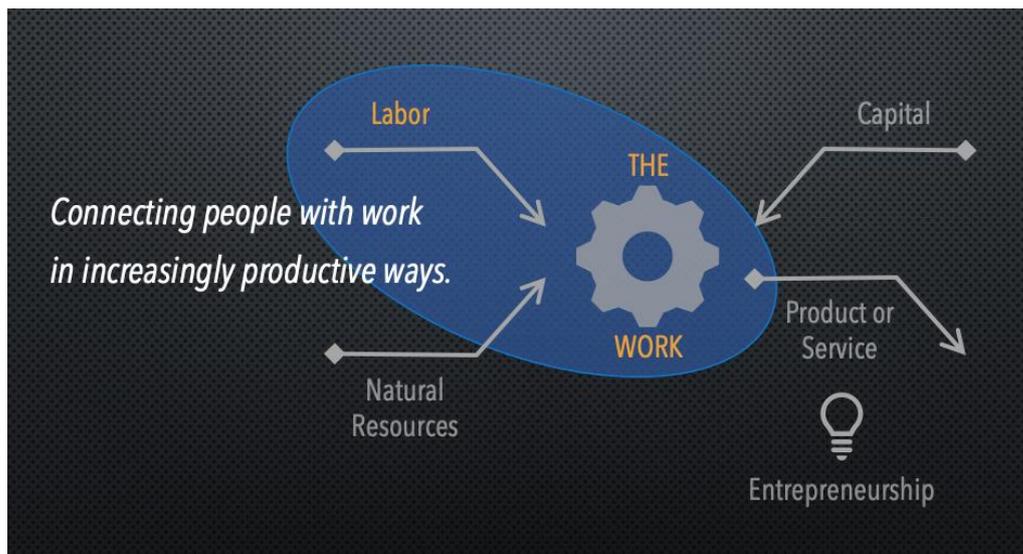
The bottom line is that jobs don't exist without a strong bottom line and if anyone in HR is focused on anything besides the bottom line, they're working on the wrong thing. While HR's agenda shifted over time, I always felt industrial relations' link to business outcomes was clear. For years, anyone who heard me speak had to suffer through my definition of industrial relations' work:

*The establishment and management of employment conditions that enable the increasingly productive performance of the right work in the right place by engaged people with the right skills.
[See also "employee and labor relations"]*

I never had time to dive into the definition during a 20, 40, or even 60-minute presentation, so I just put it “out there”. And there it sat.

I did, however, make it clear that creating conditions to encourage productivity is industrial relations work, regardless of representation status. The tasks involved might differ where a union is involved, but the objective is the same - productivity. Whether or not you need a Labor Relations department, you need to start with employee relations. As one wise CHRO once told me, “They’re our employees first.”

In recent years, I tied industrial relations work to an “inputs of production” model and characterized the role more succinctly:



Whether a company delivers a product or service, drill bits or terabytes, management’s responsibility is to engage the capital, natural, and human resources (labor) at its disposal in the most productive way. And the HR responsibility for industrial relations work is one significant way our function delivers value whether there is an Employee and Labor Relations department or not. We create the conditions that connect people with their work.

Ideally, those of us in HR:

- Engage in the discussion about the work best done in-house and the work we’ll vend.
- Create the conditions to attract workers through arrangements that make sense (employees, temps, contractors, etc.).
- Deliver competitive systems of remuneration and working conditions to attract and retain the people we choose to employ.
- Influence relationships and foster an environment where every employee wants to engage to his/her fullest.

In so doing, every HR person, regardless of sub-function, has a responsibility for the firm’s employee relations. Every decision (s)he makes and every policy (s)he proffers has an impact on the way employees connect with their work. And every decision needs to be made with a clear understanding of the impact of that decision on the outcome – the increasingly productive performance of labor. Ideally.

When I led the Industrial Relations function for one global company, my supervisor asked if I wanted to be considered for one of four business unit HR Vice President positions being created through a comprehensive reorganization. I said, “Yes.” Knowing my penchant for labor relations, he was surprised and asked, “Why?” When I explained I felt removed from the business in the staff role, he said, “Who has had more of an impact on the business than you?” His point was that the dozens of factory closures and relocations I had

negotiated and overseen in my staff job had contributed hundreds of millions of dollars annually to the company's bottom line.

He focused on my contribution to one piece of the employee and labor relations pie - getting the right work to the right place where it could be done more efficiently. Disconnect thousands of people from the work in one location and connect thousands of different people to that same work thousands of miles away. We delivered collective productivity through brute force where we had failed to engage our employees sufficiently to keep pace with new global entrants.

Through all the restructuring, I came to believe that all systems age. Even good ones. Whether represented by a union or not, comfort and complacency allow bad habits to creep into once state-of-the-art facilities. Rules relax, accommodations are made, investments wane, and productivity suffers. Labor's output per dollar either fails to keep up with employment costs or more often, it fails to keep up with the leapfrogging of new, more productive systems elsewhere.

