The Wisconsin Regional Training Partnership: Lessons for National Policy

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WORKING PAPER #3
October, 1996

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2521 Channing Way, #5555
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Abstract

In other countries, labor unions and employer associations have taken the lead in coordinating efforts to solve the collective action problems surrounding skill formation and industrial upgrading. Recent proposals suggest that equivalent institutional support may be attained in the U.S. through the encouragement of sectoral training consortia and regional labor market boards composed of business and labor representatives. However, very little is known about how a regional labor market institution might operate in the U.S. context.

The Wisconsin Regional Training Partnership (WRTP) is a well-developed model for these new kinds of institutional arrangements. In combining one-stop shopping for regional labor market services in the Milwaukee metropolitan area with sector-specific training consortia, WRTP provides support for firms and unions making the transition to high-performance manufacturing. Member companies and unions are committed to: jointly administering workplace education and training programs; benchmarking expenditures on incumbent worker training programs as a percentage of payroll; expanding future workforce training programs for unemployed adults and youth; incorporating sectoral skills standards into incumbent and future workforce training; and developing a partnership approach to manufacturing extension programs for supplier upgrading. Driven by these core principles, the WRTP in its brief existence has developed a variety of innovative programs in key areas of national policy concern, including labor relations, workforce training, the school-to-work transition, reemployment services, and manufacturing extension.

Our policy recommendations focus on three general areas: support for the construction of regional labor market institutions, designing these institutions so that they have the structure and flexibility to be driven by the continuously changing needs of the private sector, and promoting the participatory partnership model.

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Introduction

Intensified global competition and rapid technological change have fundamentally transformed the business environment of manufacturers in advanced industrial economies. Firm success, even survival, depends upon management responding to new circumstances, either by reducing costs at the expense of workers and suppliers for short-term gain, or by forming strategic partnerships with them for long-term advantage to all stakeholders. Either strategy may be equally profitable for the shareholders, but they have sharply divergent social consequences.¹

The advanced industry practices rewarded on the high end of world markets require a highly proficient and well-motivated workforce and supplier base. Advanced skills and mutual trust are collective goods which individual firms, except perhaps a few of the very largest ones, are willing or unable to supply in adequate quantities. Cost considerations prevent firms from assuring workers and suppliers that they will share the gains of cooperation, or one another that they will all replenish common pools of resources. Yet the embeddedness of local knowledge in large numbers of heterogeneous workplaces prevents government regulators and service providers from filling the void.²

Some level of public involvement is obviously needed to solve the

¹ For analysis of recent trends in industrial restructuring and labor relations, see Applebaum and Batt (1994), Bluestone and Bluestone (1992), Kochan and Osterman (1994), and Parker and Slaughter (1994). On recent labor market outcomes, see Freeman and Katz (1993), Levy (1995), and Mishel and Bernstein (1994).

coordination and cooperation problems inhibiting workplace change and skill development. This suggests greater attentiveness to the development of an institutional infrastructure that could support collective goods provision and less to the idiosyncratic demands of individual firms. On both the supply and demand sides, however, this is only possible with some degree of public intercession into the politics of business organization that is anathema to large segments of the business community.

A frequent starting point in the policy discussion is the need to encourage a greater willingness among businesses to supply worker training. The ability of firms to achieve competitive success through industrial upgrading is severely limited without a dramatic increase in workforce skill levels. And many of the skills needed to support industrial upgrading tend to be supplied much more effectively in workplace settings than in schools. Yet training by itself does nothing to ensure that jobs requiring high skills will become increasingly available. Firms also need to be encouraged, if not compelled, to reorganize production in ways which increase skill demands. Without these complementary changes in firm and work organization, increased training will be of little value.

In other countries, encompassing secondary associations, most notably labor unions and employer associations, have taken the lead in coordinating efforts to solve the collective action problems surrounding skill formation and industrial upgrading. While secondary associations are much less widespread in the United States, recent proposals suggest that equivalent institutional support may be attained through the encouragement of sectoral training consortia and regional labor market boards composed of business and labor representatives. Despite calls for the creation of regional labor market institutions, however, very little is understood about how they might operate in the American context.

The Wisconsin Regional Training Partnership is probably the most well-developed model for these new kinds of institutional arrangements. In combining one-stop shopping for regional labor market services in the Milwaukee metropolitan area with sector-specific training consortia, the WRTP provides support for firms and unions making the transition to high performance manufacturing. Firms, unions and public agencies formed the partnership at the end of 1992 to effectively institutionalize a region-wide social compact. Firms support the regional economy by investing in worker training, paying good wages and reorganizing production so as to take advantage of greater workforce capabilities; workers and unions develop the skills and accept the responsibility and authority which high performance production systems demand of them; and public agencies support the shopfloor bargain by coordinating training and manufacturing extension efforts and by assisting in the creation of a regional infrastructure to broaden and institutionalize the effort.

The WRTP has 22 charter member firms and unions concentrated in metalworking, machinery, electronic controls, and related industries (see Table 1). Ranging in size from 85 to 3,000 employees, roughly half the membership is comprised of manufacturers with less than 500 employees. Taken together, these companies employ nearly 30,000 state residents. Non-supervisory employees at most plants are represented by the Machinists, Steelworkers, Auto Workers, Electrical Workers or other industrial unions. The WRTP's Executive Council is

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TABLE 1
WRTP Membership Profile

