

employee discontent and the responsibilities of management to ameliorate this discontent. I discovered that only a tiny minority of American corporations have institutionalized ethics programs directed at employee-management relationships. These programs include ethics committees and management development programs that have ethics units in their curricula. Many corporations, of course, have so-called "open-door grievance" policies, but these are intimidating to employees and rarely eventuate in truly objective grievance hearings.

One idea that has met with increasing acceptance but also increasing resistance is the use of Peer Review Panels to resolve employees' complaints and grievances. This idea was constantly discussed at Dartmouth, and I was deeply impressed with the idea while I was there.

Pellegrino pauses to measure the reaction from his board, which is composed of successful businesspersons, none of whom had previously reflected much on these issues of management-employee relationships. He then proceeds to explain that upon returning from the Dartmouth seminar, he immediately set up a meeting with his Council of Managers at a large plant site in Worcester, Massachusetts, for the purpose of implementing a small-scale, two-year test period for peer review of grievances at the plant.

Under his insistent guidance, the managers agreed to the experiment. During the planning stages, they reached the conclusion that one of the potential advantages of having a more explicit personnel policy was that formal rules would protect good managers and good employees alike. Before they began to implement their ideas, the managers established explicit standards for firing, merit evaluation, retirement, and participative management by workers. The first decision they reached was that they would no longer permit a manager to fire an employee without having a stated reason or without informing the employee of his or her right to an independent hearing.

Working closely with some of the most influential managers, Pellegrino implemented his—and now their—ideas for peer review of grievance cases. They appointed four peer employees and three managers to hear each case and ruled that the conclusions of this group were absolutely binding, with no further appeal possible for a losing party. They also devised an intentionally informal arrangement for hearing the complaint and reviewing the evidence. No representation by lawyers was permitted for any party, and the hearings were conducted in a room with only eight chairs arranged in a circle. The manager, the grievant, and individual witnesses were each called into the room separately. Coffee was served during the interview, and the discussion proceeded on the model of a conversation among friends. Complete confidentiality was assured to all parties, the only exception being that confidentiality could not be assured in the event of a subpoena.

The first case that came before the group involved a five-year, female employee who had received only modest raises for three straight years, whereas

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