Nature abhors a vacuum. Human nature abhors change. As a result, the proverbial "burning platform" is almost never big enough to deliver the recalibration needed to turn an aging former best-in-class system back into a world-class producer. And that is where the real challenge for industrial relations exists.

Employee relations work is often pigeon-holed as union avoidance while the Labor Relations department deals with unions and works councils. What's often lost in the corporate perspective of industrial relations is that:

1. *It's all about the work,*
2. *They're our workers first, and*
3. *Sometimes they're union members somewhere down the road.*

As a peer recently said, "You can't separate employee relations from labor relations. They're two sides of the same coin."

Employee Relations Rules

Everyone in HR carries some responsibility for employee relations. The following rules are intended to help guide the HR professional, whatever the title on his/her business card.

Rule #1: Start with the Work.

A line from Jurassic Park rings true. To ensure no unauthorized reproduction in the park, all the dinosaurs were female – no Y chromosomes were introduced. Despite that, a skeptical risk manager observes, "Life finds a way."

Work is much the same. Management creates well-intended barriers in the form of procedures, rules, policies, etc. that inadvertently impede the efficient flow of work and employees find a way to get the job done anyway.

At one time or another, we have all recited the mantra that those closest to the work are in the best position to improve it. Internalize that. Understand the work that needs to be done, listen to those who do it to identify the barriers to efficient flow, then help strip out the barriers they identify. Work finds a way.

A maverick General Manager spent two years turning around ailing, union-represented parts-manufacturing factory. He listened to his team and went to work eliminating barriers to success. Adherence to the contractual job classification structure was one of the first barriers he disregarded. Grievances were filed by the thousands. An arbitrator called foul.

When I was assigned to the factory, my first job was to fix the foul. I worked with supervisors to understand how parts got made, who performed the tasks, and who was supposed to perform those tasks according to the labor agreement. I then engaged the union to negotiate a classification structure that provided the flexibility management sought and enough seniority-based protection for the union to hold its head high. The result: nine higher-paid classifications where there had been 36. Work found its way and we removed the barriers. Eventually.

Rule #2: Create order.

We are in a remarkable moment in time. The degree of polarization in the American society feels like it is at an all-time high. Part of the fallout is that those who disagree with rules set by others choose to disregard them as “illegitimate”. At the same time, many companies are addressing the complexities of Covid, and fears of a talent drain from the “Big Quit” by adopting an “anything goes” operating system. This may work for a moment, but it will have unintended consequences.

Companies are called “organizations” for a reason. HR needs to take the lead on the question, “How can ‘labor’ be best structured to most efficiently deliver the products and services our business provides?” Revisit Rule #1; start with the work. Any deviation from the optimal arrangement needs to be done while fully acknowledging the cost to production/service delivery. Turnover has a cost. So does the loss of productivity, organizational learning, and cohesiveness that may be unwittingly sacrificed.

People crave normalcy and order. Reasonable rules provide guardrails within which they know they can operate safely. And people who are treated fairly by the rule makers who govern their livelihoods may be more inclined to accept the validity of rules in other areas of their lives.

Rule #3: Set Clear Expectations.

After one particularly grueling day, one of my former supervisors said, “Fine job today, Rick. Your employment contract is good for another 24 hours.” He was only half-joking. He expected as much the next day... and the day after that. And if I survived several thousand of those 24-hour periods, I could hope to achieve the job I had set my sights on several years before. Such is the life of a corporate executive. I understood the “rules”.

Employees need a clear understanding of what is expected of them *and* what they can expect from you. This is harder than it sounds. Expectations that are too broad leave room for interpretation. Those that are too narrow require frequent renegotiation. I have always been an advocate of “vision, mission, values” as a primary communication tool. If you answer, where you’re headed, what you need to do to get there, and how you’re going to act along the way, the path becomes relatable, and supervisors become armed with the tools to link every employee’s work to the “big picture”.

These leadership tools only work when they are sufficiently specific to the organization. Values must be more than a set of adjectives drawn from a consultant’s list. They need to be the basis for clear operating principles and behavior. And they need to be visible as leaders “walk the walk.”

Further, they must be complete. Several decades ago, I was part of a team tasked with reviewing the company’s “strategic communications”. One Friday afternoon near the end of the project, we

were preparing to deliver a difficult message to a division president the following week. “Messaging is all over the place. There is no clear, cohesive strategy.”

“Let the HR guy tell him.”, my teammates said. That meeting the following Tuesday would not be fun.

Over the weekend, a book jumped out at me in a bookstore (back when bricks and mortar bookstores existed). It began, “Strategic communication is the sum of vision, mission, and values.” I was relieved. And our team’s message shifted fast.

“Our mission and values are published.” I said as I held up the printed cards as a prop. “All that’s missing is a stated vision. And your actions have made that clear; it’s growth.”

The division president leaned back in his chair and said, “Finally, somebody gets it.”

Employees can’t be expected to sift through all your messaging to find the golden nugget. Don’t make them guess where you’re going or what you’re looking for.

Rule #4: Focus on the employee experience. Understand the employee condition.