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<tr>
<th>Company</th>
<th>Industry</th>
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<tr>
<td>AC Rochester</td>
<td>catalytic converters</td>
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<td>Allen-Bradley</td>
<td>automation controls, components, systems</td>
<td>4000</td>
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<td>Carlson Tool and Mfg.</td>
<td>die casting dies &amp; plastic molds</td>
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<td>microcomputers, guidance systems</td>
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<td>Garden Way</td>
<td>lawn &amp; garden equipment</td>
<td>400</td>
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<tr>
<td>GE Medical Systems</td>
<td>medical equipment</td>
<td>3800</td>
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<tr>
<td>Harley-Davidson</td>
<td>motorcycle engines</td>
<td>1600</td>
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<td>Harnischfeger</td>
<td>mining &amp; construction machinery</td>
<td>2470</td>
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<tr>
<td>Johnson Controls - Systems</td>
<td>climate &amp; other bldg. control devices</td>
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<td>Johnson Controls - Batteries</td>
<td>automotive &amp; industrial batteries</td>
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<td>MagneTek</td>
<td>drives, drive systems</td>
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<td>Master Lock</td>
<td>locks, padlocks, lockers</td>
<td>1450</td>
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<td>Menasha Color</td>
<td>containers</td>
<td>180</td>
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<td>Milwaukee Gear</td>
<td>gears &amp; gear boxes</td>
<td>170</td>
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<td>Motor Castings</td>
<td>iron castings</td>
<td>230</td>
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<tr>
<td>Navistar</td>
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<td>PM Plastics</td>
<td>custom plastic parts &amp; products</td>
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<td>Stroh Die Casting</td>
<td>zinc &amp; aluminum castings</td>
<td>200</td>
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<tr>
<td>Waukesha Engine</td>
<td>engineers, generators</td>
<td>900</td>
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</table>
Member companies and unions are committed to: (1) jointly administering workplace education and training programs; (2) benchmarking expenditures on incumbent worker training programs as a percentage of payroll; (3) expanding future workforce training programs for unemployed adults and youth; (4) incorporating sectoral skills standards into incumbent and future workforce training; and (5) developing a partnership approach to manufacturing extension programs for supplier upgrading. Driven by these core principles, the WRTP in its brief existence has developed a variety of innovative programs in key areas of national policy concern, including labor relations, workforce training, the school-to-work transition, reemployment services, and manufacturing extension.

This paper considers the brief but impressive track record of the WRTP and attempts to draw conclusions from the WRTP experience for national economic policy. The first section of the paper presents its design and development. The second section profiles the various specific initiatives undertaken by the WRTP. The third section provides an initial evaluation of the project. The concluding section draws upon this unique experience to suggest future directions for public policy. Attention is given throughout to the strategies and mechanisms developed to confront the collective action problems which have heretofore constrained most U.S. firms from pursuing the high performance path.

1. Design and Development

1.1 A Chronology of the First Two Years

The WRTP was the deliberate creation of a handful of business, labor, academic and public officials who recognized the inadequacy of existing modes of work organization, skill development, and labor relations, and wanted to develop institutional supports for the transition to something better. Several antecedent conditions in the Milwaukee metropolitan area, some positive and some negative, laid the groundwork for wider acceptance, but there is no reason to believe this favorable reception could not be replicated elsewhere. With its successful start-up in durable goods concluded, the WRTP has become a model for other sectors and regions of the state and attracted significant interest around the country.4

The diversified industrial base of the region is fairly concentrated in capital goods, including machinery and equipment for agriculture, mining, construction, manufacturing, and health care. These export oriented industries were devastated by the macroeconomic conditions that produced the deep recession of the early 1980s. Unfavorable exchange rates eroded market shares, while high interest rates reduced time horizons. By-passed by the military build-up that sustained manufacturing on the coasts, Milwaukee's industrial sector did not really begin to recover until the dollar began to fall in the mid-1980s.

The most visible change was in the structure of firms in the area. Milwaukee County lost nearly one-third of its industrial base during the crisis.

4 For testimony to the Dunlop Commission, see Rogers and Parker (1993). For citation as a national model, see Kochan and Osterman (1994).
Allis-Chalmers, which once employed more than 10,000 workers, was driven entirely out of business. Allen-Bradley, Briggs & Stratton, Harley-Davidson, Johnson Controls, and in fact almost all major manufacturers, experienced major downsizings. Some of these jobs were eliminated by relocation or automation, but others simply reappeared in smaller, non-union facilities in suburban or rural areas. Transferring and outsourcing work led to the deunionization and deurbanization of manufacturing rather than the deindustrialization of the region. In fact, manufacturing employment for the metropolitan area as a whole has actually recovered to peak levels in recent years.

The transformation of the manufacturing sector in Southeastern Wisconsin was traumatic for organized labor in the region, with sharp declines in membership and market share. Many of the remaining high-wage, union-represented jobs remained at risk without substantial improvements in quality and productivity. Every major manufacturer eventually converted to one degree or another to cellular manufacturing, just-in-time logistics, and total quality management. Unions were under tremendous pressure at the bargaining table to accommodate new technologies and work processes with more flexible agreements.

Few firms emerged from the wreckage of the early 1980s with positive labor-management relationships. Yet these concessions failed to achieve any enduring advantage in increasingly segmented world markets when price competitive rivals can always find a cheaper place to do business. Some employers were becoming concerned that a low-wage strategy would erode their customary position on the high end of their respective industries. And many unionists were prepared to try something new after a decade of hard times. Workplace education and training provided an opportunity for both parties to gain tangible benefits from an issue that would invariably get them talking about the future together.

After some pioneering experience with innovative dislocated worker assistance programs, the Wisconsin State AFL-CIO began to encourage the development of workplace education centers among receptive employers and their affiliates in 1988. In the original model, the company and union formed a steering committee to design and develop on-site training programs. Matching grants paid for a technical college instructor to serve as a neutral third party for assessment, counseling, education, and training services. And a peer advisor network was formed to promote the facility to fellow workers and bring their input back to the steering committee.

A dozen of these projects were off the ground when research by the Center on Wisconsin Strategy (COWS), a research institute housed at the University of Wisconsin-Madison, demonstrated that the demand for a highly skilled and committed workforce in the state's manufacturing sector was relatively weak and highly uneven. Common employer complaints about skill deficiencies among current employees and job applicants were typically related to basic skills and worker attitudes. The Governor's Commission on a Quality Workforce concurred with the view that public efforts were unlikely to lead to better jobs or more competitive firms without substantial changes in work systems and greater employer investment in training.⁵

The preliminary discussions about the construction of a training consortium which could support high performance workplaces and family-
supporting jobs were initiated in 1991 with a series of parallel meetings. These were convened by the chairperson of the Governor’s Commission and the president of the State AFL-CIO, and facilitated and assisted by COWS. Each side recognized that the inherited industrial relations system of job control unionism and management hostility to collective employee voice was not working very well. Unions needed to get more deeply involved in securing productivity gains to advance the living standards of their members. Management needed to strike a new bargain with workers to share the gains of cooperation to secure the loyalty and commitment of workers in securing business goals. The incapacity of individual firms, or agreements negotiated within them, on their to achieve a new bargain on productivity, skills, and wages brought both labor and management to the same table.\(^6\)

The protracted negotiations raised highly sensitive issues. Management demands for flexibility threatened to erode the customary means of regulating base pay, work loads, and job security. Skills standards posed a danger of excluding incumbent workers from promotions and raises. Future workforce programs could become substitutes for incumbent worker training and employment. Union demands for an equal voice threatened to undermine the well guarded prerogatives traditionally enjoyed by management. The experimentation with workplace education centers, however, suggested how the coordination of joint action across companies and unions might turn these potential threats into possible opportunities.

