INDUSTRIAL RELATIONS RESEARCH ASSOCIATION

PAPERS PRESENTED AT
NEW YORK CITY

September 5-7, 1957

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PROCEEDINGS OF TENTH ANNUAL MEETING OF INDUSTRIAL RELATIONS RESEARCH ASSOCIATION

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INDUSTRIAL RELATIONS
RESEARCH ASSOCIATION

NEW YORK CITY
SEPTEMBER 5-7, 1957

EDITED BY EDWIN YOUNG

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PREFACE

The papers in this volume were presented at the Tenth Annual Meeting of the Industrial Relations Research Association, held at New York City September 5-7, 1957. The American Political Science Association convened in New York at the same time, and one of the sessions, that on "Legislating Union Democracy," was planned and shared with them.

President Dale Yoder, in planning this annual meeting, placed particular emphasis upon research in firms and unions.

In the absence of Reed Tripp, practically all the work of editing was done by Mrs. Gretchen Pfankuchen.

EDWIN YOUNG, *Acting Editor*

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PRESIDENTIAL ADDRESS

RESEARCH NEEDS FOR THE SECOND DECADE

DALE YODER
University of Minnesota

MOST OF YOU MUST have known that this is the session in which the president pontificates. Just why each of these otherwise worthwhile conferences should be marred by a presidential address has never, so far as the minutes show, been discussed by our Executive Board. This very affair today may force a showdown on this interesting question. You may be witnessing the presidential address that ends such effusions forever.

Why you are here presents another fascinating question. Perhaps you really enjoy the torture of presidents, being by nature sadistic and vengeful. Perhaps you have an official expense account and intend to load it with every possible charge. Perhaps New York has already tired you, or you simply want to get in out of the rain. Perhaps some of you are residents of this hotel and eat here regularly each day.

In any case, I beg your friendly, sympathetic understanding of my mistreatment. Earlier presidents have had a full year to steal other members' challenging ideas. This year, by setting the September meeting date, the Executive Board has shortened the string.

In at least one way, this is an historic occasion. It is the tenth anniversary of IRRA. The first ten years are usually the hardest and most critical for an organization such as ours. We should, therefore, celebrate this tenth birthday of IRRA. On October 25th, 1947, its organizing committee met here in New York. You may not know that the naming of the new association occasioned lengthy discussion. The term "industrial relations" was not formally made a part of the title until the December, 1947 meeting of the executive committee. The committee chose this wording because, as the minutes report, "the term 'industrial relations' is rapidly gaining acceptance as the all-inclusive term to denote the entire field, including industrial sociology and psychology, social security and labor legislation." [1]

Two distinctive characteristics immediately marked the new association. First, the charter members sought from the start to include both academic and practitioner members—to encourage the

[1] Minutes of the Executive Committee Meeting, in the *Proceedings of the First Annual Meeting,* Cleveland, December 29–30, 1948.

affiliation of professional staff members from unions, private business firms and public agencies as well as professors. Second, from that first meeting, the new learned society emphasized research. The original, tentative name for our organization was "The American Association for Labor Research." In part, this emphasis sought to avoid any resemblance or attachment to earlier organizations that advanced reforms and legislation. More important, however, was the conviction that progress toward satisfactory employment relationships could come only through intensive and extensive research.

Ten years later, IRRA continues this emphasis on research, and this tenth birthday provides an opportunity to appraise our research needs for the years ahead.

There may be those, of course, who have concluded that we have no future and hence little need for more research in this field. At least one prominent economist, in the year in which IRRA was founded, expressed his conviction that this whole industrial relations field would lose its interest, usefulness and justification as soon as we shed our war-time hysteria.

You staff members from industry, government and unions can judge this prediction better than those of us who teach. You union representatives know whether we now know it all in labor marketing, organization, and relating a fair day's work to life-long economic security and the better life. You personnel and labor relations directors know whether any problems remain in negotiation, contract administration, recruitment, selection, training, job evaluation, and in-plant communication. You public servants know how infallible we are in our knowledge of full employment and its implications and of fair employment practices and the whole range of economic security. Perhaps we should all quit worrying, however, secure in the belief that our problems have been solved by today's more than two hundred fringes, including free car washes, advice to the lovelorn and lonely pay.

There are, at this time, a few of our academic colleagues who question our zeal for research. What we need, they insist, is more rocking-chair thinking. Their goal is the grand idea—the thought that will prove an open sesame to omniscience and solve all our problems. And there are those, too, who already have most or all of the answers. Fortunately, perhaps, they feel no need for joining an association like ours.

Of course, we need more thinking and more theorizing. We will always need theory to provide us with hunches and hypotheses. At this stage in our understanding, however, we have a surplus of unsupported, unchecked suspicions and suppositions. Meanwhile, we have serious maladjustments and social problems—situations in which realities sharply contrast with accepted social goals and intentions. We have complicated, underlying questions about facts and relationships we do not understand. These problems and questions combine to produce what has been widely described as the Number One domestic problem of our era—the problem of developing a system of satisfying, morally fair, productive working relationships in a free society.

Most of us conclude that the only promising attack on this problem is one that emphasizes research—the systematic, purposeful investigation and analysis of facts and relationships in employment.

The reality of the problems is unquestioned. The job is clearly defined. What do we need to get on with it? What are our major requirements if we are to crack the ignorance barrier and get through the folklore curtain in industrial relations?

I. MORE FINANCIAL SUPPORT

Most of you will agree on the top priority—money. In your plant, your union, your agency, your university, you need more money. To get real answers to the very real problems of labor marketing, work motivation, employment status, and labor relations, we must multiply many times our present private and public financial support for industrial relations research.

Largest current contributions come from private firms. Recent studies of a small national sample indicate research expenditures amounting to about $1.30 per employee per year. Unions probably make the second largest continuing contribution in their support of local and national research units. A few universities and colleges support some industrial relations research, but the amounts are meager. Federal agencies have made a few large grants, but their contributions are irregular, sporadic and uncoordinated.

As a result, most current research studies in our field are discrete and distinctive. Each creates its own frame of reference and design. Findings are not readily checked by replicative studies. Even in the continuing programs of firms, unions and universities, research proceeds by fits and starts, expanding when funds are granted and

contracting when grants expire. The famous Hawthorne studies provide a dismaying example.

We need many more studies, and we need studies that are additive, building one on the others. We need building-block studies that can be woven into a web of accepted understanding. We need numerous small, carefully and similarly designed studies that can be compared. We need replication as well as continuity. The nation-wide mobility studies sponsored by the Social Science Research Council are one example of what can and should be done throughout the field. The proposed analysis of the family as a unit in labor-market behavior is another.

To produce such studies, private firms, unions, public agencies and universities will have to increase their support of research in this field. In private industry, expenditures for "people" and "employee" research amount to less than one-eighth of amounts allocated to product research. In public agencies, a firm foundation for public policy and administration can only be laid by substituting research for today's spectacular hearings, too frequently dominated by biased witnesses who regurgitate their prejudices.

What all of us must realize, including the foundations that make large grants for less urgent and less promising types of studies, is the fact that industrial relations research costs money. Our field is one of big, complicated problems. We seek to explain the behavior of work, which occupies the major portion of our adult waking hours. Our problems are cluttered with a vast mass of untested folklore, the accumulated impressions and opinions of countless generations. They create an ever-present temptation to remain in real ignorance. Many of our brethren are like the Australian who received the Montgomery Ward catalog, from which he ordered a new boomerang. He has spent the years since that time trying to throw the old one away.

Perhaps we should take our cue from the success of public drives and campaigns in the field of health. Perhaps we should parallel the heart and polio campaigns with a nation-wide movement to end employer-union conflict, or substandard wages, or to assure job satisfaction and economic security through research.

II. MORE PEOPLE AND MORE COMPETENT PEOPLE

Money alone, however, will not solve our problems. We can't use the additional sums we need without also providing many more people who are interested in and know how to do industrial relations re-

search. All of us, academicians and practitioners alike, know the reality of this need. Right now, all of us are strenuously recruiting—from each other. At the moment, the industry and union team seems to be winning this tug of war—at the expense of the public agencies and universities. None of us can really win, however, until we produce more research-wise people.

In the colleges and universities, we know that we could place several times as many graduate students as we now have in training. Our Ph.D. candidates will scarcely provide replacements for present faculty. University recruiting activities are effective mainly in shuttling staff members from one campus to another at an increasing pace. Classes are becoming ever larger, so that some of us are now lecturing to our seminars. Although demands are strong and salaries enticing, both the number and quality of graduate students are disappointing.

We know that it has become increasingly difficult to attract high-potential graduate students and to keep them long enough to complete their programs. Many of them leave before they are finished, because of attractive offers from firms and unions. Others with active interests in industrial relations are tempted away by lucrative fellowships in other fields. Many of our most promising students are drawn into clinical psychology, engineering and the physical sciences. One answer would seem clear—more generous private and public fellowships for graduate students in this field.

Those of you in business and in unions have similarly multiplied the rate of turnover. The growth trend in personnel ratios, in which they have doubled in the past twenty years, suggests a further expansion in these demands in the future.

We are not producing the people to meet these demands. The process of preparation for them is necessarily slow. Action must be taken now to provide people three, five or ten years from now.

In part, the solution to this problem must be found in added financing of students. In part, it requires improved and expanded educational programs, which is the third of our major needs in the decade ahead.

III. BETTER EDUCATION FOR INDUSTRIAL RELATIONS

No small part of our "people" problem is directly traceable to the inadequacies of existing educational programs in this field. (Here, a word of caution for those of you who are not faculty members. Don't

go away. You have heavy responsibilities in this educational area.)

We know today that new research-competent people in our field need professional training, including instruction and participation in research, at the graduate level. We know that training should include supervised internships in your firms and unions. How many universities are providing suitable educational programs? How much consideration has gone into the planning of appropriate courses and curricula?

The fact is that our educational programs must be regarded as inadequate in number, generally unplanned, and poorly supported. Many universities offer a wide variety of courses, but curricula show little uniformity or pattern. Only about a dozen courses have achieved general acceptance.[2] Most programs show little attention to realistic educational needs as indicated by relevant job descriptions. Instead, too many staff members devote major attention to a hodge-podge of training techniques—case or incident or conference methods, brainstorming, head-shrinking, and group-shock treatment.

Only about twenty universities have established special educational divisions. Even when such units are created, their management is usually entrusted to the faculty of a single old-line department. Similarly, courses are likely to be concentrated in a single discipline, most commonly economics, psychology or business, although we all know that industrial relations problems fall within the field of no single discipline. The educational units are given a somewhat insecure designation as institutes, sections or centers, rather than as schools or colleges. Several of these university agencies have no special funds, programs of research nor full-time staff. They are essentially paper organizations, apparently created to catch windfall grants and to create the unjustified impression that their universities are doing something about this educational responsibility. We call them "mermaid" programs. You know the classical definition of the mermaid—not enough fish to fry and not enough woman to love.

Every member of our association can perform a valuable service by insisting that our universities face up to this need. University programs should provide for the granting of advanced degrees in industrial relations. They should follow the pioneering example of New York State in creating formal schools of industrial relations, paralleling those of medicine, law, engineering and education. They

[2] See Kenneth E. Schnelle and Harland Fox, "University Courses In Industrial Relations," *Personnel Journal*, Vol. 30, No. 4, Sept., 1951, pp. 128–133.

should establish new, integrated courses, tailored to meet the needs of this field. They should regard research as a first step toward effective teaching, emphasizing the general principle that we must know the facts before we can teach them. They should provide specialized libraries and technically competent industrial relations librarians. They should assure a genuine co-disciplinary approach to our problems, discarding the outdated mono-disciplinary excursions into the field. They should include provisions for supervised internship in close cooperation with competent practitioners in the field.

IV. Improved Reporting and Communications

Meanwhile, all of us must face the fact that we are wasting much of our effort and restricting our own opportunities for continuing learning—the one essential mark of every profession—by the inadequate reporting of current experience and research. Understanding grows by the accumulation and communication of knowledge. All of us—teachers and practitioners alike—need to know what each of us is doing and discovering. We need to know what present studies are in process and what they have found. We need to compare experience —much of which, by the way—can readily be shaped to meet the demands of research.

As a fourth major need in meeting the number one domestic problem of our times, we must have better media for communicating about our problems, plans and findings in industrial relations research. We need better meetings for oral communication and better publications. Many of you have already expressed your conviction— in last year's opinion poll—that our annual meetings should emphasize the reporting and discussion of research, minimizing the prominence sometimes given forums for the expressions of opinions and sessions like this one.

This annual meeting shows the effects of your comments. It is a research-centered, research-reporting conference. The chairmen of the sessions have selected speakers who are presenting brief summaries of their studies. We hope these sessions may set a pattern that will become established in IRRA, as it is now established in the physical and engineering sciences.

You have also recognized the need for better written communications. We need a comprehensive and inclusive abstracting service, and some progress in this direction is already evident. We need a research-reporting journal in and for the industrial relations field.

Although several specialized journals are available in industrial psychology, personnel administration and labor law, we need a journal that covers the broad IR field. While we have publications that combine occasional research reports with conference speeches, debates, and unlabeled advertisements, we need a journal that specializes in *research.*

On this tenth birthday of IRRA, therefore, you will be pleased to know that our Executive Board is actively canvassing the possibilities of publishing our own IRRA Journal. A special committee was authorized at last night's board meeting. It is entirely possible that an official IRRA Journal can become a reality during this coming year.

SUMMARY

We need money, people, educational programs and communication facilities—these four. As we read our tea-leaves here today, we can be optimistic about getting all of them, for our special problems will continue to deserve top priorities from all our people. In a system as new and changing and experimental as ours, every modification and improvement creates new problems that require our attention. Our whole movement toward economic security provides numerous examples. Again, we have only begun to understand the complexities of motivation and satisfaction in work. Meanwhile, we have largely neglected the most fundamental and important of all our problems, those involving questions of values and moral standards in day-to-day working relationships. Our society must develop an exemplary system of employment ethics if our example is to appeal to the millions of citizens in other nations.

We are fortunate that our field has emerged in a period that encourages empirical, quantitative studies. It has reached maturity in an era that prizes demonstrable, measurable facts and relationships. Our studies, for this reason, can point the way and provide models for research in the whole broad social science field.

We are fortunate, too, that our efforts are constantly gaining added public acceptance. They should continue to do so if your studies substitute facts for folklore and superstition and demonstrable realities for theories, opinions and impressions.

For all of us—in industry, government, unions and academic robes—the years ahead must be fascinating because they offer so many challenges. Our whole society is in effect hoping for our success, knowing that it can only survive in today's world-wide

competition if we learn how to develop and maintain enthusiastic work teams of sovereign, voluntary players. We are in a very real sense in the front lines. We are on the verge of tremendous discoveries, fascinating break-throughs. You must each of you speak for yourselves, but I would not turn in my suit as a member of the IR squad for a place on any other research team in the world today.

Part II

UNION AND MANAGEMENT TIES TO POLITICAL PARTIES

THE POLITICS OF THE WEST COAST TEAMSTERS AND TRUCKERS*

IRVING BERNSTEIN
University of California, Los Angeles

IN THE FALL OF 1954 there was a political race for sheriff in a city of the Pacific Northwest. The Republican candidate was Callahan, and the Democratic, McCullough. The International Brotherhood of Teamsters endorsed Callahan. The union made this decision without consultation with the remainder of the labor movement. McCullough won. On December 1, 1954, Frank Brewster, president of the Western Conference of Teamsters, presented McCullough with a check for $2,500 to help clear up his campaign deficit. When Senator Karl E. Mundt, a member of the McClellan rackets committee, expressed wonderment that the Teamsters should back an unsuccessful Republican and then contribute to his victorious Democratic opponent, Brewster explained: "Well, they are in office, you know, for 4 years, so we have to get friendly with them. . . . Senator, we always try to pick winners." Brewster, whose well-advertised love for horseflesh goes back to the days when he drove a team, also put it this way: "We ride a couple of horses in the race once in a while." [1]

At the 1957 session of the California Legislature the Teamsters' legislative representative was exceedingly active and worked in close harmony with the California Federation of Labor. His organization supported an increase in the maximum unemployment compensation benefit from $33 to $40 per week and in the disability benefit from $40 to $50, in both cases successfully. The Teamsters backed a comprehensive bill regulating health and welfare plans, which was enacted. This union also threw its weight behind bills to establish state-supported child care centers, state aid for local mental health clinics, a $225 million bond issue for school construction, and an emergency appropriation of $37 million for higher pay for teachers.