Every HR person has a responsibility for employee relations. It is critical to consider the impact on employees of every decision and every policy recommendation. The real challenge is to force yourself to consider all employees. Executives make policy, employees live with them. I applaud efforts to create a positive employee experience. And I encourage the establishment of a minimum set of expectations around that experience. But it is important to remember that people in different situations will experience employment very differently depending on their work and the living conditions their work affords.

I used to say, “The employee experience of the person assembling smoke detectors in China will never be the same as that of the aerospace engineer in the New England.” But back to Rule #3, every employee should at least expect that:

- His/her workplace will be safe,
- (S)he will be treated with respect,
- (S)he will be treated fairly (relative to the law and to other similarly situated employees),
- (S)he will be paid promptly for their work, and
- His/her input into the ways to improve the work they perform will be heard.

When I worked for the Mexican operations of an auto parts supplier, we lived the real “Big Quit” every day. Annual turnover in our *maquiladoras* in Ciudad Juarez was 180%. In Chihuahua it was 120%. Sifting through the data, we found one department in one plant in one city where no one had left in six months. Zero turnover. I interviewed every person on that line and heard the same thing from every one. They all could have left for other jobs, but they stayed because, in their words, “(Our supervisor) *es simpatico*.” He gets us.

Their supervisor operated under the same rules as the rest of the factory, but he exercised the rules in a way to ease the human condition for those who worked for him... for those who spent two hours each way on several buses just to get to work... for those who had left their families hundreds of miles away to be able to send some money home on payday.

HR's responsibility for employee relations requires recognition that the same rule or policy change may have dramatically different implications for employees who live in very different worlds. Global policies have local consequences, and the way supervisors implement those policies will influence the productivity of your organization. Understand the people and help their supervisors lead.

Rule #5: Engage Employees around their Work. All Employees.

Employee satisfaction morphed to employee engagement. Thank God. There is no correlation between happiness and productivity. But there is a correlation between engagement and productivity. And you can't be engaged if you're not included.

Engaging Johnny in his work is a supervisory responsibility. HR needs to ensure supervisors have the tools and infrastructure to make it happen. Those closest to the work are in the best position to improve it, right? Supervisors aren't all good. What mechanisms ensure employees want to participate in work process improvement activities, are heard when they do participate, and are recognized when their participation results in productivity?

This is about removing unnecessary barriers to productivity by listening to those who do the work. That's real engagement. Test the process. Validate the tools you provide to enable line supervisors to do their jobs in increasingly productive ways. It is not about pizza for pizza's sake.

Rule #6: Communicate. Communicate. Communicate.

All the above require supervisors to be armed to deliver a sound employee relations experience. They need information to ensure there are no surprises and that they can translate corporate missives to local logic.

And when it comes to change, explain the "why", acknowledge any resulting change to the employee experience, and be clear about the steps you have taken to minimize the impact on them.

A regular, clear communications channel to and through first line supervision is a critical element in the creation of a positive employee relations culture.

Implications for the Industrial Relations Organization

Once upon a time, I would have said, "HR Generalists" are responsible for employee relations in the organizations they support. I might even have said the same of "HR Business Partners" in more recent times. The reality is that "employee advocacy" gained an unfair moniker as being "non-strategic" in the post-Personnel age. Sure, the handholding, transaction-administering role had to go in favor of self-service. But who is left to give voice to what happens in the world of the non-exempt employee who is increasingly the face of your company to the customer?

Employee Relations organizations need to be *simpatico* to the employee experience at all levels and the employee condition across all geographies. The Employee Relations professional's job is to ensure there is order in the work world, expectations are clear, the employee experience is understood, and employees are engaged in their work through their supervisors.

In the tech world, the user interface gets a lot of attention. In retail, it's "customer experience." The best employee relations practices will turn that expertise inward to look holistically at employees, the ecosystem within which they work, and their interface with their work.

At the highest level, they will ensure consistency between an organization’s vision, mission, and values and operational changes. They will be a constant and vigilant ear for the collective employee voice. On the front lines, they will consult to ensure supervisors have the tools they need to lead increasingly productive operations in a constructive environment. And they will provide advice and counsel on the implementation of policy and the application of discipline.

Ensuring individual employment actions are executed fairly and in a way that is consistent with your organization’s messaging may not feel strategic, but perceptions of unfairness and inequality are barriers more easily avoided than removed. After all, what is more strategic than securing the conditions ensure people connect with their work in increasingly productive ways?

And remember, continuous, locally-driven competitiveness beats brute productivity every time.



Rick Warters

Rick held senior positions at United Technologies as a Human Resources client manager and an Industrial Relations specialist for 35 years. He led the employee and labor relations function at Carrier and Pratt & Whitney for seven years and managed employee and labor relations issues on the ground in more than 20 countries across a spectrum of representative and regulatory environments.

Rick retired from UTC in 2019 but remains active keeping up a years-long tradition of lecturing at Cornell as well as developing and delivering a new Employee & Labor Relations course at the University of Connecticut’s Business School. He engages selectively in labor consulting and continues to support HRPAs Global’s development activities.

Email: rawarters@gmail.com