The deal looked something like this. Compensation is linked more closely to demonstrated competencies in exchange for the joint determination of human resource practices. Mutual agreement on qualification requirements and universal access to training protect incumbent workers from arbitrary and capricious decisions. Conformance to a sequence of supra-firm skills standards reduces the cost of skill development to any individual firm, and enhances the transferability of worker skills. A critical mass of employers all pulling in the same direction enables new future workforce to get to scale. Management gains a more highly skilled workforce and greater flexibility in its deployment, while workers gain greater security from their increased mobility in internal and external labor markets.

The WRTP was officially launched in November 1992 after seventeen months of negotiations when business and labor leaders approved an organizational charter. The document specifies general commitments to jointly determining human resource practices, increasing investments in workplace education, improving re-employment assistance for adults, developing school-to-work initiatives for youth, and benchmarking all training efforts to advanced practices. An Executive Council composed of an equal number of business, labor, and public sector representatives oversees the director and any additional staff, and commissions working groups to develop specific recommendations for action. Once agreement is reached, these are presented to the membership at an annual meeting for further discussion, clarification, and acceptance.

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\(^6\) Katz (1993) reviews the literature on the decentralization of collective bargaining in advanced industrial economics. In previous work we have emphasized that the emergence of a quasi-apprenticeship system associated with a regional certification and training system points the way towards a more regionally defined industrial relations systems (Rogers and Parker, 1993; Rogers, 1994). The Wial (1994) profiles examples of decentralized bargaining structures in manufacturing, while Cobble (1994) identifies some of the challenges facing “post-industrial” unionism in services.
1.2 Organizational Design Issues

The partnership is grounded in a set of firms with enough of a common identify and shared experience that the possibilities of collective action are imaginable, and with close enough proximity to one another that they are sensibly convened and serviced within a regionally defined labor market. Even then it still took two years of discussion, recruitment, and organizing to achieve a structure that the participants found satisfactory. Several design principles were uncovered through this lengthy development process.

Larger unionized firms quickly became the core target group for charter membership. Their large size made them obvious targets for achieving critical mass in the regional labor market. They were directly exposed to world markets and their managers and workers had a decade or more of experience with the new competitive environment. They were also typically much further ahead in the adoption of new technology, work processes, and training programs. They paid the highest wages in the area, and supported substantial employment among their suppliers in the region. For all these reasons, these firms were and are best positioned to set benchmarks for the rest of the sector, to reduce the exposure of smaller firms to poaching, and to extend adherence to industry standards through business relations and contacts.

The second factor was the full inclusion of unions as equal partners throughout the organizing process. Without antecedent agreements and understandings, unions are understandably suspicious that occupational training standards may undermine hard won seniority protections, future workforce programs risk excluding incumbent workers from training and advancement opportunities, and manufacturing extension services threaten to accelerate outsourcing and unionized job loss. An initial commitment to incumbent worker training facilitated greater worker participation in the design and development of subsequent initiatives, and enlisted unions in promoting recommended practices on the ground. Rather than deflect attention from other objectives, consideration of how to meld them with incumbent worker training has underscored the overall mission of the organization.

The third design consideration is an "open architecture" for easy entry. The organization is designed primarily to help members help themselves. The initial price of membership is the commitment to act upon recommendations once consensus is achieved. A modular approach to industry benchmarking enables heterogeneous workplaces at different stages of industrial upgrading to adapt standard training packages to their own work systems, job ladders, and bargaining agreements. The steering committees out in the shops develop their own roadmaps and timelines in the context of identifying and communicating practical solutions to common problems. Participation in the definition of the organization's goals and objectives establishes pride of ownership, while interorganizational learning facilitates gradual implementation appropriate to individual workplaces.

The final consideration is the need for staff support and resource development. The organizing process of building support for the WRTP's mission and consensus on just the first set of projects and initiatives was remarkably time-consuming. This process entails identification of common barriers, elevation of best practices, demonstration via pilot projects, and diffusion of new models and programs throughout the membership, while keeping focused on and driven by the diffuse needs of various constituencies at autonomous firms. A substantial investment is needed at the outset to legitimize recommended practices to skeptical managers and labor leaders, advocate and
secure supportive public policies, and develop the capacity to provide technical assistance to labor and management in the areas of workplace transformation and workforce development.

External resources from state government and national foundations were critical during the start-up phase. The two-year effort to organize the WRTP required persuading skeptics on all sides that the creation of a new kind of regional labor market institution in which they had a membership stake would ultimately help them solve various problems they confronted. As confidence in the process and the pay-offs improved with time, the WRTP began to support itself with local funding. In particular, local training and modernization service providers have increasingly invested in an organization that successfully boosts demand for their services and helps them achieve their public missions. The Executive Council recently put membership dues and expansion on the agenda for the coming year. The value of the organization to the private sector will ultimately be measured by the ability to attract new members and by the willingness of members to pay dues.

2. Initiatives and Innovations

The Executive Council convened the first annual membership meeting in May 1993 to facilitate a general discussion of goals and objectives, and establish three working groups on incumbent worker training, future workforce training, and industry benchmarking. Each group selected their own co-chairs and wrote their own mission statements. Meetings were rotated to different plants so that members could see for themselves what their peers in other companies and unions were doing at their skills centers. Show and tell became an important part of most meetings. Participants swapped success stories, joked about current negotiations, warned about past betrayals, shared letters of understanding and model contract language. They compared notes on their emerging training needs, the curriculum they were using, and the latest instructional technologies. And they explored ideas for potential pilot projects and brainstormed solutions to anticipated problems.

As their work progressed, the working group on incumbent worker training organized a highly successful conference on what was working and what was not. Seventy-five labor, management and education representatives spent an entire day in focus group discussions on basic skills training, team-building, on-the-job training, technical skill development, peer advising, and financial considerations. Each working group also contributed to the development of a survey instrument to identify needs, compare notes, and benchmark progress over time. When their work was finished, the working groups presented their findings and recommendations to the Executive Council in December 1993.

The major recommendations included the development of: (1) a resource center to assist members in workplace transformation and workforce development; (2) three manufacturing certificates for incumbent and future workforce training programs; and (3) an employment-linked training program for unemployed adults and a youth apprenticeship program for high school students. By this time, the Executive Council also agreed to explore the development of a partnership approach to manufacturing extension services for small business upgrading. The implementation of these models is described in turn.