* A number of people associated with the Teamsters and the employers with whom they deal have been most generous with their time and information. Since they prefer not to be named, I can express gratitude to them only in a general way.

[1] *Investigation of Improper Activities in the Labor or Management Field,* Hearings on S. Res. 74, Sen. Select Committee on Improper Activities . . . , 85th Cong., 1st sess. (1957), pp. 1142, 1294–97. Hereafter cited as McClellan Committee Hearings.

Finally, the Teamsters unsuccessfully worked for a fair employment practices law for California.[2]

Here in these two illustrations is the dilemma of the Teamsters Union in the era of Dave Beck. This rich and powerful organization does not know whether it possesses the sovereign right to act with independence or whether it is constrained by the rules and mores of the labor movement. Nor does it know whether its political policy should be to elect the winners and defeat the losers or to serve the welfare of labor regardless of short-term Teamster interests.

1.

The political policies of the Teamsters are a function of their collective bargaining objectives. They practice business unionism pure and simple. Hence it is necessary to understand the industries in which they operate.

These industries are predominantly local-market oriented. The Western Conference, for example, is composed of the following thirteen trade divisions: automotive (car dealers, service stations, parking lots, etc.); bakery; beverage (breweries, wineries, distilleries, soft drinks); cannery; building and construction; chauffeurs (taxis, for-hire drivers, etc.); dairy (wholesale and retail drivers, plant and office personnel, milkers); general hauling (fuel, heavy machinery, railway express, sanitation drivers); highway drivers (intra- and inter-state over-the-road haulage); laundry; log hauling; miscellaneous sales drivers (messenger, parcel delivery, motion picture, food distribution, armored car, newspaper, and many other drivers); and warehouse, produce, and cold storage. These divisions by no means encompass the total membership of the Conference.[3]

In virtually all these industries the market is the community or, at most, the state. Even the over-the-road group is far from a national force. Only one company operates coast-to-coast. Further, in Teamsters Joint Council 42 in Southern California, which has 103,000 members, fewer than 10 per cent are over-the-road people, and two other groups, local haulage and dairy, are approximately as large. Even in industries with some national firms, like baking and dairy, local market forces tend to be decisive.

Hence the typical employer with whom the Teamsters deal is

[2] Vern Cannon, *Legislative Report to the California Teamsters Legislative Council on the 1957 Session of the California State Legislature*, June 24, 1957.

[3] J. B. Gillingham, *The Teamsters Union on the West Coast* (Berkeley: Institute of Industrial Relations, University of California, 1956), pp. 3–5.

small and often tiny, as in the case of the owner-operator, or "gypsy." He is conventionally grouped for bargaining purposes in an employers' association based upon his product or service. These associations are notoriously difficult to organize and have a propensity to disintegrate. "While I'm negotiating with the union," an official of such an association complained, "the truckers I represent are out stealing my own accounts." [4] In many of these industries competition is intense and constitutes a continuing threat to price-wage stability.

The Teamsters Union is the product of these market forces. Historically organizational strength had clustered in the local, the international constituting a loose confederacy with essentially non-bargaining functions. Even locals in the same town had few interests to share. "Teaming in one industry," John R. Commons observed a half-century ago, "is distinct from teaming in another. The laundry driver has little in common with the coal teamster, except horses and streets." [5]

Some things have changed. The over-the-road drivers serve as a cohesive force in drawing communities together, and their settlements have an influence upon other industries. The Trotskyite Dunne brothers with Local 574 in Minneapolis in the thirties demonstrated the strategic importance of trucking in organizing a region.[6] Beck, first in the West and later nationally, has imposed so fantastic a superstructure of committees, conferences, and divisions upon the union as to leave even a university president gasping in admiration. The Western Conference, one of whose major purposes is organization, influences the negotiations of the new locals it creates. Further, by imposing regional pension as well as health and welfare plans, the Conference has tended to take major issues away from the locals.

The Teamsters Union, structurally considered, is caught in a state of tension between centripetal and centrifugal forces. The Becks, Hoffas, and Brewsters centralize; the inertia of the old-line locals and the nature of the market pull the organization apart. As this paper will demonstrate, the union Commons described is not dead. Milk drivers in Los Angeles care little about coin machine service men in Portland, and the neglect is mutual.

[4] Cited by Paul Jacobs, "The World of Jimmy Hoffa—I," *The Reporter* (Jan. 24, 1957), p. 14. See also Martin A. Cohen and Martin Lieberman, "Collective Bargaining in the Motor Freight Industry," *Industrial and Labor Relations Review,* III (Oct., 1949), 29.

[5] John R. Commons, "Types of American Labor Organization, The Teamsters of Chicago," *Quarterly Journal of Economics,* XIX (May, 1905), 401.

[6] For the development of this point see Jacobs, *op. cit.,* pp. 15–16.

The market has also made the Teamsters unusually sensitive to the economic well-being of the employers with whom they deal. Commons tells us that the nineteenth-century predecessor of the international admitted an owner to membership provided that he operated no more than five teams and that the organization was more preoccupied with prices than with wages. The present union has numerous owner members and is profoundly concerned with keeping its employers solvent so as to protect its members' jobs. In the dead of winter in 1902 the Chicago coal drivers in "a spectacular demonstration" of power stopped fuel deliveries to the Marshall Field store and compelled Field to agree to use coal rather than natural gas during the summer, thereby creating a market for their employers. Nowadays the Teamsters join with the truckers on all fronts in battle royal with the common enemy, the railroads, for the same purpose. A result of the Field strike was to put employers in the coal dealers' association. Today the Teamsters devote great energy to the establishment and maintenance of such associations because individual employers are too weak, too selfish, or too short-sighted to do so themselves. Finally, the Field stoppage provided an imaginative shakedown artist, one J. C. Driscoll, with the opportunity to set up a number of associations whose main object was the lining of his pockets. Corruption between friendly business agents and trucking employers, the McClellan Committee has reminded us, has not entirely disappeared.

The Teamsters' preoccupation with the welfare of the employer is a rather statesmanlike response to an imbalance in bargaining power. In many industries the union is not only much stronger than the individual employer but is much stronger than the concert of employers. Most firms simply cannot afford an interruption of their deliveries. Further, there is an unwritten law of the Teamsters that its leaders must create the impression of power. In his salad days, ironically enough, Beck posed as a tough guy. The public's view of Jimmy Hoffa is that of a bantam rooster spoiling for a fight. In Los Angeles the Teamsters sponsor promising young prize fighters. However, real though it is, one should not exaggerate the union's strength. The Teamsters have many nontrucking units with only limited loyalty to the organization and a marginal strategic position in the employers' operations. A dramatic illustration of the union's weakness is the defeat George Harrison administered to Beck over Railway Express jurisdiction in 1954. A wise old Teamster, "Bloody

Mike" Casey of San Francisco, used to admonish, "Don't tist yer strength!"[7]

A final characteristic of the Teamsters is that it is in actuality what its name says it is—a brotherhood. Teamsters look after each other in fair weather and foul. Although there is probably no union today with as high a level of internal distrust and even detestation, no one is talking for publication. When I asked a prominent West Coast official what he could tell about a fellow officer, knowing full well that he had no use for him, he replied, "I cannot talk against a brother." "My friends in the labor business," Hoffa told Jacobs, "are mostly all Teamsters. The rest you gotta watch with both eyes."[8] To my knowledge this is the only organization that refers to itself as "the movement," using the term as other unionists do when they talk about the whole of organized labor.

2.

This insularity reflects itself in politics. The Teamsters are enthusiastic do-it-yourselfers. In 1956, AFL-CIO endorsed the Stevenson-Kefauver ticket; on the White House steps Beck announced his support for Eisenhower and Nixon. For years the Teamsters have been at war with the Washington State Federation of Labor over lobbying and the endorsement of political candidates. In California the Teamsters Union is the only AFL affiliate (we still have not achieved unity at the state and local levels) to maintain full-time legislative representation in Sacramento outside the State Federation of Labor. In Portland in the now notorious race for District Attorney of Multnomah County in 1954 the Central Labor Council endorsed the Republican incumbent, John McCourt, and the Teamsters came out for his Democratic opponent, William ("Old Honest Abe") Langley.[9]

Perhaps the most dramatic exhibition of do-it-yourselfism occurred in the state of Washington in 1956. Proponents of right-to-work, whose enthusiasm for principle outran their political sagacity, put forth Initiative 198. In February, Brewster engaged a Seattle public relations man named Howard Sylvester to run the campaign against 198, and Sylvester was told that the Teamsters would put up $600,000, a figure close to the amount actually spent. He established

[7] Cited by Gillingham, *op. cit.*, p. 35.
[8] Paul Jacobs, "The World of Jimmy Hoffa—II," *The Reporter* (Feb. 7, 1957), p. 10.
[9] Gillingham, *op. cit.*, pp. 84–85; McClellan Committee Hearings, p. 315.

The Citizens Committee for the Preservation of Payrolls and began a vigorous campaign. When other unions sought to participate, Sylvester was ordered to have nothing to do with them. He was told, for example, to return a check for $750 to the Yakima Central Labor Council. As he saw it, the Teamsters expected to defeat 198 and wanted to share the credit with no one else. In November, 198 was rejected by the voters of Washington 685,000 to 218,000.[10]

The fact that a labor union should spend upwards of half a million dollars on a single state issue is startling and deserves explanation. In the West, at least, right-to-work is much the most important political issue the Teamsters face. The Western Conference has had a considerable experience upon which to base this conclusion. Arizona, Nevada, and Utah have right-to-work laws, while Colorado requires that three-fourths of the employees must approve before an "all-union" agreement may be signed. Even in California, where the Teamsters and organized labor as a whole have unusual political strength, right-to-work forces are gaining ground. The town of Palm Springs and the counties of Tehama and San Benito have recently enacted ordinances that make union security provisions unlawful.[11] The love affair between the Teamsters and Republican Governor Goodwin J. Knight, to be developed below, rests largely upon this issue.

If the Teamsters were as strong as some would have us believe, they would have no reason to fear right-to-work. In fact, as I have pointed out, they are not so powerful and are deeply concerned. Many members are recruited and kept in the organization by the union shop alone. Automobile salesmen, female office employees, and cannery workers—to cite only a few examples—feel a lesser identification with the Teamsters than the truck drivers who are its core. A survey made by this writer in the summer of 1956 of the members of two Los Angeles dairy locals, one of plant and office people and the other of drivers, revealed that 31 per cent did not even know what "right-to-work" meant. Further, almost 13 per cent actually favored such a law in California and 28 per cent were undecided as to its desirability, leaving little more than half clearly opposed. The drivers, of course,

[10] McClellan Committee Hearings, pp. 1326-35; *Northern California Teamster*, Nov., 1956, p. 1.

[11] These ordinances have been held unconstitutional in the lower courts of California. Stephenson v. City of Palm Springs, 31 CCH Labor Cases ¶70,490 (Calif. Super. Ct., 1957); Hobson v. Five Counties Central Labor Council, 33 CCH Labor Cases ¶70,888 (Calif. Super. Ct., 1957); Chavez v. Sargent, 33 CCH Labor Cases ¶70,887 (Calif. Super. Ct., 1957).

were better informed, and more heavily opposed than the plant and office employees.[12]

Brewster, therefore, had good reason to spend so lavishly to defeat Initiative 198. He has followed up by naming a committee to fight right-to-work in the eleven western states under the chairmanship of Jack Annand, the president of Joint Council 42.[13]

3.

A fundamental reason why the Teamsters and the employers with whom they deal are driven into political activity is that an unusually large proportion of their industries is subject to governmental regulation. In a few cases, notably interstate trucking and the Railway Express Agency, they fall within federal jurisdiction, namely, the Interstate Commerce Commission and the National Mediation Board.

More typical, however, is regulation at the state and local levels. Intrastate over-the-road haulage, to take California as an illustration, where 83 per cent of the freight moved as measured by revenue is by truck, is subject to a wide variety of controls: the size and weight of vehicles, the loads they may carry, the roads they may travel, the tariffs that can be charged, the taxes that must be paid, the qualifications for chauffeurs' licenses, and so on. In addition, both the truckers and the union have a more than passing interest in highway development.

The industry provides a dramatic illustration of union-management political cooperation. In 1955, the Teamsters struck the long-lines firms in the state of California and were out for twenty-three days. While the strike was in progress, the legislative representatives of the California Motor Transport Associations, Bert Trask, and of the Teamsters, Vern Cannon, cooperated in getting nineteen bills through the legislature in Sacramento. They dealt with such matters as vehicle braking distances and truck speed limits. "This is certainly a good example," Trask wrote a high Teamster official, "of how management and labor can work together for a common cause." [14]

A number of other industries in which the Teamsters are prominent—notably milk (of which more later), horse racing, and liquor—are also subject to state regulation. In Oregon, for example, Manton

[12] Irving Bernstein, *Survey of Teamsters Locals 93 and 306,* Aug. 10, 1956, p. 12.

[13] *Northern California Teamster,* Dec., 1956, p. 3.

[14] *Northern California Teamster,* Aug., 1955, p. 8.

J. Spear of the K. & L. Beverage Co. told the McClellan Committee, "control of the liquor commission poses many advantages. . . . The commission would be in a position to buy merchandise from sources that were friendly. . . ."[15]

Finally, there are several industries which are regulated by municipalities. Many cities, for example, fix the number of taxicabs that may operate by licensing, thereby influencing the incomes of drivers. Some communities either prohibit or regulate coin machines used for gambling. In Los Angeles private rubbish collectors and dumps are licensed.

The milk industry in California is an interesting illustration of the political problems of union and employers at the state level in an industry which has been characterized as "subject to more governmental regulation than is any other. . . engaged in the production and distribution of agricultural products."[16] The key to the California milk problem is price.

In the twenties the industry was prosperous. The price per quart was identical for home and store delivery, averaging 15¢ in 1929; a result was that store sales were of little consequence. The Great Depression turned the industry upside down. By 1933, the average store price had fallen to 7¢ and there were numerous price wars in which milk served as loss leader and sold for a penny a quart. Home delivery virtually collapsed and everyone connected with milk from the dairy farmer onward suffered. As a consequence, the legislature in 1935 passed the Young Act, providing for the fixing of minimum producer prices by the California Department of Agriculture, and in 1937 enacted the Desmond Act, establishing minimum prices at the wholesale and retail levels. With minor exceptions, a policy of uniform pricing as between home and store delivery has been followed by the Department.

This policy has expressed the wishes of the majority of the dairies and distribution firms, seeking to maximize home delivery, and of the Teamsters Union, trying to protect the jobs of its members. The fact is, however, that uniform pricing has failed to take account of significant cost differentials in delivery. A study of the city of Fresno in 1954, for example, showed that the cost of retail delivery labor and trucking ranged from 10¢ per quart for one quart to only 2¢ for ten

[15] McClellan Committee Hearings, p. 338.

[16] D. A. Clarke, Jr., Special Report to the Joint Legislative Committee on Agriculture and Livestock Problems, *Fluid Milk Price Control in California*, California Senate, 1955, p. 27.

quarts, of wholesale delivery from 4¢ per quart for ten quarts to less than 1¢ for over 300 quarts.[17]

These differentials have given rise to an important political controversy. The largest retail food chain in California is Safeway Stores; for many years Safeway has operated its own milk producing and distributing subsidiary, Lucerne, whose products are sold only in Safeway's supermarkets. Its delivery costs are only a fraction of home delivery. Another captive milk operation is run by Ralphs, an important Southern California retail chain. Under uniform pricing Safeway and Ralphs have enjoyed unusually high profits in their low-cost, high-volume operations. They have, nevertheless, vigorously sought differential pricing, presumably on the theory that they would thereby draw off a larger share of the home delivery market. The constitutionality of the legislation and the procedures of the Department of Agriculture have both been challenged in the courts. Periodically Safeway and Ralphs have petitioned at hearings before the Bureau of Milk Control for permission to lower their prices, proposals which they have suitably advertised to their customers. The political combination of farmers, other dairies, delivery firms, and the union has thus far frustrated this endeavor. These forces, whatever other differences they may have, have worked closely together in Sacramento and in the courts.

Milk in California is an illustration of an industry in which control of the critical economic mechanism, price, is vested in the state rather than in private parties. As a result, the bulk of the employers and the Teamsters have joined forces against a common enemy in the interest of price parity and consequent employment stability. They have had a common stake in a friendly governor, legislature, director of agriculture, and Bureau of Milk Control.

4.

There are several industries in which the Teamsters operate which, though usually legal, either have a propensity to run afoul of the law or need political influence to maintain their lawful status. Prominent among them are coin machines (particularly juke boxes, pinballs, and slots), private rubbish disposal, horse racing, and liquor. Two such situations, coin machines in Portland and combustible rub-

[17] *Ibid.*, pp. 156–57.

bish in Los Angeles, have been the subjects of recent investigations and are instructive.

In 1954 in the city of Portland the pinball industry consisted of some twenty distributors servicing between 1,200 and 2,000 machines in taverns, drugstores, and other locations. The operators were associated in an organization called the Coin Machine Men of Oregon, Inc., one of whose major functions was the legalization of pinballs. The distributors employed about 150 men, some of whom were Teamster members. John Sweeney, the international organizer for Oregon, had made desultory efforts to unionize all the operators without success. On October 1, 1954, Sweeney became secretary of the Western Conference and was succeeded by Clyde Crosby, who decided to invigorate the pinball organizational drive.

This intention was complicated by uncertainty over the law. In 1951, the City Council had outlawed "coin in the slot operated devices." The distributors challenged this ordinance in the Circuit Court of Multnomah County, which held that the Council lacked authority to write the prohibition into the police code. The city appealed to the Oregon Supreme Court which some time later reversed. The distributors then appealed to the Supreme Court of the United States. In 1954, therefore, the status of pinballs was in doubt and the Portland police took this into account by permitting the machines to operate.

The distributors and the Teamsters, obviously, shared an economic interest in legalizing pinballs and they were politically active to this end. The issue appears to have played some and perhaps a major role in the unsavory contest for district attorney of Multnomah County in 1954.

According to pinball distributor "Big Jim" Elkins, the acknowledged overlord of Portland vice and the celebrated nightingale whose "singing" made him a star witness before the McClellan Committee, the candidacy of William M. Langley was the key. During the primary campaign in the spring, Sweeney, Elkins declared, proposed a joining of forces. When asked "why he was romancing a man in my business," Sweeney, in Elkins' words, is alleged to have said: "The Teamsters was a powerful organization, politically, and he understood I had put up quite a bit of money politically now and then and there wasn't any use to wasting it, that we could reach some kind of an agreement on it." [18] Elkins and Langley were pals,

[18] McClellan Committee Hearings, pp. 81–82.

having run together a restaurant, bar, and gambling place, the China Lantern. After Langley won the Democratic nomination by default, Sweeney introduced Elkins to Crosby. The Teamsters, who had supported Republican McCourt in the primary, then broke with the rest of the labor movement and threw their support to Langley.

Langley's campaign, in fact, was run by Tom Maloney, an interloper from Spokane, who is the most shadowy figure in the affair. Maloney himself took the Fifth Amendment. He was allegedly a racketeer who wanted to move in on Portland gambling and other vice. His stock in trade was to pass himself off as an official of the Teamsters, which he was not, and as an influential friend of Brewster and Sweeney, which he may have been. It is certainly a fact that the Western Conference picked up his hotel and telephone bills. In any case, Maloney ran an effective campaign and elected Langley, which was what the Teamsters wanted.

Sweeney's story has never been told because he died before the hearings opened. As for Crosby, when asked, "What has your relationship been with Mr. Tom Maloney?" Crosby replied, "Unfortunate." [19] He admitted that the switch between the primary and the election was made without consultation with the membership. He explained it lamely as having been based upon the discovery that Elkins was behind McCourt, which was probably not true.

The events that followed Langley's election are clear enough. Elkins wanted protection for his gambling operations and that is precisely what he got from Langley. "Old Honest Abe" has since been convicted of neglect of duty.[20] Langley obviously owed a great debt to the Teamsters which was in no way diminished by the fact that after the election he took a family vacation in San Francisco at the expense of the Western Conference.

This was followed in March by Crosby's success in organizing the Portland pinball industry. The master contract between the Coin Machine Men and Local 223 provided, in addition to the labor clauses, that "Service to equipment on location shall be limited to installations . . . owned by recognized Union operators under contract to Local No. 223. . . . Employees shall service only equipment owned by their employer and shall not service location owned equipment." [21]

[19] *Ibid.*, p. 792.
[20] *Portland Oregonian*, July 17, 1957, p. 1.
[21] The contract is reprinted in McClellan Committee Hearings, pp. 1074–76.

The purpose was to use the union's power to prevent entry into the Portland pinball industry.

A test case arose almost immediately. One Clyde DeGraw, owner of Dekum Tavern, had a device known as a shuffleboard which was supplied by W. M. Goble, a member of the Portland association. In August, 1955, DeGraw asked Goble to remove this machine from his premises. DeGraw had purchased a similar device from the American Shuffleboard Sales Co. of Seattle. The latter was installed by a Teamster from that city. Goble and an official of Local 223 then informed DeGraw that his device was "nonunion" and told him to get rid of it. DeGraw refused. Local 223 then set up a picket with the result that no beer was delivered to his tavern. DeGraw, however, filed suit in the federal district court, which held the picketing in violation of the Sherman Act and enjoinable.[22]

Much the same pattern emerges in the case of combustible rubbish in Los Angeles. For the outlander it is necessary to explain that this problem involves a now virtually departed landmark as distinctive to the City of the Angels as the Golden Gate Bridge is to San Francisco and the Statue of Liberty is to New York, namely, the backyard incinerator. Until recently the city has followed a policy of burn-your-own for combustible rubbish. Many citizens have done so in their incinerators, and others out of laziness or obstinacy have preferred to engage the services of a private rubbish collector. Within the past few years the rubbish issue has become politically charged because of the view, by no means universally accepted, that incineration is a major cause of smog.

From an economic standpoint the rubbish industry has been a study in chaos. Anyone with a truck and a strong back could start a business and all too many did. Since rubbish collection is a natural monopoly, intense competition led to gross inefficiency and price wars. The industry cried out for an organizational genius of the order of John D. Rockefeller, and not one but two emerged: Louis Visco—rubbish collector, dump owner, and mogul of the San Fernando Valley Disposal Association as well as of the City Coordinating Council of six such associations—and Frank Matula, Jr., secretary of Local 396 of the International Brotherhood of Teamsters.[23]

[22] The text of Judge East's decision is in McClellan Committee Hearings, pp. 843–46.

[23] The source of this material is the unpublished hearings conducted by Mayor Norris Poulson: Office of the Mayor, *Preliminary Investigation into the Matter of Rubbish Collection in Los Angeles,* June 20–28, 1955. Charles A. Cooney, public relations officer in the mayor's office, generously made the transcript available to me.

The Visco-Matula syndicate was of classic simplicity. The city was zoned, with a collectors' association having jurisdiction over each district. The association then allocated exclusive control over local territory to its members within its zone. The cardinal sin was for a collector, member or not, to take a stop assigned to someone else. The bylaws of the State Rubbish Association, for example, declared that a member "shall not in any manner whatsoever encroach upon the territory of any member." A collector who lost a stop was required to notify the secretary, and the board of directors had power to impose a fine upon the one who took the stop. This particular association had an added means of enforcement: John Andikian. His title was "inspector" and he worked for the "State" Association, leaving the impression that he officially represented California. Further, Andikian traveled armed, or, as Moody Nesesoff, a recalcitrant collector, stated, "I think he goes to bed with that gun." [24] Local 396 organized both owner-operators and employees of collectors and dumps. Thereby Matula could enforce the rules of Visco's associations. By refusing to accept a collector as a member, he could deny him the dumps. A rubbish collector without a dump is in a bad way, or as Mayor Poulson put it, ". . . the dumps is the key to this situation." [25]

Let us take the case of W. C. Crowder, an independent collector who developed a route with 1,250 stops in the San Fernando Valley. Told to join Local 396, he saw Matula and paid a $25 initiation fee. Matula sent him to Visco to "get squared away with the association." Visco said he would have to pay a large fee to join and would have to give up half his stops. When Crowder refused, his truck was stopped at the dump. The union then tried him in effect for failure to obey Visco, dropped him from its rolls, and returned his $25. He then was barred from the dumps because he was not a union member.

The Visco-Matula syndicate needed political protection. Visco boasted that he controlled the California Legislature and could prevent any municipality from running its own rubbish disposal system. He also claimed that he could make or break the mayor of Los Angeles and had defeated a hostile supervisor. Visco employed a full-time public relations man, one Gellison, who was seen frequently around City Hall. Joe Fallon, an official in the city's Street Maintenance Department, which licensed trucks and dumps, was cooperative.

[24] *Ibid.*, p. 123.
[25] *Ibid.*, p. 131.

Collectors who refused to fall in line had their trucks cited for failure to comply with regulations and were fined. When J. E. O'Connor, a waste paper converter, asked for a list of licensed collectors, Fallon told him that it was confidential. The following day an underling of Matula's appeared with the list and sold it to him. W. R. Ward, also a processor, was told by Fallon that the latter wanted a piece of his Admiral Mills. Fallon has since been discharged by the Board of Public Works.

As a consequence of the exposure of these conditions and the political pressure to do something about smog, the backyard incinerator has been banned. At the election of April 2, 1957, the voters of Los Angeles by referendum authorized a system of municipal collection of combustible rubbish and it is presently taking effect. Matula, who denied under oath that he formed a syndicate with Visco to control prices, eliminate competition, and police the combination, has been convicted of perjury and has been sentenced to six months in jail and fined $2,500.[26] No charges have been brought against Visco.

5.

In view of the growing national impact of California politics it is necessary to deal with the strange alliance that Republican Governor Knight has made with organized labor and especially with the Teamsters. California is a Republican state. Within the memory of man it has had only one Democratic governor and he lasted but one term. It is also a state with a powerful labor movement, whose biggest union by far is the Teamsters with 225,000 members. The membership is overwhelmingly Democratic. Brewster, for example, estimated that only one Teamster in five is a Republican. In the study referred to earlier of the two Los Angeles dairy locals I found that 76 per cent of those who had made up their minds intended to vote Democratic in the 1956 presidential election.[27] The reasons for this preference are the obvious ones: Teamster members are drawn primarily from the ethnic strains that have identified themselves with the Democratic Party, are mainly manual workers, are largely at the lower end of the income scale, and are trade unionists.

The Republican Party in California has maintained its control at the state and local levels by espousing progressive programs. The party, while conservative in national politics, has been liberal within

[26] *People v. Matula*, Superior Court of Los Angeles County, No. 181844.
[27] McClellan Committee Hearings, p. 1165; Bernstein, *op. cit.*, p. 6.

California. Norris Poulson, for example, voted as a right-wing Republican when he served in the House of Representatives. As the mayor of Los Angeles he has acted like a Socialist, vigorously supporting public ownership of both rubbish collection and urban transit. Former Governor Earl Warren, of course, had a deserved reputation as a liberal. His lieutenant governor, Knight, was known as a conservative because he played up to elements within the party for whom Warren did not speak. Knight's consuming ambition was to become governor. Eisenhower paved the way for him in 1953 by naming Warren Chief Justice. A major political task that Knight faced upon becoming governor was to clear the conservative stigma from his name in anticipation of the 1954 elections. The California State Federation of Labor and the Teamsters in particular were prepared to help him do so—for a price.[28]

The first public display of mutual admiration occurred at a huge labor-management Valentine Day banquet in February, 1954, at the Ambassador Hotel in Los Angeles celebrating the governor's twenty years of public service. This affair was staged largely by Raymond F. Leheney. Leheney, now dead, was the public relations director of Teamsters Joint Council 42 and by some accounts Dave Beck's best friend.[29] Leheney gave Knight a fulsome introduction at the banquet, the theme of which was "A Sweetheart of a Guy." No one could accuse Leheney of being niggardly. Bob Hope was toastmaster, and the floor show included Dan Dailey, Peggy Lee, and Gordon MacRae. The climax was reached when a brigade of waiters carried in a mass of ice two feet high spelling out, "OUR GOVERNOR GOODY KNIGHT."[30]

Knight was not slow in responding. In March, 1954, he called a special session of the California Legislature which enacted his proposal to raise unemployment compensation benefits by $5 a week. He easily

[28] In California, unlike the state of Washington, there is a close relationship between the State Federation and the Teamsters. A Teamster has been president of the Federation since 1946, the incumbent being Thomas L. Pitts of Los Angeles Wholesale Delivery Drivers No. 848. Among the vice-presidents are John T. Gardner of Los Angeles Municipal Truck Drivers No. 403, Jack Goldberger of San Francisco Newspaper Drivers No. 921, Howard Reed of Martinez Teamsters No. 315, and Harry Finks of Sacramento Cannery Workers No. 857.

[29] So distressed, in fact, was Beck with Leheney's demise in 1956 that he established in behalf of the widow the Raymond F. Leheney Memorial Fund. "I personally will act as the director," Beck declared. He certainly did. According to a Seattle mortgage broker named Hedlung, he and Beck cleared a neat profit of $11,585 by using the fund in a mortgage deal. *Southern California Teamster*, March 28, 1956, p. 1; *New York Times*, May 11, 1957, p. 1.

[30] *Southern California Teamster*, Feb. 17, 1954, p. 1.

won the Republican nomination for governor in the June primaries and, for whatever it was worth, had Teamster support.[31]

The question facing labor then was whether to endorse Knight or his Democratic rival, Richard Graves. The matter came to a head at the meeting of the AFL Labor League for Political Education in late August in Santa Barbara, held coincidentally with the convention of the California Federation of Labor. For the AFL unions and especially the Teamsters there were two key issues: right-to-work and hot cargo. In his address to the convention Knight gave them the specific assurances they wanted:

> As long as I am your Governor, I shall never approve a law designed to punish labor, or to discriminate against labor. . . . I mean among others, such legislation as the so-called "Right-to-Work Bill" and the so-called "Hot Cargo" or "Secondary-Boycott Bill." I have said this before and I repeat it here and now, I will oppose such legislation, and if either one of them is approved by the legislature, I will veto it.[32]

This statement won the governor the endorsement of LLPE and the Teamsters as well as a denunciatory front page editorial in the *Los Angeles Times,* whose darling he had previously been. With this coup Knight established himself as a "liberal" and his election became a foregone conclusion.

The honeymoon did not end with the 1954 elections. Knight has not only delivered on his promises but has gone far beyond them. He has, for example, appointed an unusually large number of AFL officials to state agencies. In his address to the 1955 State Federation convention he named twenty-two, of whom five were Teamsters. He has appointed at least three others from this union since.[33]

In what the *Southern California Teamster* called "a bracing address" to the Western Conference of Teamsters in 1955, the governor proposed amendments to the California Jurisdictional Strike Act, which he described as "a booby trap." This statute forbade strikes and other concerted activities in controversies between labor organizations over representation and work assignment. It empowered the

[31] *Southern California Teamster,* May 12, 1954, p. 3; *Northern California Teamster,* July, 1954, p. 7.

[32] California State Federation of Labor, *Proceedings and Officers Reports,* 52d Convention, Santa Barbara, Aug. 23–27, 1954, p. 139.

[33] California State Federation of Labor, *Proceedings and Officers Reports,* 53d Convention, San Diego, Aug. 15–19, 1955, p. 120; *Southern California Teamster,* July 6, 1955, p. 4.

courts to issue restraining orders in such cases. The unions complained that employers established dominated organizations for the purpose of creating fictitious jurisdictional disputes in order to obtain injunctions against bona fide unions seeking representation. The amendments, proposed to the Assembly by Vern Cannon, Teamsters legislative representative, were signed by Knight on June 27, 1955. They changed the definition of labor organization to require that it be in existence for a year prior to the commencement of proceedings and made a person who created a dominated organization liable for damages suffered by an injured party.[34]

It was at the State Federation's Long Beach convention in August, 1956, on the eve of the Republican National Convention in San Francisco that Governor Knight announced his ill-starred availability for the vice-presidency of the United States. After the usual "I have never sought," the governor declared: "Anyone in public life in the United States today would be less than honest, less than sincere, if he did not say that he would be honored and complimented by such a suggestion." [35] His friend, Harry Finks, secretary of Sacramento Teamsters Local 857 and vice-president of the State Federation, announced that as a delegate to the Republican Convention he was ready to place Knight's name in nomination when the governor authorized him to do so. The overpowering strength of the Nixon forces at San Francisco, however, gave Knight no opportunity to send Finks to the rostrum.