2.1 Incumbent Worker Training

Like anything else, best practices in workplace education and training depend upon the active participation and independent representation of the
workforce. Joint steering committees develop on-site programs in the context of consultations on products, technologies, and processes. Peer advisor networks are recruited and trained to assist with the identification of what current skill levels are like, what training needs to be done, and how best to accomplish this. Workers reveal potentially sensitive information about themselves and their work when a jointly developed program ensures this can not be used against them and supports their identification with skill upgrading. The resulting discovery environment enables labor and management to develop effective workplace education programs, formalize on-the-job training, develop cross-training matrices, map career development paths, agree upon proficiency standards, and how to assess them.

The primary labor-management conflict revolves around assessment. Management typically wants testing to ascertain the qualifications of particular workers and to determine whether investments in training are cost-effective. Workers are typically reluctant to submit to testing for fear that the results will be used against them or violate seniority-based norms and procedures. Proficiency standards are meaningless without some kind of assessment, yet workers resist any breach of confidentiality. The dilemma is resolved with a neutral third party or some other negotiated procedure for reporting results in the aggregate to conceal the identity of individuals.

Actual skill requirements are mutually agreed upon by both parties. Proficiency is determined by successful completion of necessary training or by passing scores on qualification tests. Workers retain complete discretion in authorizing the facilitator to confirm their eligibility for upgrades and promotions. Their seniority rights are preserved either by offering the necessary training in the order of seniority, or by selecting from an eligible pool on the basis of seniority. Confidential assessment and counseling help them gauge where they are, figure out where they want to go, and devise an individualized training plan (usually completed with full or partial compensation) to get them there.

The desirability of standard training modules naturally follows from this increasingly common experience with best practices in workplace education. Companies and unions are eager to avoid the cost of reinventing the wheel, to learn from the mistakes of others, and to share what works with one another. Members have discovered that their training needs are remarkably convergent despite variation in products, technologies, and processes. Standard training modules offer a possible mechanisms for avoiding the overhead and preparation costs of customized training contracts. These out-of-pocket costs present a formidable barrier to the widespread diffusion of best practices, particularly among smaller firms. The average size of member firms who report major difficulties in this regard is 171 production workers. Even the largest firms have begun to train peer advisors to run their skills centers and to scale back on technical college facilitators.

The next advance in workplace education will build upon this emerging practice of leading firms. A reconstituted working group on incumbent worker training is developing a train-the-trainer program to enhance in-house capabilities. Peer advisors would collaborate with technical college staff on the delivery of standard training modules to their fellow workers as they become available. The technical colleges would focus less on direct instruction and more on the rapid development of new educational products, in both conventional and computer-based formats. They have slowly begun to recognize that the lower cost of a decentralized delivery system should ultimately extend the market for their curriculum. By the end of the decade, workplace and multi-worksit skills
centers should become a major new gateway into the technical college system.

Both the need for joint guidelines and for cost savings motivated the recommendation for a resource center. This is being designed to offer a clearinghouse for information and assistance to companies and unions. Members want model bargaining agreements, case studies, needs assessments, peer contacts, site visits, and other informational and benchmarking tools, along with facilitation, consultation, advice on curriculum needs and instructional technology, referrals to service providers and external resources, training for steering committees, peer advisors, and peer trainers, and help with future workforce issues. The resource center is expected to become the focal point for benchmarking skills standards to advanced practices, disseminating standard modules through a decentralized delivery system, and expanding and replicating the partnership throughout the state.

2.2 Skills Standards

The centralized delivery system inherited from the mass production era is as outdated as vintage milling machines. The cost of customized training is becoming prohibitively expensive, while in-house training prevents uniformity across firms. Employers are unable to pool the cost of a skilled labor pool to draw upon, while workers are deprived of portability in the external labor market. Skills standards are needed to decentralize the provision of training to workplaces throughout the region even as the content of that training conforms to more exacting industry demands. The working group on industry benchmarking identified three clusters of skills for the development of standard training modules: basic skills related to continuous learning, process skills related to continuous improvement, and technical skills related to high technology.

Most of the membership already has extensive experience with basic skills training, while specialized technical skills are more industry-specific. Process skills have become the top priority as advanced workplaces move towards a self-directed workforce, a flow process internally and externally, and a new level of supplier collaboration. More than twenty companies and unions have participated in focus groups or other benchmarking efforts to define the objectives for a high performance curriculum, while the state technical college system has conducted an inventory of related curriculum around the state, selected the best in the class, and identified what was missing. The Waukesha County Technical College will complete five modules in basic quality, quality tools, team-building techniques, flow technology, and workplace economics by the end of 1995.

The high performance curriculum is the first step towards a core curriculum for all manufacturing technician programs. Occupational boundaries are breaking down as self-directed work groups and cross-functional project teams collaborate on product development and process improvement. Problem-solving and decision-making requires greater communication about what everyone is doing and common knowledge and technical skills across disciplines. Engineers and technicians need greater familiarity with actual production processes, while workers on the floor need more advanced conceptual skills. In machining-intensive industries, for example, high performance depends upon engineers and production workers who share the same parts programming skills. Harley-Davidson has initiated the same in-house programming course for engineers and production workers alike.

The vision of a fully mature regional training and certification system is
presented in Table 2. Progression through the first three clusters on basic skills, process skills, and technical skills would enable both the incumbent and future workforce to assume greater responsibility on the job, get pay raises and job promotions, qualify for apprenticeship opportunities in the skilled trades, and gain advanced standing in a variety of related associate degree programs. Any motivated worker should be able to move from any point in the overall skills set to any other point though a series of incremental moves. If this seems futuristic, state's labor department has convened labor-management advisory committees to establish greater uniformity in apprenticeship training (level four); the state's technical college system plans to create a common core curriculum for a reduced number of manufacturing technician programs as it has done in the electronics field (level five); and local technical colleges have already achieved complete articulation agreements in selected fields with several engineering schools in the state (and level six).