The future of this alliance between Knight and organized labor is now in jeopardy from without. Right-wingers within the Republican Party are impatient with the governor for his new-found friends. Senator William F. Knowland has announced that he will not be a candidate to succeed himself in 1958, when Knight's term also expires. There is much talk that Knowland intends to run against Knight. The governor has announced and will stage a typically vigorous campaign. "Knight," a political observer recently noted, "is neither loping nor running for reelection. He is sprinting." [36] There can be little doubt that labor and especially the Teamsters will cheer him on.

[34] Benjamen Aaron, "The California Jurisdictional Strike Act," *Southern California Law Review,* XXVII (Apr., 1954), 240–41, 262–63, and "The Mediation of Jurisdictional Disputes," *Labor Law Journal* (Aug., 1956), p. 473; *Northern California Teamster,* Oct., 1954, p. 2.

[35] California State Federation of Labor, *Proceedings and Officers Reports,* 54th Convention, Long Beach, Aug. 13–17, 1956, p. 150.

[36] David Sentner, in *Los Angeles Examiner,* July 30, 1957.

6.

What, one may inquire, is the significance of this series of incidents that I have chosen to describe? Are they merely disparate events with no interrelationship or do they suggest generalizations about the political behavior of the union and the truckers? It seems to me that they do have a significant connection.

The Teamsters and the employers with whom they deal engage in a politics of fear. With this language I do not wish to be histrionic. Much if not most of political activity stems from fear. It was, for example, the cement that bound together that loose political movement whose spokesman was the late Senator Joseph R. McCarthy. But here the anxiety was of a public rather than a private nature. Except for a tiny neurotic minority, McCarthy's followers were not apprehensive that secret agents with long beards and sinister eyes would plant bombs in their cellars. Their concern, rather, was with a real or imagined challenge to the social structure and political system to which they were devoted.

For the Teamsters and the truckers, on the other hand, the fear is wholly private. Neither this *business* union nor these *business*men are concerned with public issues in the larger sense. As Neil Curry, chairman of the board of the American Trucking Associations told the Western Conference in 1956: "We should apply one test to every candidate for public office regardless of party. How does he stand on trucking?" [37] The union is apprehensive that anti-union employers and farmers will jam right-to-work laws down its throat, thereby illegalizing the machinery for preserving much of its membership. The Teamsters and the over-the-road truckers are fearful that the railroads will gain a competitive advantage in freight haulage. Taxi drivers are anxious that municipalities may cut the available traffic too many ways by licensing an excessive number of cabs. Milk distributors and drivers in California are worried that supermarkets with low unit costs will take their customers away. Coin machine operators and service men in Portland were afraid that the City Council would outlaw their industry and that outside competition would take away their business. Rubbish collectors and their employees in Los Angeles were disturbed about rival owner-operators and were fearful of the catastrophe of municipal operation.

A private politics of fear, such as I have been describing, arises

[37] Cited in *Southern California Teamster,* July 4, 1956, p. 1.

mainly from the threat of competition. In many of these industries the levels of employment, wages, and profits depend upon a managed market. Interindustry or intraindustry competition upsets its stability. Where a market may be controlled by economic action alone, the union and the cooperating employers join to do so. But, as I have pointed out, a disproportionate share of Teamster industries is subject to regulation. Hence the parties are forced into politics in order to exert influence over the mechanism of the state in lessening competition.

With the exception of interstate haulage, the arenas of union and trucker political activity are the state and the locality. Employers and union alike are more concerned with who becomes governor, assemblyman, or director of agriculture or who becomes mayor, city councilman, or chief of police than with who becomes president or senator. "I tried to build up a friendly relationship with those people [the police]," Clyde Crosby told the McClellan Committee, "because we represent drivers, and they occasionally have problems. If we can get one of them out of jail and get him back to work, we certainly wouldn't be above trying to do it." [38] Private fears are more comfortably expressed at the state and local levels than at the national level.

This makes it less difficult for the Teamsters to justify an opportunistic political policy to its membership. A milk wagon driver, for example, may be a loyal Democrat who would resent the union's endorsement of a Republican for president. But this driver would certainly understand and might even vote for a Teamster-endorsed Republican candidate for governor who was for uniform milk pricing.

The union, at least in the West, makes little or no effort to deliver the vote of its members. This is because the line of communication between leadership and membership on political issues is tenuous and because the hierarchy realistically recognizes that it could not do so even if it tried. What the union does deliver is money, a commodity of which the Teamsters suffer no visible shortage. When Brewster was asked whether it was right for a few leaders to spend large sums on politics without an accounting to the membership, he replied: "Well, I believe that those things are done in other businesses." [39] To a candidate Teamsters' backing means that his campaign bills will be paid; it may or may not mean that the members will vote for him.

[38] McClellan Committee Hearings, p. 827.
[39] *Ibid.*, p. 1147.

But political behavior expressed in monetary form is self-corrupting. I am old-fashioned enough to believe that voting is in large part a moral act, that the citizen in a democracy should cast his ballot for the person and the principle he believes is right. Hence I return to the unresolved political dilemma of the Teamsters posed at the outset of this paper: to elect the winners or to serve the welfare of labor. These purposes, though they sometimes coincide, are frequently in conflict. A labor union, I believe, is more than a business; it must have some conception of the good society and the part workers take within it. A politics based upon private fears and expressed in dollars is a politics of cynical opportunism. It may pay a short-term dividend, but it can hardly serve even a rich and powerful union as a long-run policy.

COMMENTS ON BERNSTEIN'S PAPER ON THE TEAMSTER'S UNION

PAUL JACOBS
Fund for the Republic

ALTHOUGH ON THE WHOLE, I agree with the emphasis in Bernstein's paper, I do have a few minor disagreements with him and one major question I should like to raise concerning his conclusions.

Bernstein is correct in making his assessment of the Teamsters as a product of "local-market oriented" forces, but I think the future look of the union may be something quite different. The shift from highly autonomous locals operating under well-defined area duchies, ruled by vice-presidents, to the present more centralized conferences is associated by a much greater degree of international control.

This shift will take place both because the hitherto fragmented trucking industry is beginning to coalesce and because the union itself represents a powerful force towards driving the smaller and weaker employers out of business, both in trucking and in some of the other jurisdictions encompassed by the Teamsters. In this sense, the union is an important element in establishing the future economic nature of the industries with which it deals.

I think Bernstein omitted one key element in his discussion of the political role played by the Teamsters in assisting marginal industries like pinballs, slot machines, and juke boxes to achieve legality and respectability. The interest of the union in these industries is not limited to only getting their employees organized and then keeping them working. Indeed, this may be a minor aspect of the union's interest.

In Portland, Oregon, where the union, in cooperation with the operators' association, had a large stake in the political campaign to legalize pinballs, there were less than a hundred union members employed by the association. Similarly, in other cities, like Detroit, where dues in the local covering these workers are $30.00 monthly, the union's interest in these industries seems to have in it strong elements of underworld connections. Juke boxes, pinball machines and coin operated amusement devices have always been prizes over whose control bitter underworld battles have been fought. In fact, one explanation advanced for Hoffa's obviously successful relationship to underworld elements is that he once successfully played the role of arbitrator in the struggle being waged between the Italian

and Jewish underworlds over control of juke boxes and pinballs in the midwest.

It may very well also be true that some Teamster leaders have had a personal, financial interest in these marginal industries. At one point in the Portland fight over pinballs, a City Councilman was reportedly offered a "piece" of a pinball operation by a Teamster representative in exchange for a favorable vote. It is entirely possible that such considerations are a factor in some of the political decisions made by the Teamster union leaders.

On the general problem of Teamster political action, Bernstein states that the Teamster union "does not know whether it possesses the sovereign right to act with independence or whether it is constrained by the rules and mores of the labor movement. Nor does it know whether its political policy should be to elect the winners and defeat the losers or to serve the welfare of labor regardless of short-term Teamster interests."

I think that the dilemma posed by Bernstein is more fancied than real and is by no means restricted to the Teamsters. The self-conscious political policies of the Teamsters, like that of most unions, are almost always directed towards protection of their own economic interests. If those interests, either short or long term, conflict with those of the remainder of the labor movement, the Teamsters will resolve the conflict in their own favor, as do most unions. Cooperation with the rest of the labor movement, as in the cases cited by Bernstein, is always possible but usually only takes place when the issues are those in which either the Teamsters have the same economic stake and where there is no conflict with the Teamsters' own interest, or where the union's relations with the community or the labor movement demand a purely formal demonstration of support, never intended to be carried out, in fact.

One of the instances cited by Bernstein as representative of the dilemma is an excellent example of formal statements without real meaning. Bernstein states that according to the Teamster legislative representative's report on his activities the union supported, unsuccessfully, an FEPC bill in California. Nothing could be further from the truth. One or two union officials lent their names to the committee sponsoring the bill, but the union itself did not even formally endorse it nor did the legislative representative really work for its passage.

Bernstein himself resolves this only apparent dilemma when he states that "the political policies of the Teamsters are a function of

their collective bargaining objectives." If this is true, and I would agree, then there is no dilemma for the Teamsters. There may be a public relations problem not shared by other unions whose economic position makes it possible for them to take *pro forma* principled positions on policy questions, but there is no dilemma. If the collective bargaining objectives of the Teamsters require political action, that action is carried out, perhaps regretfully, if there is a conflict with other unions, but, nevertheless, firmly.

But how else should the Teamsters be expected to behave in the context of modern American society? Do we not demand of a union that it carry out its "collective bargaining objectives" and isn't the efficiency with which it does this one of the standards by which the union is assessed? Bernstein believes that "politics based upon private fears and expressed in dollars is a politics of cynical opportunism" and that a labor union "is more than a business." But Bernstein's concept of the labor movement is not shared, realistically, by many elements in either the unions themselves, the business community or the society as a whole, no matter what facade to the contrary is erected.

When Bernstein asks for a labor movement with "some conception of the good society and the part workers take within it," he is asking for a labor movement with a social ideology embodying such a set of beliefs. In the United States, the only operative ideology of the labor movement is its commitment to the business enterprise system; a system in which interest groups almost always represent their own polity exclusively, sometimes in conflict with other groups and sometimes by accommodation. The labor movement, too, has been constructed in this model and its politics, like that of the system itself, are normally those reflecting immediate economic necessity.

Bernstein's dream of a political labor movement might represent a nightmare to those groups in industrial society who value labor-management peace far more than principled political conflict, bringing with it industrial strife and disruption of the productive establishment. If we are to have an ideological movement in the United States, we must be prepared to accept the possible consequences—industrial conflict. The present labor movement, as embodied in an extreme form by the Teamsters, may be something of a monster, but, if so, the society as a whole has been a well-satisfied Dr. Frankenstein.

Part III

INTRA-COMPANY RESEARCH IN INDUSTRIAL RELATIONS

GENERAL ELECTRIC'S APPROACH TO RESEARCH IN PUBLIC AND EMPLOYEE RELATIONS

JOSEPH M. BERTOTTI
General Electric Company

THIS YEAR it is estimated that a total of 7 billion dollars will be spent for fundamental research and development in this country—a rate of investment that is approximately 14 times greater than the annual rate of twenty-five years ago. The bulk of this expenditure will go into the physical sciences (mathematics, physics and chemistry), and a sizable portion into the life sciences (biology, medicine, agriculture). A relatively small amount, on the other hand, will be devoted to research and development in the behavioral sciences (psychology, sociology, anthropology) or the policy sciences (political science, economics). In other words, we are expending tremendous sums in an effort to improve our technology but comparatively small amounts in money or people to study how to enable society to conduct itself better in the technical world we are creating.

While we in General Electric have been carrying on some research in the broad field of Public and Employee Relations for the past 10 years as part of our central staff activities and have done considerable work at the plant level for many years beyond that, we had long recognized some of the usual difficulties in such a research approach on the part of people who by necessity must devote a good deal of their time to teaching or counseling over 130 Company plants in such diverse activities as employment procedures, safety practices, salary and wage administration, employee benefits, education and training, employee communication, and community relations.

Consequently, early in 1956 a new research service was established at Company headquarters through which a small group of qualified individuals was set up to carry on basic or fundamental research pertinent to the Company's current and future problems in the broad field of Public and Employee Relations work. Four specific responsibilities were charged to this new organization:

(1) *To do research* within the Company through utilization of our small group of researchers, and by contracting for research work with the many research organizations or universities available for such assignments.

(2) *To get research done* on fundamental problems in the social sciences by encouraging presently established research organizations, universities, foundations, etc. to apply their research talents and funds to problems that we feel will be of value not only to industry but the future overall economy.

(3) *To establish a clearing house* to comb the voluminous work done in social science research throughout the world to see what Company implications could be derived from such past research efforts.

(4) *To provide consulting service* to operating and services components interested in conducting their own research studies in areas relating to the broad Public and Employee Relations field. Incidentally, over 60 psychologists are now employed full time in the Company.

In establishing this new component in the Company, several alternatives were considered as a basis for organizing and carrying out the work to be done. One possibility was that of organizing by those disciplines common to P & ER work with researchers carrying on fundamental work in psychology, sociology, anthropology, political science, economics, etc. This type of organization, I believe, would have definite possibilities if we were to staff up with adequate numbers of competent people in each discipline from whom research teams could be pulled together to work on fundamental problems.

Because of our decision to concentrate on long-range problems—but with a more definite Company focus—we decided to organize rather on a basis of broader types of activity, such as Group Relations for example, each of which might encompass several disciplines in itself.

As now envisioned, our work will cover 7 specific areas, namely, Nature and Theory of Public and Employee Relations Work; Human Resources; Group Relations; Communication; Public Policy; Socio-Economics and Labor Economics. Let me give you a brief description of work going on in each of these areas.

(1) Nature and Theory of Public and Employee Relations Work

It is our intention to carry on regular studies in which we examine and re-examine the needs, objectives and trends of the Company, and other companies, in the broad area of Public and Employee Relations work. Presently, we are devoting considerable effort to analysis

of the true work of carrying out P & ER activities, and particularly the role of line management in this field. An important part of the work will consist of fundamental studies of new techniques for measuring effectiveness of Company programs in the Public and Employee Relations field, such as the Employee Relations Indicator or "ERI" study that we have carried on over the last 3 years.

(2) Human Resources

The second area which we have designated as Human Resources deals with basic studies about human beings as such. Included will be work dealing with characteristics of individuals: how we measure their abilities and limitations, studies on how they acquire skills and knowledge, research dealing with personality and situational factors and how they affect accidents, absenteeism, turnover, etc. and finally research in the broad area of human motivation including the effect of job structure and managerial climate on motivation.

(3) Group Relations

Our concern here, of course, deals with how the individual behaves as a member of a group. All of you are familiar with the research work going on across the country in such fields as group dynamics, and human interaction. Because of the diverse nature of our work activities throughout the Company, we are particularly interested in the effect of formal organization structure as contrasted to the use of organizational setups that conform more to the "professional" tradition, particularly for groups that identify themselves closely with such professionalism.

(4) Communication

The fourth area deals with Communication, and here our interest is primarily in two fields: (a) the general area of persuasion and opinion formation and (b) the specific problem of the channels and flow of communications, both upward and downward, in a large decentralized Company, and from various segments of the Company out to society and its various key groups. Our interests lie in the areas of both written and oral communication and extend from man-to-man interpersonal communication to the broad field of mass communication.

(5) Public Policy

Area No. 5, Public Policy, is another that we all hear a great deal about today, and yet only beginning efforts have been made in getting true understanding of all that is involved here. Our interest here is to explore some of the basic concepts that we hear so much about such as (a) the role of the modern corporation in society or (b) the rather nebulous concepts of corporate citizenship and public responsibility, but which are so difficult for us to think about in concise, meaningful terms.

The concepts of Constitutionalism, Democracy and Free Enterprise and the broad field of Industry-Government Relations are two major areas for concern for today's business statesmen. In the latter cases, we want to place emphasis on desirable trends in the future required to preserve the necessary balance among the various sectors that make up our economy.

(6) Socio-Economics

The last two areas of Socio-Economics and Labor Economics are somewhat allied and yet each encompasses a distinctively different area of work. In Socio-Economics our interest will be with demographic, economic and social factors and trends which affect the make-up of our potential work force. This will include the ratio of female employees to male employees, the ratio of hourly to salaried employees, trends in the educational needs of the business, the integration of racial and ethnic groups, problems in geriatrics and its effect on our retirement practices.

In this field, also, lie opportunities for research in the effect of local, regional or national culture on the many aspects of employee relations effectiveness.

(7) Labor Economics

The area of Labor Economics on the other hand deals with the familiar issues of collective bargaining.

a. Our work here has dealt primarily with a series of research papers or monographs on such key issues in labor economics as:
    (1) The "so-called" shorter work week
    (2) Labor's share of the corporate sales dollar
    (3) The ability to pay theory

(4) Productivity trends per production worker vs. wage increases

(5) Issues of GAW-SUB

b. In addition, we are continuing with basic studies of how to get people at all levels to understand the essential economic facts which they must know if they are to act intelligently in an age when pseudo-economic theories of all sorts are being advanced by union officials, some government representatives and others.

This concludes my very brief picture of the area of work we have scoped out for our research team. We know that it encompasses a field so broad that we could devote large numbers of people to such work for many years before we could make any real dent in it. Still we feel it very necessary to have some such matrix to help describe our interests, broad and general though it may be.

Now as an illustration of how we are progressing in some areas, I would like to introduce Mr. Quentin Ponder of our Company who will describe one study in detail that has afforded us some new insights in two of the areas I listed earlier: (1) The role of line management in carrying out P & ER work and (2) Group leadership in a manufacturing situation.

THE EFFECTIVE MANUFACTURING FOREMAN

QUENTIN D. PONDER
General Electric Company

GENERAL INTRODUCTION

HOW WELL THE MANAGERS of a business organization perform their function of managing is one of the most important determinants in the success or failure of that business organization. The General Electric Company has recognized the fact that the manager plays a vital role in achieving the Company's objectives, and it is undertaking several research studies in order to obtain further knowledge about the manager's job in the General Electric Company. From the public and employee relations research viewpoint, the general objective of one specific research program is to determine:

> *What conditions relating to the job of manager are associated with maximum achievement of the company's employee relations objectives?*

Since the achievement of employee relations objectives is inseparably tied to the achievement of other Company objectives, this research program is also designed to obtain further knowledge on the most effective methods of managing for the achievement of the *over-all objectives of the Company.*

General Electric realizes that of all its managers, the one group of managers which has the most contact with its more than 150,000 production employees are the manufacturing foremen. Consequently, these first-line supervisors in General Electric are an important link in accomplishing the company's employee relations objectives as well as its over-all objectives. A foreman can do much toward providing a productive climate where an employee's full potential can be realized and where each individual employee can achieve a full measure of satisfaction in his job. Because of this key position which the foremen occupy, these first-line managers have been selected for specific study in the early phases of this research on the manager's job. Some of these initial studies have now been completed, and in this paper will be presented some of the findings on effective methods of supervision utilized by General Electric foremen.

BACKGROUND OF THE STUDY

If fifteen or twenty foremen were selected at random in a General Electric plant, one would probably find that these foremen differed considerably in the results they were achieving. Some would be quite effective, some relatively ineffective, and some in the middle range of effectiveness. A question of major interest is why are some of these foremen able to achieve such a high level of effectiveness, while others in similar circumstances may be quite ineffective. Of course, there probably would be more than one reason, but one of the most important would be the supervisory methods they utilize.

Indications of the importance of supervisory methods were demonstrated to the author in his own manufacturing experience which involved working closely with foremen in some of his duties, as well as serving as a foreman himself. During this time he noticed there was considerable difference in the way various foremen carried out their jobs, and he also reached the conclusion that these differences in supervisory methods might well be related to the results they were achieving.

When the author joined the Public and Employee Relations Research Service of General Electric to help perform some research on supervisory methods, this prior manufacturing experience was utilized in setting up the framework for a research study. Since it was known that the supervisory methods of foremen did differ, it was decided to determine what relationship, if any, existed between the supervisory methods of foremen and their effectiveness. The decision was then made to select some of the most-effective foremen and some of the least-effective foremen at one of General Electric's manufacturing plants for intensive observational study. If statistically significant differences could be found in their observed behavior, it was felt that this would add considerably to the knowledge of what constitutes effective supervisory methods. In capsule form, this was the approach utilized in this research study.

The actual field research was conducted at a large General Electric manufacturing plant. This manufacturing operation involved a combination of job shop and an intermediate type of manufacturing process with some limited assembly-line techniques.

DEFINITION AND CRITERIA OF EFFECTIVENESS

In order to select foremen for such an observational study, effectiveness had to be defined and criteria for measuring effectiveness

developed. In simplest terms, *an effective foreman was defined as one whose performance on the job was rated high relative to other foremen, both by the foreman's superiors and his subordinates.* Four sets of data were then obtained for use in selecting the most-effective and the least-effective foremen. These four criteria were as follows:

1. The ratings on each foreman from the regular, periodic performance appraisal which had been made by his immediate superior, the general foreman.
2. A special rating of effectiveness which was secured through interviews with two levels of management above the foremen.
3. Rankings by two levels of management on the over-all "productivity" of each of the foremen's work groups.
4. The attitudes of employees toward the performance of the foremen as determined through a standard attitude survey which was administered to all production employees.

On the basis of a composite of these four criteria, the twelve day-shift foremen rated most effective and the twelve day-shift foremen rated least effective were selected for detailed observational study.

CONTROLS UTILIZED

In order to control any effect job structure variables might have on foreman behavior, the groups supervised by the high-rated and the low-rated foremen were compared on the basis of certain job-structure variables. No significant differences were found between the high- and low-rated foremen's groups with respect to the number of employees reporting to the foremen, the percentage of employees working under incentive and non-incentive systems, or the amount of supervisory assistance received by the foremen from group leaders.

The average foreman supervised some thirty employees, although the twenty-four foremen were responsible for various types of manufacturing operations from job-shop fabrication areas to an assembly line. There was an approximate balance, however, between the high-rated and the low-rated foremen in terms of the types of manufacturing operations in the high and low groups.

METHOD OF OBSERVATION

An important consideration in a study of this nature is to minimize any effect the presence of an observer might have on normal foreman behavior. In order to control this factor, the complete

research program was very carefully explained to each level of management above the foremen during the initial phases when the ratings of effectiveness were obtained. In individual interviews with the foremen who were selected for the study, the general nature of the study was explained and adequate opportunity was given each foreman to decline participation. It was emphasized to all foremen that they were to be completely anonymous in the study; and they were asked to follow their normal on-the-job procedure, and as much as was possible, to ignore the presence of the observer. It was explained that only by following their usual work patterns would the author be able to obtain the necessary information on supervisory methods for the research study.

Co-operation of all the foremen was excellent, and while a few observation periods had to be repeated because the author felt that his presence had significantly changed the foreman's behavior, for the most part the "velocity of work" in the foremen's jobs did not allow them to alter their usual patterns of activity.

Each of the twenty-four foremen was observed during eight two-hour periods—a total of sixteen hours of observation, spread out over a four-months period to insure a representative sampling of each foreman's on-the-job activities. Each foreman was followed closely and detailed notes were made as to the nature of all activities and the duration of time encompassed by each activity.

It is felt that the behavior observed was a truly representative sampling of these twenty-four foremen's normal on-the-job activities. A statistical comparison of data collected during the even-numbered periods with that of the odd-numbered periods indicated that this sampling of foreman behavior had a high degree of reliability and stability, as the patterns of behavior of the two groups were consistent in the two time periods.

In order to check on the accuracy of the author in observing and recording the foremen behavior, nine of the twenty-four foremen were observed simultaneously by a second observer. Statistical comparisons showed close agreement between the two independent observers, which indicated a high degree of reliability for this method of observation.

INFORMATION GATHERED

In order to relate foreman behavior to effectiveness, it was necessary to set up a structure of job variables which could be observed and quantified. This was done by analyzing how foremen function on the

job. Basically they engage in various job activities both as individual contributors and in contact with other people. During these contacts they act as communication links with other personnel in all functions of the business, and they communicate with and direct the work of their own employees. How they perform these activities constitutes their supervisory methods; and so the following variables which would describe these activities and communication patterns were developed:

1. *Topic of Activity* in which the foreman was actually engaged, such as establishing job priority, determining work progress or job status, working on production schedules or production records, dealing with some aspect of personnel administration or health and safety, etc.
2. *Foreman Contacts*—the people who contacted or were contacted by the foreman in the performance of his job. These included personnel from factory service groups, management personnel, employees reporting to him directly, functionally, etc.
3. *Initiation of Contacts*—was the contact initiated by the foreman or another party?
4. *Reason for Communication Flow*—did the foreman request information, was information requested from the foreman, or was information volunteered without request by either party?
5. *Nature of Flow of Communication*—did the information flow primarily from the foreman to the person contacted or from the other person to the foreman, or did a true, two-way exchange result from the contact?
6. *Nature of Work Direction and Communication to Foreman's Own Employees*—did the foreman issue a specific work order, did he explain "why" something was to be done, did he issue a general work order delegating the details of planning and carrying it out to the employee, or did he pass on information solely to keep his people informed?

HOW THE INFORMATION WAS ANALYZED

Every time that a foreman changed his activity or contact, each of the above variables was recorded. These recorded activities and contacts were punched into IBM Cards and were programmed for a magnetic drum computer in order to obtain summaries and in order to determine significant differences in supervisory practices

between the most-effective and the least-effective foremen. The following sets of data were summarized and the significant differences determined:

1. The total number of activities and contacts per foreman during the total of sixteen hours of observation.
2. The average amount of time and percentage of total observed time (sixteen hours) spent in each of the activities, contacts, communication, and work direction variables.
3. The average frequency of occurrence and the percentage of total occurrence of each of the variables observed.

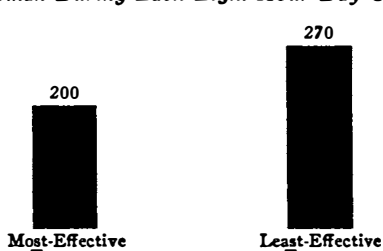
When various statistical comparisons were made between these most-effective and least-effective foremen, the differences in supervisory methods were found to be quite striking. Some of these major differences found in the study will now be presented.

THE EFFECTIVE FOREMEN ENGAGED IN FEWER DIFFERENT ACTIVITIES AND CONTACTS

The initial analysis was of the over-all activity rate of the foremen, and it was found that the foreman's job is one of considerable discontinuity. This was indicated by the great number and variety of activities and contacts of short duration in which he engages during an eight-hour day. As shown in Figure 1, the most-effective foremen engaged in significantly fewer different activities and contacts than did the least-effective foremen. The most-effective foremen, on the

FIGURE 1

Foremen's Over-all Activity Rate—Average Number of Activities and Contacts Per Foreman During Each Eight-Hour Day Observed



The most-effective foremen on the average changed activities or contacts every two and one-half minutes.

The least-effective foremen on the average changed activities or contacts every one and three-fourths minutes.

average, changed activities or contacts every two and one-half minutes; while the less-effective foremen changed activities or contacts every one and three-fourths minutes. The more-effective foremen apparently have their job better organized so they can spend more time in any one activity or contact; and as is shown in Figure 2, the type of activity they emphasized probably affected the length of time they spent in any one activity.

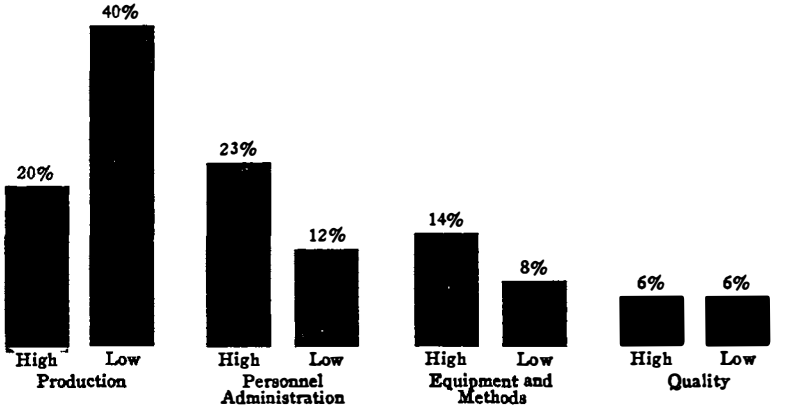
EFFECTIVE FOREMEN SPENT MORE TIME ON LONGER-RANGE ASPECTS OF THE JOB

Of the four major areas of foreman responsibility, there was considerable difference in their orientation to the job. In Figure 2 it can be seen that the more-effective foremen spent just half as much of their time on short-range "Production" activities as the less-effective foremen. "Production" included such specific activities as establishing job priorities, working with production schedules and production records, arranging for materials, and checking on the status of jobs. On the other hand, the more-effective foremen spent more of their time working on "Personnel Administration" phases of the job and on activities dealing with "Equipment and Methods." These involved essentially longer-range types of problems.

"Quality" is always emphasized as an important aspect of a foreman's responsibility, and it is interesting to note that the most-

FIGURE 2

Percent of Time Spent on Four Major Areas of Foreman Responsibility



The least-effective foremen tend to be more production oriented.
The most-effective foremen tend to be more personnel and equipment and methods oriented.

effective and the least-effective foremen did not differ significantly in time spent on "Quality" as such. Evidently, the better foremen were able to achieve more satisfactory results in the area of quality without spending more time specifically on this activity. Their efforts in other activities (personnel administration, for example) apparently contributed to their superior performance in the area of "Quality."

Thus we might summarize these results by saying the least-effective foremen spent the greatest percentage of their time finding immediate solutions to short-range production problems, while the most-effective foremen spent the greatest percentage of their time in activities which involved planning and organizing the longer-range aspects of the job. The less-effective foremen spent more time checking on work progress or status, securing materials, supervising materials or production movement, and similar activities which successful managers apparently delegate. Probably because of greater emphasis on training employees, their belief in the employees' ability to carry out their assigned tasks without checking, and greater success in organizing the work of their groups, better foremen apparently did not find it necessary to continuously check the conditions in their area. This does not mean that the effective foremen do not put any emphasis on the short-range production aspects of their job. One-fifth of their time involved this aspect alone. However, this was only one-half the time spent on production activities by the least-effective foremen. Thus, in the two groups of foremen observed in the present study, the most-effective foremen seem to have achieved some sort of optimum balance between the short-range production topics of activity and those such as personnel administration, and equipment and methods which are essentially longer-range in nature.

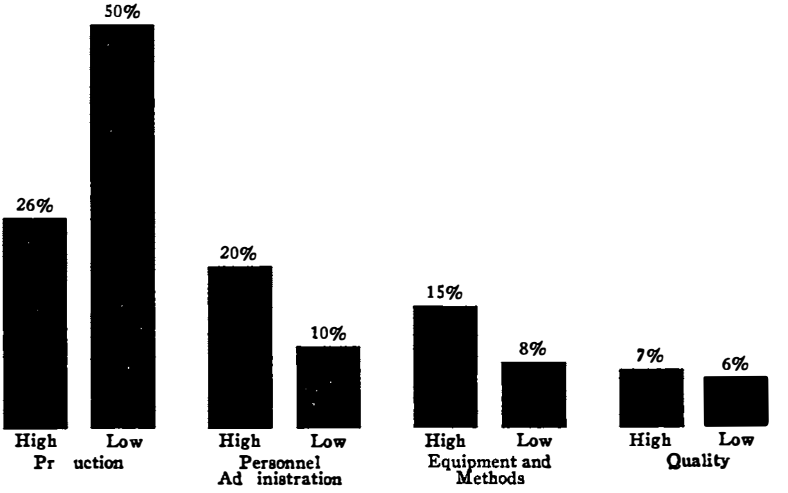
Figure 3 shows the frequency which these same four groups of activities occurred. Here we see that the percentage differences are of about the same magnitude, as the least-effective foremen's activities are concentrated in the short-range "Production" areas while the activities of the more-effective foremen tend to be balanced between the short and long-range aspects of the job.

EFFECTIVE FOREMEN SPENT MORE TIME WITH STAFF OR SERVICE PERSONNEL

In Figure 4 is illustrated the difference in the two groups of foremen in time spent with different people in carrying out their job. The more-effective foremen spent more time with people in general, and this difference was accounted for almost entirely by the time

FIGURE 3

Frequency of Occurrence of Activities in Four Major Areas of Foreman Responsibility



The least-effective foremen's activities are concentrated in the short-range production areas.