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2.3 Supplier Upgrading

Inter-organizational learning and dynamic industry benchmarking indicate substantial movement towards flow technology, self-directed teams, and supplier collaboration. The extension of the partnership beyond skill development to include supplier assistance is needed to overcome two potential barriers to further industrial upgrading. The first is the potential conflict between labor and management over make-or-buy decisions. The internal workforce knows from direct experience how hard bad suppliers and vendors make it to produce a quality product, yet has no incentive to support external suppliers when this would result in greater outsourcing and job loss. The second is the potential imbalance between lead firms and their suppliers. Continuous improvement within lead firms increasingly depends upon concurrent changes among their suppliers, yet these firms generally have fewer resources to upgrade products, processes, and skills than their customers do. Supplier network partnerships would facilitate widespread diffusion of advanced practices for the benefit of all stakeholders.

The wide and growing gap in productivity, training, and wages between larger core manufacturers and their smaller suppliers has led to public-supported schemes to target assistance to small and medium-sized firms. This generally takes the form of regionally demarcated manufacturing extension centers deploying a consulting staff to perform generic needs assessments of individual companies on a walk-in basis, advise management about possible remedies, and identify external resources to assist with implementation. The traditional model relies almost exclusively upon a consultant's persuasiveness and public subsidies to help management respond to diffuse market signals. This kind of "customer-focused" service for arbitrarily selected firms in isolation from one another is an inadequate substitute for the ongoing exchange of timely information and the diffusion of sectoral know-how that comes about in dense networks of interaction within and between firms. More importantly, without the coordination and cooperation of all stakeholders, this mode of delivery poses more danger of further employment shifts from high wage to low wage firms than an opportunity for the development of new family-supporting jobs.7

Both the concern about ineffective consulting and about indiscriminate targeting motivated intervention into this policy domain. The WRTP succeeded in convincing the state to reconfigure the governance of modernization efforts to reflect the structure of supplier network partnerships. The board of the statewide fiscal agent and the advisory committees of each extension center in the state now have balanced representation from unionized and non-union firms and from organized labor. Policy commitments to a partnership approach to supplier network projects and union-represented workplaces in the southeastern region are the model for the rest of the state. The state's recently submitted proposal for federal resources includes support for three industrial relations specialists to help make it happen on the ground.

With a more satisfactory framework in place, the WRTP Executive Council has commissioned a new working group on manufacturing extension to coordinate pilot projects for an innovative industry-driven system. The certification standards for preferred suppliers effectively unite the commercial interest of small business partners with the process improvements that

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7 For insight into these issues, see Harrison (1994), Kelley and Ashok (1994), and Luria (1995).
necessarily entail worker participation and skill development. The combination of supplier assistance and manufacturing extension promises greater uniformity in the various demands placed on suppliers and wider diffusion of training and related practices necessary for successful transformation. Supplier network partnerships among a relatively small number of core firms would potentially organize much of the regional labor market in manufacturing. Some form of worker representation in these firms and some means of directly establishing wage norms would no doubt improve the process, but skills certification at least promises workers in small firms the possibility for advancement through mobility in the external labor market.

The precondition for realizing these gains is agreement between labor and management at core firms on employment security and sourcing decisions. Model agreements at a minimum include advance notice of outsourcing decisions and "decision-bargaining" over possible retention alternatives. Other arrangements actually prohibit transferring or outsourcing of work or severely penalize such moves that may jeopardize employment. The most advanced arrangements provide for joint determination of insourcing and outsourcing decisions and worker participation in supplier assistance and collaboration. Workers at many plants already participate in cell lay-out, technology choice, and job redesign. They are increasingly responsible for production schedules, inbound logistics, and quality assurance. As they begin to more actively collaborate with their counterparts in other organizations, labor and management within and between firms will need institutional arrangements to help them negotiate their complex multifaceted relationships.

The emerging model should combine collective bargaining, supplier certification, and public resources to drive industrial upgrading throughout the region, even among small non-union firms. Management commits to core capabilities and employment security at core firms in exchange for labor support for collaborative supplier relationships. The core firms ratchet up the qualification requirements for preferred suppliers in exchange for technical assistance to support their attainment. The public sector directs modernization and training services to the diffusion of advanced practices and skill standards throughout supplier networks. In this way, a partnership approach economizes on public sector resources, leverages greater private sector multipliers, and provides greater accountability to policy objectives.

2.4 Future Workforce Training

The future workforce is an increasingly pressing concern as the pay-offs to new work systems and skill development begin to translate into new jobs and an age-compressed workforce begins to retire in larger numbers. Without new linkages to high wage, high skill employment, future workforce training programs will continue to prepare participants either for good jobs that do not exist or for lousy jobs that do. If high standards are maintained, the few best practice employers have an incentive to cream those who are already best prepared for the workforce. But if standards are relaxed, the many common practice employers have an incentive to use participants as a cheap source of labor. Standards are likely to be sacrificed in the rush to get programs to scale without greater leadership from a critical mass of employers reorganizing for high performance and training workers to advanced skills standards, and from

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8 GE Medical Systems, for instance, provides work to 200 suppliers based in the state, and accounts for $100 million in sales among its top twenty-five suppliers.
unions identifying with skill development and career security.

The WRTP collaborated with two member firms, two of their suppliers, the Milwaukee County Private Industry Council, and Milwaukee Area Technical College to develop the employment-linked training program. From an applicant pool of the Milwaukee PIC's target population (basically unemployed with very low incomes, including AFDC recipients), a selection process directed jointly by the PIC and the personnel office of one of the firms identified fourteen program participants. All of them were women or people of color. They were provided with a week-long introduction to high performance manufacturing, including part of an orientation program for women entering non-traditional fields, followed by thirteen weeks of intensive training in machining. Those who successfully completed the course were guaranteed regular entry-level employment at one of the participating firms. All but one of the participants, who dropped out after the first day, finished the training and obtained jobs paying between $11-17 per hour.

The program is a model for both the public and private sector. For the new "one-stop" job centers, which bring together a variety of relevant employment and training agencies under one roof, employer commitments provide a link between job training for the unemployed and tangible high-wage jobs. For individual companies, which by themselves typically hire in numbers too low to justify the expense of providing introductory training courses, pooling similar job openings with other firms allows for the creation of a more highly skilled entry-level workforce. For dislocated and disadvantaged workers, employment-linked training provides a mechanism for gaining access to employment opportunities formerly off-limits. Expansion of the program would mean that with four months of advance notification any member firm should be able to hire sufficiently qualified workers to fill anticipated openings without resorting to poaching.