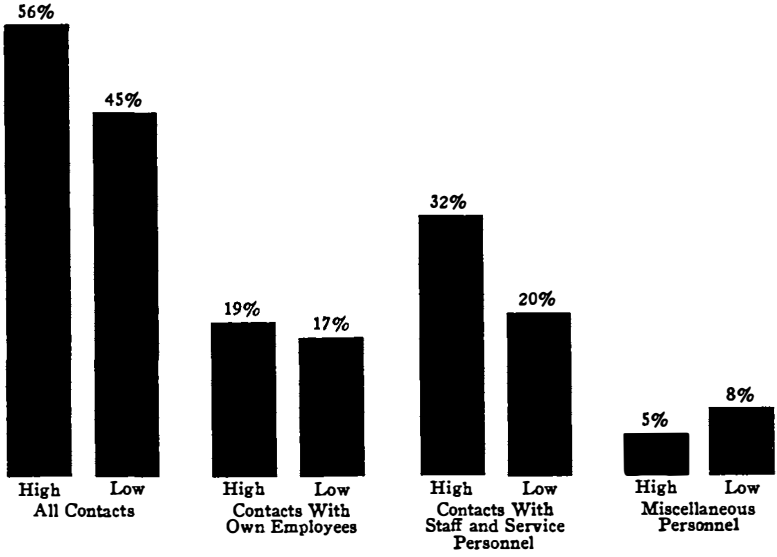
The most-effective foremen's activities tend to be balanced between the short-range production activities and the longer-range personnel and equipment and methods activities.

spent with functional staff and service personnel. It is interesting to note that the most-effective foremen spent very little more time with their own employees than did the least-effective foremen; yet they were able to achieve a higher degree of employee relations effectiveness (as indicated by both management ratings and employee attitudes). Restructuring the foreman's job to allow him greater time with his people (which has often been suggested) apparently will not guarantee greater effectiveness in the human relations area. It is, in fact, possible he might over-supervise and have poorer human relations than before.

The fact that the more-effective foremen spent more of their time with services personnel and other functional specialists probably contributed to their effectiveness. Evidently, they took better advantage of the services these functional specialists could supply to assist the foremen in getting the job done.

A more detailed analysis of the results further highlighted this difference in job orientation. It was found that the better foremen, when working in the area of "Production", spent about one-half of

FIGURE 4
Percent of Time Spent on Personal Contacts



Effective foremen spent more time with people in general.
Effective foremen spent about the same time with their own employees.
Effective foremen spent more time with staff and service personnel.

their time with Materials personnel. The less-effective foremen, on the other hand, spent only one-sixth of their time with these same functional specialists when working on "Production" activities.

THE EFFECTIVE FOREMEN DEMONSTRATED SUPERIOR COMMUNICATION TECHNIQUES

In order to study the foreman as a communication link in the manufacturing process, it was necessary to observe the interactional behavior of the foremen with other personnel. Actually, each time a foreman was in contact with someone else and any communication occurred, three things had to happen:

1. One of the parties initiated the contact.
2. Information was either requested or passed on voluntarily.
3. The communication tended to be either one-way or two-way.

This interactional behavior constituted a part of the foreman's supervisory methods; so each time a contact occurred, these three aspects

of the inter-action were observed. The most important results were as follows:

1. *The most-effective foremen initiated fewer contacts, but spent more time with persons contacted.*
2. *The most-effective and least-effective foremen were contacted by others about the same number of times, but the most-effective foremen spent more time in each contact.*

These two findings illustrate the apparent willingness of the more-effective foremen to spend time with people and the greater depth of time spent in each contact.

3. *The lower-rated foremen spent more time seeking information from others, while higher-rated foremen spent more time answering requests for information.*

This again indicates that the lower-rated foremen tend to do considerable checking with others, while the better foremen tend to be communicators of information to other people.

4. *The higher-rated foremen spent more time in contacts where information was passed voluntarily by one of the parties.*

This indicates the higher-rated foremen have established a more permissive atmosphere where information is passed freely both by the foremen and by the other people.

5. *The higher-rated foremen engaged in more conversations where the flow of communication was two-way.*

If two-way communication is superior to one-way communication, as it is often said to be, then this would indicate the most-effective foremen are superior communicators.

Of course, merely observing the percent of time spent in various types of communication does not make it possible to state that the most-effective foremen are definitely better communicators; but it does make it possible to state that the more-effective foremen spent more time communicating and that they have apparently developed a better climate for communication where the most-effective patterns of communication can function freely.

EFFECTIVE FOREMEN GAVE GENERAL (RATHER THAN CLOSE) SUPERVISION

The results presented thus far have included the foremen's contact

with all personnel including their own employees. The final analysis is the work direction techniques and communciation patterns utilized by the foremen with their own employees. In Figure 5 can be seen where a very significant difference existed in the way the most-effective and least-effective foremen directed the work of their employees and communicated to them.

The less-effective foremen spent much more time giving specific work orders while the more-effective foremen spent more of their time giving general work orders which involved a maximum of delegation to their employees. It was striking that of the two and one-half hours the foremen spent with their own employees during each eight-hour day, the less-effective foremen actually spent 15% of this two and one-half hours giving very specific work orders, and they spent only 1% of this time giving general work orders which involved any delegation. This is quite a contrast to the 3% of the same two and one-half hours spent by the more-effective foremen giving specific work orders and 5% of this time giving general work orders. The more-effective foremen also spent more time communicating to their employees or engaging in two-way discussions with them, while the less-effective foremen spent more time getting information from their employees. To summarize this data, when the more-effective foremen found it necessary to give direction to the work of their employees, they would do so in a general way, giving explanations and suggestions, but leaving details of method and sequence up to the worker. The less-effective foremen, on the other hand, gave a far greater number of direct work orders, without explaining why a job should be done, or how the specific order related to the over-all work pattern.

Perhaps the conclusion can be drawn that the general supervisory and training methods of the most-effective foremen made for more

FIGURE 5

Work Direction and Communication Pattern of Foremen When in Contact with Their Work Groups

	Average Percent of Time Spent	
	Most-effective Foremen	Least-effective Foremen
Foreman giving specific work orders	3%	15%
Foreman giving general work orders	5	1
Foreman passing information on a one-way basis to the work group or engaging in two-way discussions with members of the work group	67	47
Foreman receiving information on a one-way basis from members of the work group	25	37

efficient and self-sufficient workers who, in turn, needed less close supervision. With the less-effective foremen this cycle seemed to work in reverse—that is, close supervision without the delegation tended to create dependent less-efficient workers who relied on constant direction from the foremen.

IMPLICATIONS FOR FURTHER RESEARCH

The results and implications of this study suggest some interesting questions which might be investigated in further research studies.

One of the first questions is to what degree would the pattern of supervisory activities found to be associated with effective foremen in this study also characterize effective foremen in other types of operations? Or even further, to what degree would any of the findings prove to be generally applicable to supervision of other types of groups, such as clerical or technical groups?

Another interesting study would be to determine the pattern of activities of those foremen who were not studied because of inconsistent patterns of ratings. The foremen in the present study were selected on the basis of a composite of four criteria—three ratings by superiors and one by their subordinates. Some foremen not studied were rated high by management and low by the employees, or vice versa. It should be interesting, for example, to determine why such foremen considered "tops" by their management are so poorly thought of by their subordinates. And, on the other side of the coin, why are some of those rated high by their subordinates considered ineffective by their superiors?

The results of this study also raise some interesting questions on foremen selection, training, and job design. In the past it has been common practice for many firms to take hourly-rated employees and place them directly on the job as foremen. Many times employees are asked to make a rather drastic switch. They may have to change from jobs which are quite repetitive, which involve little responsibility and where there is little contact with other people, to a job with considerable discontinuity, with considerable responsibility, with dozens of different contacts each day, with new staff and service working relations required, with budgets, reports, etc. It is easy to understand why foremen might tend to emphasize the "Production" aspects of the job.

On the basis of the difference in patterns of activity and the working relationships foremen established with service functions in the

present study, a sound case could be built for a systematic transfer of potential foremen into some of the functional organizations preparatory to their assignment as foremen. This would make it possible for them to get a better understanding of the staff functions, of the various administrative aspects, and some general orientation to the longer-range aspects of a manufacturing organization. Although all of the foremen in the present study were once hourly-rated employees, it was interesting to note that seven of the eight highest-rated foremen had been in a functional organization prior to their selection as foremen and seven of the eight lowest-rated foremen had been placed directly on the jobs from the hourly ranks without this interim training. Studies of the background of foremen, their training received, etc., should provide insights into the best selection and training methods.

This study also raises some interesting possibilities in the area of job design. In the past two decades, many of the responsibilities which once were the foremen's have been made the responsibilities of the staff functions. Since the most-effective foremen spent considerably more of their time in activities which are more closely associated with these staff functions and they worked more closely with staff personnel, the interesting possibility is raised as to what change there would be in effectiveness if these staff functions were once again given back to the foremen. Since the most-effective foremen do place more emphasis on the longer-range aspects of their job such as methods and personnel administration, the question is raised whether by giving the foremen increased responsibilities in these areas it might well increase their over-all effectiveness. In other words, management may need to return to the foremen some of the responsibities which have been taken away from them and given to the many staff functions during the past twenty years. Studies of foremen effectiveness under different types of job design would help to determine what design results in the most-effective foremen.

By undertaking research studies on some of these basic questions, an industrial relations research staff could make a considerable contribution to the field of knowledge on effective managing.

ADEQUACY OF AN EMPLOYEE GROUP INSURANCE PROGRAM

THE METHODOLOGY OF EVALUATING A GROUP HOSPITAL, SURGICAL AND ACCIDENT AND SICKNESS INSURANCE PROGRAM

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NEGOTIATIONS in the United States steel industry in June, 1954, were critical to the parties. Negotiations on the contracts, expiring at midnight, June 30, 1954, represented the opening up of all issues—wages, the working rules in the basic agreement, insurances and pensions. These expiring contracts had remained substantally unchanged for five years (except for wage reopenings for the most part). No changes in the insurance or pension contracts had occurred during these years although the Korean War and the accompanying inflation had had its impact upon price levels and upon the costs of hospital, surgical and medical services.

Inland was most concerned about the insurance negotiations because the insurance benefits at Inland were different than those in effect at most other major steel companies.

Generally, among the major steel companies, the 1949 insurance contracts provided for the companies and employees to each contribute 2.5 cents per hour worked into a fund. The fund would then provide life, accident and sickness weekly benefits, hospital and surgical insurance for employees and dependents to the extent made possible by the monies accumulated in the fund.

Inland, on the other hand, in 1949 continued its previously existing insured plan to provide agreed-upon benefits fixed for the life of the contract (5 years) with employee contributions at a fixed rate for the duration of the contract and the Company to pay the balance of any premium required. The benefits provided Inland's employees were different and somewhat greater than those found at most steel companies, and the employee and company contributions also were different.

It was recognized that if a precedent-setting pattern was set in the steel industry it could result in Inland's being asked to contribute in cents-per-hour for improved insurance benefits an amount similar

to that negotiated by other major companies. Our anticipated problem was then to determine how best to spend or use whatever increase in money was agreed upon in collective bargaining.

PREPARATION FOR BARGAINING—THE OBJECTIVES OF THE STUDY

In December of 1953, a study of Inland's insurance and pension plan was requested by management. The study which was undertaken embraced the total insurance and pension program; but in this paper only the methodology employed in evaluating the hospital, surgical and accident and sickness claims experience is discussed.

Traditional studies of insurance benefits usually covered only the type and amount of insurance coverage. These are valuable tools for preparation for bargaining. They were not, however, sufficient. Available cost studies generally appeared to show substantially the same premium charges from different insurance carriers. Although we undertook these conventional surveys and comparisons, we sought to go beyond these commonly followed routines of preparation for negotiations.

We decided to attempt to find out how the consumer of the hospital, surgical and accident and health benefit fared under the benefit program which provided his coverage. We studied the claims filed by employees of the Company for themselves as well as their dependents.

SOURCE AND SCOPE OF THE DATA

The source for data was a file maintained for each employee filing a hospital, a surgical or an accident and sickness claim. Our records contained the completed insurance application forms which had been filed by the employee for benefits for himself and his dependents. These forms served as the basic source documents for the study. The claims relating to one accident or illness were grouped together in each employee's file. This formed a case. The case thus was made up of possibly a hospital or a surgical claim or both. Or it might have been an accident and health claim for the employee himself, but not for his dependents. Each case consisting of one or more claims for one occurrence became the unit which was analyzed.

SELECTING THE CASES FOR STUDY

The Company at that time employed 18,000 people at one large plant. Total employment was 27,000. This high concentration of

employees in one location and consequently of insurance claims suggested the need for selection of a carefully chosen sample or one broad enough for our purposes. At several of the smaller plants, however, a complete survey was felt necessary to provide reliable data. The result was a combination of a sample study at the large operation together with a complete survey at the smaller plants.

It was estimated that for the 12-month period studied (1953) not more than 8,000 cases had occurred at the one large plant and 2,000 at the eight other units of the Company.

A sample at the large plant was drawn which consisted of every eighth case from the alphabetically filed insurance claims of the Company. A complete census was made of the claims filed at the eight smaller units. We thus developed 887 cases in the sample and 2,202 in the census. The sample was multiplied by 8 (to give it a weight proportionate to that of the census) and added to the census total, resulting in 9,298 cases.[1] These cases involved only those which had been paid as completed cases in the calendar year 1953. Thus, some cases were included which began in 1952 but which were concluded in 1953. Similarly cases begun in 1953 but not paid by the end of that year were excluded from the study.

METHODOLOGY

Our major problem was to review the source documents; i.e., the insurance claims filed by employees for hospital, surgical or accident and sickness benefits, to determine what of the information they contained could be summarized easily and reduced to numerical codes for analysis on IBM tabulating equipment. We knew in a general sense the kinds of information we desired, but could not know in advance exactly what tabulations we would succeed in getting out of the basic data.

A coding sheet was developed. It contained a series of one or more boxes (each box numbered to correspond with an IBM card

[1] It should be noted that using every eighth case did not ensure that a different employee was involved in each case drawn in the sample. However, since the total number of claims filed by each case drawn in the sample was tabulated and none exceeded seven, 887 different employees filed the 887 cases in the sample. However, among the 2,202 cases in the census, based on a sample which was surveyed, it is estimated that 52 percent or 1,145 represented one case per employee, that 21 percent of the employees had two or more cases with only about 88 employees having three or more cases in the year. Thus, in the census, approximately 1,607 employees filed the 2,202 cases. The total number represented approximately 8,703 employees.

column) for each of 30 factors analyzed for each case.[2] Detailed instructions covering the manner of coding of the claims information were prepared and coding clerks were trained to translate the information to numerical codes.

FACTORS ANALYZED

The cases selected for study were then coded and the following 30 factors were analyzed:

1. *Plant at which employed*—This enabled us to develop the information for each plant and compare experience among them. It also was aimed at providing information helpful to negotiating levels of benefits in each area suitable to the needs of that area or plant.
2. *Number of cases per employee*—This gave us some notion as to multiplicity of cases in the year.
3. *Number of hospital, surgical or accident and sickness claims per employee*—A refinement of 2 above.
4. *Year of employment*—This provided the basis for calculating the employee's length of continuous service.
5. *Year of employee's birth*—Used to determine the employee's age at the time of the occurrence claimed.
6. *Sex of employee*—We related this to types of occurrences and to proportions filing claims.
7. *Occupational group*—Four broad groups were used—wage, clerical, supervisory, executive.
8. *Nature of illness, disability, accident, operation or obstetrical procedure*—Each such occurrence was coded using a 3-digit modification of the World Health Organization's *Manual of International Statistical Classification of Diseases, Injuries, and Causes of Death,* 6th Rev., I, 1948. A re-code of twenty groupings of occurrences was also developed for purposes of analysis.
9. *Frequency of single and dependency coverage*—This gave us a distribution of cases among those employees who covered only themselves (mostly single employees) and those who

[2] The first study of 1953 claims used two IBM cards with a total of 114 columns of information and identification. The 1955 claims study used 76 columns of one IBM card.

covered dependents. We related the claims incidence to the coverage.

10. *Person benefiting*—An indication of whether the case was one for the employee, his spouse or dependent children.
11. *Confinement or treatment as in-patient or out-patient*—We knew that costs and other distributions would vary greatly upon this factor and thus it was isolated.
12. *Date of hospitalization, surgery or accident and sickness*—This was designed to provide some notions as to seasonality of these claims.
13. *Total days in hospital*—The question of duration of hospital stays was important in these negotiations and this was a clue to the likely incidence of prolonged and thus costly hospital confinements. (It turned out to be low.)
14. *Charge per day in the hospital*—Daily room and board charges varied from hospital to hospital, region to region. With an indemnity plan, it was important to know actual costs. A hospital rate survey was also made to compare charges for ward, semi-private and private room accommodations with these costs.
15. *Total charges in hospital including additional or extras charges*—The total cost to the employee for the hospital stay was related to the next item and was one of the more important factors cross-tabulated.
16. *Total hospital and extras benefits paid*—This was compared with the costs to the employee, and the differences (if any) which the employee had to pay out of his own pocket were measured.

17–22. *The extras charges for anesthesia, operating room, laboratory, X-ray, miscellaneous and total extras charges*—Each type of additional charge in the hospital was analyzed to see whether any of them or the totals were out of range of the benefits provided.

23. *Name and location of hospital*—This provided the list of hospitals used most frequently by the covered group and the basis for isolating geographical differentials in hospital costs, duration of hospital stays, etc.
24. *Surgical fee charged*—This was related to the nature of the occurrence and to the benefits paid.

25. *Surgical benefit paid*—Related to the fee charged, and the differences between the cost and the benefit provided were measured. (The greatest imbalance in the Plan was found in this area.)
26. *Weekly amount of accident and sickness benefit paid employee*—Since the Plan provided benefits related to earnings, a tabulation in this area was important since we wished to see which income groups made the most and which made the least use of these benefits.
27. *Total number of days of accident and sickness disability*—As with duration of hospital stays, information in this area would provide clues as to potential costs of extending the benefit period beyond 26 weeks.
28. *Marital status of accident and sickness claimants*—This didn't turn up anything of consequence.
29. *Number of doctor's calls at home, office or hospital on accident and sickness claims*—Most cases were treated at the doctor's office (in commonly 3–5 calls), about half the cases were hospital calls (6–10 calls most common) and about 25 percent of the calls were at the employee's home (usually with one call).
30. *Date claims were filed and paid*—This provided a check on the speed of administration of cases.

All of these factors were then fed into the IBM machines and several tabulations and cross-tabulations were run and analyzed. Some of the findings are indicated above. However, since the method might cause one to suspect it might lead to confusion if not madness, let me summarize some major findings here. (The detailed analyses would involve another paper.)

MAJOR FINDINGS

In summary, the major findings in this study were as follows:

1. The characteristics of the employee claimants as regards sex, age, length of service and occupational group were generally similar to those of the workforce as a whole. Where there were variations and differences, they were relatively minor.
2. Over one-third of those insured under the plan had one or more claims in the year. The utilization of the hospital, surgical and

accident and health insurance to this extent suggests that these coverages were a significant part of the employee benefits program. Therefore, changes in the coverages and the quality of the administration of the program would be expected to be matters of prime interest to the employees as well as their Union representatives.

3. The costs of hospitalization and surgery generally exceeded the benefits paid for a substantial number of employees and their dependents. The larger differences between the costs and benefits occurred more frequently among the high-cost cases which involved prolonged hospitalization, many extras in the hospital and costly surgery. This suggests the desirability of a review of this experience in relation to major-medical or catastrophe medical coverage for employees at various income or earnings levels.
4. The area in which the largest differences occurred between the costs incurred and the benefits paid was that of surgery. Hospital room and board and extras costs were more nearly matched by the benefit.
5. Raising the benefits to meet charges current at any one point of time would not, however, ensure that the gap between the employee's hospital and surgical insurance costs and benefits would be closed in future periods. The differences between costs and benefits found in this study of 1953 claims should not be assumed to have been the same in 1949 when the first insurance contract was negotiated. Similarly, the level of benefits negotiated in June 1954 may not be assumed to be such as to satisfy the needs in 1954 or later periods. To follow this relationship, continued study is necessary.
6. Nevertheless, the lag in benefits in the course of the five-year insurance contract, when prices, costs and incomes rose substantially, was apparent in this study of 1953 experience. Some improvement in benefits doubtless could have been justified for this reason alone.

CONCLUSIONS

These findings, as supported by the detailed tabulations and extensive analyses which were made, played an important role in structuring the revisions of the insurance coverages at the Company.

They were useful in briefing management prior to negotiations as to the areas in which the program was most deficient at that time. The findings were also reviewed with the Union's negotiators to provide them with this same information. Jointly, then, the parties were able to devise the revisions in insurance coverage to substantially meet the needs in those areas which had been deficient.

The 1954 negotiations involved a two-year contract running from November 1, 1954, to October 31, 1956. The insurance contract negotiations in 1956 were similarly guided by another study and the revisions were made effective on September 1, 1956. When the 1959 negotiations approach I would anticipate that a third study will take place. Our management apparently is convinced that we have made an important contribution in labor relations. If we have, perhaps this detailed description of what we analyzed, how we did it, why we did it and what use we made of it will stimulate others to undertake similar studies.

IMPLICATIONS OF ELECTRONIC DATA PROCESSING FOR INDUSTRIAL RELATIONS RESEARCH

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ELECTRONIC DATA PROCESSING, a phase which I shall promptly abbreviate to EDP, has become one of the most frequently discussed topics in today's business community. While the phrase itself means various things to different people, for present purposes we shall define EDP simply as the utilization of electronic computers in business operations. Since the history of such usage is a rather short one, a brief review may serve to set the stage for our discussion here. Just prior to and during World War II, electronic computers were designed exclusively for use in scientific and technical computing work where the task was to perform extensive mathematical operations on relatively small bodies of data. Calculations which were previously infeasible or prohibitively time consuming were conducted quickly and accurately by these machines and, as a direct result, enormous strides were taken in fields such as aircraft design, ballistics and guided missiles, atomic energy, etc.

But the story of EDP really begins in 1951 when the first computer was put to work on traditional business problems. Here the task was somewhat different in the sense that business operations most frequently involve large quantities of data with minor amounts of computation. From a modest beginning in 1951, business leaders have become convinced that computers can render valuable service in many phases of business, chiefly those which are characterized by routine, repetitive operations.

Since that first installation in 1951, the computer field has expanded enormously. New manufacturers have entered the field, productive capacity has increased enormously, and new models with varying sizes, capacities and purposes have been introduced. Because the field is so dynamic and changing, accurate assessments of the present state of the game are difficult to obtain but it is estimated that there are now 2,000 computers in operation in business and industry, another 2,000 on order and a wild guess that 1965 will see 10,000 machines in operation. Dollar volume from sale or rental of computers is estimated at $350 million for 1957 as compared with $94 million for 1956 and $47 million for 1955.

My purpose in reporting these facts is not to impress you with the growth of a new industry or the marvels of the coming electronic age. Instead I wish to show the extent to which EDP is becoming an integral part of American industry so that we may examine the present and potential implications these developments hold for business managers and research personnel. My principal thesis is that EDP and the accompanying organizational adaptations constitute a distinct challenge to industrial relations research. I submit that research has two distinct and important roles to play in this development: (1) to determine optimal ways of adjusting the organization in order to realize the full potential of EDP—we have not even begun to exercise these machines to their fullest capacity, in part because of the way our present organizations are structured; and (2) to develop policies, programs and techniques to minimize the impact of sweeping organizational adjustments on employees. Another way of stating this belief is to say that industrial relations research can contribute greatly to the integration of these new facilities by studying what they can do *for* us and, perhaps more importantly, what they are likely to do *to* us. In suggesting this fundamental relationship between EDP and research I contend that we must think of research in its broadest scope. Industrial relations research is not confined to studies of industrial strife, labor-management relationships, wage economics, etc. Indeed, if we are to meet the challenge presented by this newest of innovations in management science, I feel we must summon the skill and ingenuity of scholars, administrators and scientists from all branches of social science. No discipline or set of disciplines has yet staked out claim to this realm of inquiry; this is in our favor, for the problems to be encountered are so many and varied as to argue against any partitioning or preempting of the basic subject matter.

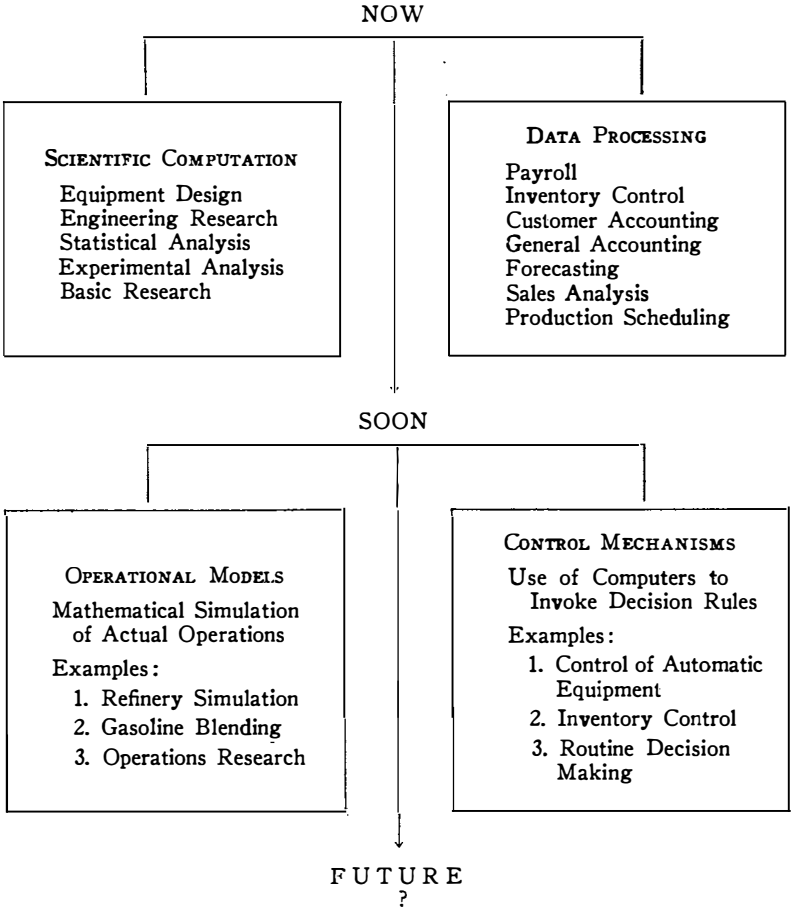
My aim then is to discuss research needs and problems primarily but to set the stage I should like to describe briefly some of the uses to which EDP facilities are being put currently and some predictions about future uses. At the outset I shall risk the generalization that most of today's applications of EDP are rather pedestrian in the sense that they do not represent the ultimate in sophisticated programming. There are many reasons for this, but the most important is that we are still neophytes in this business, and we have quite reasonably selected as first applications those problems with which we are very familiar. In this way we can put the machines to good use while we become educated and learn to master the equipment. More ingenious,

tween scientific computing and data processing. Most industrial or-sophisticated uses will follow provided that we learn to live with these very complicated pieces of equipment. In using the word "pedestrian," I do not mean to depreciate the efforts of anyone—nothing is simple with a computer; even the simplest calculation requires skilled, alert personnel—I merely wish to contrast our present efforts with the infinitely more profitable future.

In this first illustration I have maintained the basic distinction be-

ILLUSTRATION
SLIDE 1

PRESENT AND FUTURE APPLICATIONS FOR ELECTRONIC COMPUTERS



ganizations have or will have uses for computers in both ways; but it is important, I think, to treat the two categories of use separately, at least for the time being. In the upper boxes are given some illustrations of present uses for computers. In the computation section I have listed some rather general topics which are applicable to many industries and which represent a continuation of the uses for which computers were originally developed. Equipment design, engineering research, statistical analysis—all are being served by this new capability in a range of problems too broad to permit discussion here. Suffice it to say that research and development work, particularly in the physical sciences, is making wide use of EDP. We in the social sciences are also making use of this computational facility and, indeed, we are being put to test to design meaningful research of sufficient scope to exercise the computor. We are no longer faced with the necessity of reducing complex problems to manageable size merely for the sake of computational ease. Computers now can handle problems far greater in complexity than we are presently able to design.

But the present growth in computer usage would never have come about were it not for the data processing applications shown on the right. The topics listed here are universal problems and as such represent potential EDP applications in every company. Complete processing of payrolls down to printing of checks was one of the first applications for EDP, and many stories could be told of the speed and accuracy with which payrolls of 30 or 50 thousand employees are handled by computers. In similar fashion, inventory control has received a good deal of attention. Programs have been written which not only maintain up-to-the-minute stock levels on thousands of items but also detect shortages or surpluses of given items and automatically issue purchase orders or stock transfer notices as the case may be.

There are several general characteristics of these present data processing applications which I shall mention rather than describe specific examples. First, they require extensive systems analyses prior to programming for the computer. Business applications such as these are far more difficult to program than scientific computations. Second, these applications do not really represent innovations; they merely enable us to do what we've always done, but much faster and more economically. The third characteristic, related to the second, is that the primary advantages of EDP lie in replacement of personnel and the increase in speed of reports, etc. Finally, almost without fail, development of programs of this sort results in a fresh look at

the way we do business; in many cases, the systems analysis itself has resulted in substantial improvements even before the computer was installed.

There is some danger, however, in assuming that today's applications are much more than how-to-do-it lessons. If EDP is to achieve the effectiveness of which it is capable, we must not regard computers exclusively as replacements for people or as faster desk calculators. We must consider them as capable of performing new tasks, tasks which were not possible prior to their development. Computers do not simply replace bookkeepers or clerks; they may alter radically the financial operations of a business. I recall from a recent article on this subject a neat analogy which may strengthen this point. "The electric light," this author said, "was not a replacement for kerosene lamps, candles or gas lights; it replaced unlighted streets and going to bed at dusk. . . The automobile did not replace the horse and buggy; it replaced staying at home."

Let's move now to some of the more exciting prospects of the future—some of the things computer folks are now working on and which are definitely in the future picture. One of the most exciting is the combination of applied mathematics and computers to stimulate business functions. Operations research, the name most often used for this combination, consists primarily in the construction of mathematical models of operations such as production, warehousing and transportation, distribution systems, etc. After careful testing, these models can be manipulated in such a way as to determine optimum ways of operating. If we can incorporate all the relevant variables and quantities in an operation into a complex set of equations, it is possible to examine all possible alternative actions, determine their probable outcomes, and establish in advance the most desirable ones. This is really what management has always done except that even the most skilled manager cannot comprehend the many permutations and combinations of variables in any given operation. Computers can do this with great facility.

Models of this type have been constructed and operated with marked success. In the oil industry several companies are busily engaged in building models which will simulate the operation of entire refineries. One day soon we will be able to "operate" a refinery for two or more years in the future in an afternoon's run on a computer. Smaller models such as motor gasoline blending have been in use for some time. Several of our refineries now use computers routinely in

determining the optimum blending of various feed stocks to achieve gasoline of given specifications. The point here is that all this would not be possible were it not for the high speed computer. We have long had the mathematical know-how, but until the computer came along discussion of such models was almost completely academic; the calculations involved were so overpowering as to preclude their attempt.

On the other side of the picture, data processing as we have defined it, holds equally bright promise. I have labeled this "the use of computers to invoke decision rules." These may be of several types, the first of which is in what we call automation. Our technology has gone a long way in mechanizing production facilities and instrumentation But full automation awaits the closing of the loop between the perception of a process through instrumentation and the actuation of control mechanisms. The human operator reads his instruments, which tell him the status of the operation, and then he acts. Automation will be with us when a computer is linked between these two functions to receive input directly from the process and, acting in accordance with programmed instructions, makes decisions to actuate a new process continue the present one, or halt the operation. The thermostat in your home is a good example of this type of decision-making. You program the thermostat when you set a desired temperature and then in response to a perception of temperature, the thermostat turns the furnace on or off automatically.

In much the same fashion, computers will one day enable us to program certain types of decisions in administrative functions of business. The processes are identical if we view them from a sufficiently high level of abstraction. In either case we have a system into which data are fed as input. Once inside the memory of the machine the data are then interpreted and translated into output or action in accordance with predetermined rules, instructions, logic or what have you. Just as instrument readings of various kinds form the basis for decision in production, data from sales reports, invoices, accounts-payable ledgers, production schedules, payrolls, and the like provide the basis for administrative decisions. This is, to be sure, a very sensitive subject in many circles, but I think it important that we consider the decision-making capabilities of computers in thinking about the future of EDP. I contend that much of what we call decision-making is nothing more than action based upon the perception of data in terms of a given system of rules or instructions. Every computer has a logical component which can operate to perform this function, and to the extent that

we define a set of coherent, internally consistent rules, this component can make an almost endless variety of decisions.