The PIC recently contracted with the WRTP to expand the program through an "early detection system". A needs assessment survey is used to track employers in the region, beginning with manufacturing and extending to other sectors, to accomplish three things. It will facilitate the provision of technical assistance to management and labor groups adopting high performance practices; initiate further employment-linked training programs for unemployed workers to provide access to high-wage manufacturing jobs; and, based on early warning signals of a negative sort, provide more lead time for lay-off aversion strategies, or, in the event that job losses are unavoidable, for better dislocated worker assistance. Of the 133 workplaces canvassed through the Machinists and Paperworkers, sixty percent need assistance with workplace education and training and nearly seventy percent need assistance with future workforce issues. Roughly five percent exhibit dangerous warning signs of possible plant closings or mass lay-offs. The next step is for employers and union leaders to attend workshops of possible program development.

The WRTP was also instrumental in the creation of a youth apprenticeship program in manufacturing. Companies and unions collaborated with local technical colleges on the curriculum, negotiated model agreements to facilitate implementation, and developed projects to integrate youth into their training regimes. The program allows youth to receive workplace training and related classroom instruction during their last two years of high school. A common core curriculum is followed by one or two semesters in machining, electronics, plastics, or other specialized fields. The objective is to help successful participants qualify for entry-level production jobs, traditional
apprenticeship programs, dual credits for associate degree programs, or admission to four-year colleges and universities.

There is already evidence that structured participation and coordinated implementation will yield a better program. Low-wage employers eager to participate in the program without making strong commitments to training have complained to their local chamber or quality network about the breadth of training required by the curriculum and the high wage norms established by labor-management partnerships. This suggests that business and labor leaders truly concerned about excellence and uniformity in training standards need to get more involved with the program. A reconstituted working group on future workforce training is currently working on ways to work more closely with the schools and extend the model to other companies and unions in the region.

State officials have called upon the WRTP to troubleshoot problems arising in other parts of the state where the zeal of some employers and school officials has led to poor implementation. Unions have understandably resisted the program when youth apprentices were hired while laid-off members were not getting recalls to fill vacancies in higher level positions. The potential solution to this kind of problem is to initiate a range of training programs at that site, encompassing both workers and youth. Partly as a result, the state's labor department recently indicated its support for funding a school-to-work position for the WRTP and replicating its structure in other sectors and regions of the state.

3. Evaluation

Empirical evaluation of the WRTP is complicated by several issues. Business strategy and membership in the WRTP are interdependent. Even if the number of cases were large enough to permit meaningful quantitative analysis, comparison to non-member firms would be frustrated by selection bias. Furthermore, the impact of training programs on firm performance is notoriously difficult to measure in that these are inextricably bound up with other simultaneous changes in the workplace. Much as firms would like to couch benefits in terms of a return on investment, members generally use industry benchmarking techniques and critical incident analysis to evaluate success in this area. Finally, the WRTP is just completing a long start-up phase. Diffusion of best practices and pilot projects is beginning to occur and some of the standard training modules are about to come on-line. Full measure of their contribution to workplace performance or regional development lies mostly in the future.

A 1994 survey provides a profile of the membership. Of the seventeen firms reporting, twelve have workplace skills centers already in place and three are in the process of creating them. The other firms are small precision machining shops with fewer than 100 production workers each and under the terms of the old delivery system could not support the overhead of an ongoing program. Enrollment data for these firms show 1,663 workers participating in workplace skills center programs on an annual basis. Two-fifths of them are women, and one-quarter are people of color.

Training expenditures increased from about 2.5 percent of payroll in 1993 to roughly 2.75 percent in 1994, and are expected to rise an equivalent amount this year. Ten percent of the production workforce enroll in workplace skills centers, while eighteen percent participate in other forms of formal training. Half the firms fund a tuition reimbursement program for off-site training and career development. Two-fifths report having technical college contracts for on-site courses, structured cross-training on the workflow, and
active apprenticeship programs in the skilled trades. Firms increasingly bring in private vendors or develop their own in-house courses as well.

All firms are investing more heavily in workplace education and training due to new work systems associated with cell manufacturing, teamwork, and quality improvement. Roughly one-third also identify that new products or computerized technology are currently important factors. These trends are reflected in the top training needs presented in Table 3. Everyone has a continuing need for training in fundamental basic skills, while most report the need for additional training in quality assurance. A large majority indicates that technical skills, process improvement, and team-building are important areas for future training.

<table>
<thead>
<tr>
<th>TABLE 3 Training Needs WRTP Members, 1994</th>
<th>Percent</th>
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<tbody>
<tr>
<td>Training Area</td>
<td></td>
</tr>
<tr>
<td>Fundamentals</td>
<td></td>
</tr>
<tr>
<td>math, reading, writing, communication</td>
<td>100</td>
</tr>
<tr>
<td>Quality</td>
<td></td>
</tr>
<tr>
<td>quality tools, process control, problem-solving</td>
<td>94</td>
</tr>
<tr>
<td>Teamwork</td>
<td></td>
</tr>
<tr>
<td>facilitation, decision-making, conflict resolution</td>
<td>76</td>
</tr>
<tr>
<td>Process</td>
<td></td>
</tr>
<tr>
<td>process capability, process mapping</td>
<td>71</td>
</tr>
<tr>
<td>Technical</td>
<td></td>
</tr>
<tr>
<td>programming, diagnosing, troubleshooting</td>
<td>65</td>
</tr>
</tbody>
</table>
A large majority of member firms have added employment over the last year and most of the rest may do so in the near future. The most common reason is increased sales, but one-third also cited new product lines and retirements as major factors. The successful transition to high performance has begun to reverse the tide and bring jobs back to unionized facilities, even in the central city. Core firm economic performance (higher productivity and greater responsiveness to changes in customer demand relative to non-union plants in low-wage regions inside and outside the county) justifies the higher costs associated with employing a unionized, urban workforce.

The importance of the WRTP has been evident at critical points in the strategic direction of several member companies. In the two cases presented here, both drawn from the central city, top management and labor representatives participated in the original negotiations as they confronted major choices in their own workplaces.

Johnson Controls is a leading manufacturer of environmental controls. Machinists Lodge 66 approved a new bargaining agreement in early 1992 in an attempt to stem the tide of job losses due to outsourcing. The agreement contains three broad classifications with proficiency in one classification qualifying workers for the next. A joint steering committee was established to identify actual skill requirements, set higher proficiency standards, and develop related curriculum and training programs. Other provisions included voluntary participation, complete confidentiality, partial compensation, third party facilitation, and anonymous test results.

The workplace education center initially offered courses in topics like math, algebra, blueprint reading, inspection tools, reading, writing, keyboarding, and computer skills. A pilot project on basic machining technology began a few months later. The union decided to advocate the 144 hour course for all workers in order of seniority. If the company was going to honor seniority, then members needed to acquire more advanced skills. With enough opportunities and supports, all workers were capable of learning the necessary skills. A skill-based work system would enhance the long-term economic security of the membership.

A strategic planning process resulted in an agreement in the summer of 1993 "to develop and maintain a structured training system in order to create a flexible, highly skilled workforce that enables employees to enhance job security and pursue promotional opportunities." The technical skills program and formalized job training were mandated throughout the plant. Miniature machining centers were added to the skills center to introduce workers to advanced parts programming. The entire workforce will eventually be trained in machining technology, trouble-shooting, team-building, and parts programming.

The workplace transition has benefitted both parties. The new work system shortened lead times to one or two weeks from six to twelve, and reduced scrap, rework, and inspection costs by one-third. Productivity and quality improved sharply, and grievances and injuries are one-tenth their former levels. This persuaded management to bring back production from a maquiladora branch plant in Mexico. Employment has not returned to peak levels yet, but the company is reinvesting in the community and adding new jobs for the first time in more than a decade.

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9This account is based in part on a presentation made by the plant manager, Paul Sivanich, and the shop committee chairperson, Doug Curler, at the second annual conference of the Wisconsin Regional Training Partnership on September 26, 1994.
As Johnson Controls and the Machinists concluded their agreement, negotiations between Allen-Bradley and United Electrical Workers Local 1111 were just getting started. A world leader in automation controls, the company presented a plan to develop fifteen high-tech cells over a five-year period. Rather than risk additional job losses, the union responded with a proactive counter-proposal to obtain more favorable terms and conditions for its membership. The six months of protracted talks revolved primarily around job redesign and proficiency standards.

Eight job classifications in three departments were reduced to a cell technician position. The agreement assigns all parts programming and data editing to cell technicians in the bargaining unit. The job description specifies that the work requires in-depth knowledge of the products, processes and technologies involved. Technicians must learn to set-up, adjust, operate, diagnose, and trouble-shoot multiple types of computer-controlled equipment in all cells, such as injection molding, metal forming, automated assembly machines. They must communicate effectively with engineers and technicians, lead, train, and direct their co-workers, conform process control systems to international standards, and determine production priorities and schedules.

Compensation was basically a non-issue for management as long as the union accepted worker assessments. The focus of discussion shifted to the guidelines for setting proficiency standards, validating assessment instruments, and establishing test procedures. All workers have access to the necessary training. Qualification is determined on a pass/fail basis. The results are confidential, and retesting is limited to failed portions of the exams. Selection from the eligible pool is based on seniority. Thresholds may vary for protected classes of workers.

Management is locating new product lines at the plant instead of its many non-union facilities worldwide, and hiring workers again for the first time in more than fifteen years. The Secretary-Treasurer wrote that "we arrived at an agreement we were comfortable with in its entirety. It was a learning experience for the company and the union. It definitely was not a zero sum outcome." The company is also rethinking its relationship with the union. "Until very recently," one manager said, "we've been very old fashioned."

4. Recommendations

Not every sector or region may enjoy the same advantages in terms of creative business and labor leadership and competent local technical colleges. Yet this case shows that it is entirely possible, on a relatively small budget, to cobble together from the vast array of state and federal programs, a coherent, synergistic regional training and modernization effort. With business coordination and labor involvement, each individual program leverages various sorts of private sector resources and reinforces others in a way that delivers a whole which exceeds the sum of its parts. As such, it is a highly instructive experience for federal policy, particularly at the Department of Labor. With relatively few resources, it should be possible to initiate and support the replication of this sort of institutionalized effort elsewhere.

Because the strength of efforts like the WRTP lie in its participatory structure, which ensures attention to particular needs and allows the parties to solve problems for themselves, the policy lessons to be derived from the WRTP

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10 This account is based primarily on a paper by the former secretary-treasurer of UE Local 1111, Gary Layden, who recently retired from the company.
experience take the form of general guidelines rather than specific legislative, administrative or training strategies. Our policy recommendations focus on three general areas: support for the construction of regional labor market institutions, designing these institutions so that they have the structure and flexibility to be driven by the continuously changing needs of the private sector, and promoting the participatory partnership model.

4.1 Support for Institution Building

There is abundant evidence which demonstrates the propensity of individual firms and workers to under-supply training and other collective labor market goods. Firms experience this labor market failure as not being able to find adequate numbers of skilled workers; workers experience it as a lack of good paying jobs. The traditional American response to market failure, heavily-handed government regulation, is not a viable solution - increased competition and changes in technology simply require too much flexibility and adaptability. Increasingly, both the business community and organized labor have come to recognize the need for coordinated public-private strategies to help solve this collective action problem.

Flexible, effective public-private institutions cannot be created overnight. Institutional capacities need to be developed. Economic actors who historically learned to rely solely on their individual strength to accommodate their interests do not quickly shift gears to accept and fully participate in consortial activities. This makes it difficult to compel participation, much less generate financial support. Yet at the same time the institutions must be able to demonstrate quick success so as to convince the independent actors of their usefulness. The WRTP was fortunate that progressive members of the business, labor and academic communities had independently arrived at the conclusion that new strategies were necessary and were willing to collaborate in the creation of a multi-firm consortium. But, even with an open architecture and low overhead, the WRTP would have been severely crippled if it did not have foundation and government support and had to rely exclusively on member dues or other self-generated support.

The initial success of the WRTP will help reduce the uncertainty surrounding the creation of future regional and sectoral consortia. Even so, outside sources of financial support are likely to be needed to get the new institutions up and running. Recommendation #1 is that foundations and units of government increase their willingness to financially support regional labor market consortia where the consortia show the potential to solve collective action problems which impede local economic development.

Of course, for a consortium to have this potential requires that it possess certain capacities. The WRTP's ability to shape the approach to industrial restructuring and training in Southeastern Wisconsin was a result of three institutional characteristics. First, the WRTP serves as a forum for various parties to network, to exchange information, and to confront the interests of others in a non-adversarial setting. Firms, unions, educational institutions and units of government all have different priorities and obligations. The WRTP is the rare forum in which constituents are both forced and allowed to develop strategies for meeting their own interests in ways which explicitly take account of the interests of others.

Second, the WRTP, through its relationship with the Center on Wisconsin Strategy, has an independent research capacity. Neither firms nor
unions have the wherewithal to support much research on workplace reorganization, skill development or labor market coordination, despite the significance of these issues to them. Universities and governments do support such research, but practical usefulness is often sacrificed to academic or political agendas. All the parties involved in the WRTP come to the consortium with preconceived opinions about the way things work and the constraints the real world poses for economic alternatives. Access to an independent research capacity allows the WRTP to support or to challenge these notions and helps to ensure that institutional strategies are properly targeted.

The first two characteristics have, over time, combined to create a third, a level of technical sophistication which allows WRTP staff to provide useful technical assistance to members and thereby yields greater institutional credibility. While the primary operative strategy of the WRTP is still to bring the parties together so that they can solve their own problems, the mechanics of operating the institution almost inevitably result in a high level of technical sophistication being imbued to the staff. Recommendation #2 supports the construction of inter-firm institutions focused on the provision of research, information and networking, and technical assistance to members.

4.2 Flexible Organization, Private Sector Focus

Effective economic governance mechanisms now need to meet three seemingly entirely contradictory criteria: they must be appropriate for different kinds of businesses, they must be able to adapt to changing conditions, and they must provide a stable environment to support future planning. This is a tall order for even the most able government regulatory body. The WRTP solution is to allow the parties to construct their own institutional support structure targeted to their own needs while at the same time empowering each group to be able to monitor overall performance.

Although we believe that public support is essential in the formative stages of WRTP-like institutions, it is imperative that the publicly-imposed constraints on the activities of the institution be restricted to broad guidelines. There are several reasons for this. First, firm support is essential to any public strategy for industrial upgrading. Firms in the U.S. do have a low-wage option open to them and evidence suggests that they are willing to use it. Labor market institutions designed to preserve high-wage jobs cannot be so hamstrung by regulatory restrictions that firms will opt out. Second, in matters of business strategy, those closest to and most affected by the decision-making process (firms, unions and workers) are invariably in a position to make better decisions than more distant public officials. Third, static regulatory requirements are unable to adapt to changed conditions and often become obsolete.

We do not mean to imply that labor market institutions be allowed to become unaccountable. We do believe that demanding accountability to the broad goals of promoting training, industrial restructuring and high-wage manufacturing compels public officials to allow the parties best positioned to design strategies to achieve the goals the flexibility and authority to implement them. Recommendation #3 argues for an institutional design flexible enough to allow broad public policy goals to be met without specifying the particular strategies and activities undertaken by the institution to meet them. The WRTP had no intention to involve itself in manufacturing extension activities at the outset but, because it has the flexibility to move into different areas and has
recognized the threat which poorly designed extension programs pose to its core issues, it has been able to address a new issue area. This example indicates the difficulty of specifying precisely the activities appropriate to a labor market institution and the value in leaving the institutions relatively unrestricted.

Implicit in the foregoing is the need to let private sector considerations drive the institution's activities. Public sector actors often have the ability to manipulate the policy-making process far beyond even the most well-connected private actor. This has been most apparent at the WRTP in its dealings with the education establishment, where the distinction between legitimate public policy considerations and reflexive obstructionism has sometimes been blurred. It is now well accepted that educational institutions have a role to play in creating a skilled workforce but the inability to articulate broad but flexible guidelines has resulted in the worst of both worlds - an educational system which does not meet the needs of most employers but is open to abuse by favored ones.

Recommendation #4 is that the institution be primarily driven by private sector needs, within a context of broad public policy objectives.

4.3 The Partnership Approach

An institution supported with public dollars but with the charge to serve the private sector and the flexibility to undertake any activities the parties see fit to engage in clearly has the potential to become another business boondoggle. Although competitive conditions need to be taken into consideration and business success is a prerequisite to healthy regional economies, it is critical that the institution maintain its focus on the provision of public goods, and that it possess some built-in capacity to monitor the institution's efforts to meet public policy objectives.

The partnership approach to industrial upgrading, in which unions are treated as full partners in the policy-making and governance process, is ideally suited to perform both functions. The whole concept of high performance manufacturing relies on the belief that there are multiple paths to competitiveness and that it is possible for firms to pay high wages and be competitive. The objective of WRTP-like labor market institutions is to achieve firm competitiveness in a manner which supports high wages and regional economic development. This requires the institution to support non-managerial goals and the institutionalized presence of economic actors to pursue them. The institutionalized presence of both management and labor ensures that the WRTP can never become complacent, because it will never be possible for it to fully satisfy the interests of one side or the other.

Labor unions are a much more effective agent for monitoring adherence to public policy on the shop floor than government inspectors. Unions provide a monitoring capacity which can flexibly adapt to conditions that change across sites and over time, is on-site all the time, and frees up government resources to be put to other, more effective, uses. Recommendation #5 is that public resources be used to support only labor market institutions, including manufacturing extension programs, which adopt the labor-management partnership approach to industrial upgrading. This approach requires explicitly empowering organized labor within the institution.

While the labor-management partnership is clearly the most important element of WRTP-style labor market institutions, on a variety of issues it is useful to extend the partnership dynamic to encompass other actors. Partnerships
between firms and educational institutions over the delivery of training and certification standards, between core firms and suppliers over the adoption of high performance techniques in the latter, between public sector and private over regulatory requirements and the sources and use of funding are just a few of the more obvious examples. In each case, explicit adoption of the partnership model appears to have led to more careful, less adversarial, and more long-lasting decision-making. 

**Recommendation #6 supports the extension of the partnership model to include other relevant actors on issues of concern to them.**

While we are confident that the broad parameters which guide the WRTP and which are reflected in the above recommendations will yield positive results where implemented, one factor which calls into question the broad applicability of the WRTP model is the restricted presence of organized labor in the U.S. Even in Southeastern Wisconsin, a region where unions are comparatively strong, the partnership approach has caused considerable consternation in the business community, large elements of which have either no experience with or are overtly hostile to unions, and in state government. In other regions where unions are less evident, the partnership approach may seem entirely inappropriate.

We do not know what the future holds for worker representation in this country. We do know that it takes collective actors to solve collective action problems. So while we observe that non-union workplaces which characterize themselves as high performance claim to offer opportunities for workers to exercise independent initiative and to upgrade their skills, we do not see in these firms any basis for institutionalizing the high performance bargain. We admit that we do not have an easy answer for how to institutionalize the partnership model in a non-union environment. All we claim is that we have a model in Southeastern Wisconsin which explicitly incorporates organized labor and is working. Quite well in fact.
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