We need to know a great deal more about the nature of decision-making and administrative processes in general before such programming can become effective. At the present time organizations are structured in such a way that major units such as departments or divisions are defined in terms of the data or information over which they have cognizance. Each department has "rights" to, or interest in, certain classes of information. If we view the organization as a vast system of information of many types flowing in and out, departments presently are the pigeon holes into which the data are sorted. But as data processing applications of computers advance in scope and efficiency, this vast system of information will tend to become integrated under a single unit of information specialists. When this happens, departmental lines will begin to dissolve and structural changes in the organization will be inevitable.

Time does not permit a more elaborate set of predictions about things to come in EDP, but from what we have said, it will be obvious to you that many problems will be encountered. In slide 2 I have listed a few of the problems with which we are faced today, and some that we may anticipate in the future. Some of these problems are susceptible to solution by operational decisions or policy, but many require research.

Let's look first at immediate problems. At the present time the average computer installation has a staff of 17 technicians, mathematicians and programmers. If we believe the prediction which states

ILLUSTRATION
SLIDE 2

POTENTIAL INFLUENCES OF COMPUTERS AND AUTOMATION ON INDUSTRIAL ORGANIZATIONS

IMMEDIATE PROBLEMS

Shortage of trained mathematicians and technical personnel
Retraining and/or reassignment of displaced employees
Morale and human relations problems
General training for management personnel

LONG RANGE INFLUENCES

Changes in characteristics of the work force
Changes in management functions
Changes in organizational structure
Changes in management development methods

1965 will find 10,000 computers installed, we will need 170,000 skilled computer people. Where are these people to come from? Our universities are not turning out trained persons at anywhere near this rate, which means we must develop training programs or other means to provide this vast army of technicians. Even today we are suffering from an acute shortage of such personnel.

Another problem of growing importance is that of the displaced employee. As computer programs are prepared for payroll or accounting applications, reductions in clerical staffs are inevitable. In many cases a single program will displace dozens of workers who were engaged in routine, repetitive work. Responsible employers must concern themselves with ways and means of retraining and/or reassigning these people. Up to now this problem of displacement has been handled with relative ease by most companies because the number of employees so affected has been small, and many employees have simply been converted from manual to machine data processing. But with greater efficiency and skill in programming, the magnitude of this problem will likely increase. Research can be of assistance here by studying the nature of the jobs within a company and determining the most effective lines of transfer and training techniques for particular classes of employees.

Closely related to the displacement problem is the impact of an impending computer installation on the morale and attitudes of employees. We have created an unfortunate stereotype in the minds of many people which characterizes a computer as some mysterious force which threatens the security of all employees. Lacking adequate information, employees perceive this threat with considerable apprehension, thus resulting in an extremely bad morale situation in many companies. To combat this we must design and implement communication programs which inform employees about the nature of computers, what they will and will not do, and most important of all, what management expects to do in order to assimilate the computer smoothly.

One final problem of immediate concern is that of indoctrinating management personnel as to the capabilities and capacities of EDP equipment. Obviously some of this will have been done before a computer is ordered, but further education is necessary if we are to develop programs which utilize computers fully. There is no substitute for the imagination and knowledge of experienced managers in conceiving increasingly sophisticated uses for computers. To achieve this

we must equip managers with information about computers so that they begin to ask meaningful questions of the computer specialists and lend support and enthusiam to program development. I am not suggesting that our key executives must be computer programmers, but they must have a good understanding of this new management tool.

There are many other major and minor problems in the current scene, but we must move now to a brief description of problems of the future. Although the list shown in illustration 2 is obviously not complete, these items will show the kinds of things we should be concerned about if we assume that some of our predictions about computer developments are valid. The first item suggests that the work force of an organization is likely to be altered markedly as a result of EDP and automation. Certain types of jobs will disappear, others will be changed radically in content. The nature of supervision and supervisory responsibilities will change. All of these changes point to a need for continuing study of jobs with a view toward combining or restructuring the elements of various jobs. Recent experiences of several companies point to success with a concept known as job enlargement in the face of automation. Job enlargement reverses the trend toward specialization and involves essentially putting together those elements of several jobs left over when automatic equipment is installed. The most important aspect of this problem in the future is that human effort as we now conceive it will be changed considerably over the next 15 years, and we must plan the adjustments and adaptations which will accompany such changes.

Changes in management methods or functions will be an inevitable consequence of EDP in the future and such changes will present many problems. EDP will make possible increased control for management in many ways but chiefly by providing improved information rapidly. Management by exception, a familiar concept, will become a reality as computers are instructed to examine ongoing operations and flash a warning when a given operation presents data which fall outside predetermined limits or boundaries. This is similar to quality control in production and eliminates the necessity of examining all detailed data when an operation is functioning within expectations. Related to this, of course, is the decision-making function which we have discussed earlier. If present predictions hold true and we program computers to perform this function, certain levels of management will be greatly affected. In the lower echelons of management, supervisors or section heads are often charged with responsibility for

making decisions in accordance with certain fairly well specified rules. If these decisions can be programmed the ranks of such management personnel will be diminished and the functions changed. In short, what I am saying is that EDP will alter the way we manage our affairs and as such will alter the functions performed by management personnel.

This leads directly into the next item in the illustration, which is concerned with changes in organizational structure. As functions change and departmental lines break down, our present pyramidal structures will be outdated and new ones will be necessary. No one knows as yet how to adapt the structure to meet these changes; suffice it to say major alterations will be necessary. This presents a distinct challenge to research in organization theory and practice. We need to know more about the administrative process; we need models which are amenable to manipulation to help us determine optimal adaptations to meet changing conditions. All this requires extensive research and analysis if we are to avoid inefficiencies and waste. To use an analogy, when modern plumbing facilities came in wide use, we didn't install them in outhouses, we modified our houses. Jet engines were not installed in World War I biplanes; we built new airframes around these modern power plants.

The final problem I have listed is that of management development methods. Management development has become a matter of considerable concern to many companies; but the changes accompanying EDP will likely intensify the search for ways of developing future managers. If, as we predicted, lower levels of management are diminished or otherwise affected by EDP, we will lose the spawning ground for future managers. In other words, EDP may change the nature of the experience future managers get as they progress upward in the organization. One bright feature of this otherwise depressing thought is contained in a recent research report by two University of California psychologists. They suggest that success in top management positions requires qualities different from those necessary at middle-management levels. Further, they contend we may be failing to promote, from lower levels, some of our potential leaders because they lack the qualities that make for success in middle management.

In any event, it seems clear that management development programs require intensive study in terms of the impact of EDP. As we have already mentioned, there now exists a need for training top man-

agement personnel in EDP procedures and capabilities. The future can only render this need more vital.

Summarizing my remarks, I should like to state my conviction that EDP does not, as some enthusiasts claim, constitute a major revolution in industry. There is danger, however, in minimizing the influence and impact it will have on industrial organizations or the degree to which it permeates all phases of such organizations. Computers do represent an enormously beneficial addition to organizational effectiveness, but we have not really begun to utilize their full potential. And in the process of developing fuller utilization, we are going to be confronted with significant problems toward the solution of which research can be most helpful. Over the years we have witnessed an ever increasing lag between technological improvements and knowledge in the field of individual and collective human behavior. With some reluctance our society has tolerated this lag, in part because it did not hurt us too much. When technological improvement results in machines to replace man's hands this is felt to be beneficial. But we are now creating and installing replacements for man's mind and in so doing we are creating problems which make the lag intolerable. My plea, therefore, is that we must mount substantial and significant research efforts on all phases of these problems if we are to maximize the potential benefits of EDP and, simultaneously, maintain our concern for the welfare of our employees.

RESEARCH CONCERNING BARRIERS TO EFFECTIVE TWO-WAY COMMUNICATION

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One thing people tend to take for granted when talking to others is that they understand each other. It is rare, indeed, to have someone hold up his own argument, or his reply to your statement, long enough to say, "I think you said . . . did you?" or "Was I right in thinking you meant . . .?" People are ever so eager to parry what a man says without ever wondering whether *that is* what the man said. In the give and take of talk, things go fast and one is so busy organizzing his reply that he doesn't take the time to make sure he knows to what he is replying. This is unfortunate because it often means that instead of talking with others, people talk past, or bypass, each other.

There have been, and are, continuous attempts to explain and overcome breakdowns in conversation and communication. When people can't do a thing well, they usually invent a long word for it. Communication is simply "saying" dressed up in its Sunday best. It is much talked about in industry today because so few supervisors and executives really do it well. The late Dr. Irving J. Lee of Northwestern University Department of Speech became interested in why conversation failed—in barriers to communication. His interest was couched in a few words: "What happens when people talk to each other?" He attempted to answer these three questions: (1) Do people make an effort to understand each other? (2) How do they respond when another talks? (3) How do they approach problems? Dr. Lee, in his book, "Customs and Crises in Communication," mentions the fact that communication is one of the big areas of human concern in which there are no experts. He continues that there are professors of landscape, professors of architecture, professors of several grades of engineering, but none who takes as his province the barriers and breakdowns in human communication. No research has been documented of what is involved when people talk together.

In the broadest terms, the working day of an individual may be catalogued into three classifications: (1) direct observations and in-

vestigations of the behavior of people; (2) symbolizing activities such as reading, writing, listening, and speaking; (3) planning and decision making. We constantly, though not always consciously, deal with three component elements of meanings: facts, feelings, purposes. All feelings color facts. We "think" with our feelings. All attempts to "read between the lines" are evidence of the search for purpose. These are each included in the "X factor" which is termed communication.

Most of us learn the various acts of communication early in life. We converse and listen so readily and easily that the acts are all too soon taken for granted. Anyone can swing a golf club, but to play around in par is another matter. We have not yet, however, come to a similar understanding that men do not invariably acquire the basic skills of communication just because they know how to mouth sounds and decipher marks on a page.

In the chemistry tests there are well-defined procedures for the analysis of the contents of a bottle. There is continuing research in this field. Shift the scene to the job, office, or home. Let someone talk to someone else. Let one of them begin in anger, dismay, or hurt pride. How does the other respond? What is the test for the discovery of the perceptions and the feelings behind the words? What is the pattern of listening and replying that precipitates or dissolves them? A minimum of research is reported.

> Paul Pigors of Massachusetts Institute of Technology points to this problem when he says when we say significantly "They do not speak the same language," we mean that two persons have not found the way to reach each other's minds. Their failure to communicate is a matter not of vocabulary but of emotion. Fear, suspicion, or jealousy nullifies the sense of the words they use.

Research that was done in one item pointed to the fact that communication was a matter of simplicity and clarity—that all we had to do to communicate was to achieve simplicity and clarity of expression to permit everybody to understand exactly and precisely what we were saying. There is still much to be said in behalf of simplicity. However, a perusal of some of the simple passages written by Gertrude Stein makes simplicity questionable.

> Paul Porter, as an American representative in Greece during World War II, remarked at a banquet that Americans and

> Greeks were very much alike in that they liked to eat, liked to drink, and liked to talk. The Communist press the next day quoted Mr. Porter as saying that the Greeks were gluttons, drunkards, and gossips.

If time permitted to ask each of you to prepare a list of the areas in which you think conversation could be improved, I am sure your list would be something as follows:

1. Understand others' frame of reference
2. Listening to understand
3. Talk with, rather than to
4. Understanding the feeling behind what is said
5. Open-mindedness
6. Message doesn't get through
7. Language difficulties
8. Getting people to listen
9. Arriving at a subject of common interest
10. Appealing to self-interest
11. How to find out when we are understood
12. How to control emotions and attitudes which hamper communications
13. Keeping people in rapport
14. Understanding objectives of the talker, suspicion of the hidden agenda
15. Develop levels of knowledge
16. Develop interpretations of words—lack of ability or inclination to listen

There are four phases involved in any human action: (1) there's a happening; (2) this has an impact on the nervous system; (3) there is an evaluation step; (4) there is a talk or action step. There is no step 3 in reflex behavior, and in many actions the evaluation step (step 3) is also very brief.

We are going to explore with you four of the more common barriers to communication. These include: (1) Giving and getting information; (2) discussion of a person who jumps to conclusions; (3) problems of a person who closes his mind; (4) barriers faced by a person who listens only to words.

> Bennett Cerf of "What's My Line" fame tells the story of Louise Baker, one-legged humorist who wrote the rollicking

> "Out On A Limb" and shared a cabin in one Atlantic crossing with a lady who thought she needed a special mothering. Mrs. Baker had a fine time on board and invariably retired very late. The lady demanded, "Will you tell me what a young lady on crutches does on shipboard until one o'clock in the morning?" "What do you think young ladies do?" asked Mrs. Baker. "Mercy—goodness," gasped the lady, "you don't do that, do you?"

One Christmas the wife of a Detroit manufacturer unwrapped a beautiful skunk coat which her husband had placed beside the Christmas tree. "I can't see how such a nice coat can come from such a foul smelling little beast," she remarked. "I don't ask for thanks," he replied, "but I do demand respect."

As you know, poor communication can happen any place. A sales gimmick recently used here in New York follows:

> "Who will drive this car away for $50.00?" A man stopped at the window, read the sign, and then after some thought entered the store. "I'll take a chance," he offered, "where's the money?" Out in Chicago there were three elderly sisters famous for their charities. They were left $300 by a local citizen who passed away. One sister immediately sent her $100 to the Red Cross—the second sister, $50 to the March of Dimes and $50 to the Cancer Fund. The third sister, however, met a shabbily dressed man on the street and impulsively pressed the $100 in his thin, trembling hands. She smiled warmly and whispered, "Godspeed." The next day the shabbily dressed man knocked at the door of the sisters' house. "Do you want to see me?" asked the third sister. "Yeah, lady," said the man, "Here's your $800—Godspeed came in first and paid 7 to 1."

So you can see there is a tremendous range of communications and choice of words. We want to explore the kind of things that leads to misunderstanding. We want to examine the kind of things that leads to trouble in a talking situation. In this connection, as a pattern of research in getting and giving information, six volunteers will be asked to assist us in carrying out an experiment. One will remain in the room and the other five will be asked to leave. The first man will be permitted to look at a picture to be thrown on the screen for two minutes. He is requested to remember everything that he pos-

sibly can about this picture. After viewing the picture for two minutes, the number two person will be asked to come in and number one will tell him everything that he possibly can about the picture. Number three will then come in and number two will tell him the story. Number four will then be called and listen to number three. Number five will then enter and have the story told by number four, and last, number six will come in and receive the description from number five. Then number six will be asked to tell his story as he knows it and sketch the picture as he thought it looked.

Of course, by the time the story had passed through that many hands it had lost a lot of its identity. What had happened?

1. There was a progressive loss of the number of details cited.
2. The details were changed.
3. The details were re-interpreted.
4. There was actually an addition of things that were not told in the first place.
5. Certain qualifications became definite assertions.
6. There were shifts in emphasis from person to person.
7. The story was incomplete at the beginning.

In this experiment it is obvious that number six looked bad in this situation. A discussion of who had the toughest job brought out the fact that number one probably did. Further consideration indicated that probably number two or number three really had the toughest job, whereas number one had the easiest job. This experiment will assist in pointing out certain problems that we face in communication in conversation:

1. Distortion or loss of information—assumption that what one says is understood
2. How to pass on information in a coordinated way
3. Speed of transmittal—information given too fast
4. What to do when an incomplete story is given
5. Vagueness in departmental instructions
6. Language—words—meaning—speaker and listener lack of understanding
7. Failure and difficulty in listening
8. Incomplete communications

9. Climate in which communications take place
10. Personality differences
11. Tendency to jump to conclusions
12. Variations in experience effect frame of reference

Other than conversation, you will agree that we do our communicating in four general areas. In each of these, conversation, of course, is paramount. They are: (1) Give or get information; (2) Give assignments; (3) Conference leading; (4) Make corrections.

It has been pointed out that we each have a commonly held assumption that communication is easy, automatic, and inevitable. Dr. Lee assumed just the opposite in his experience through 15 years in training groups. He found that both management and employees needed all the help they could get in carrying through communications accurately. I. Q. has nothing to do with the problem. Numerous tests indicated that policemen who were trained in observation do a better job than Phi Beta Kappa seniors. As much as 68% improvement has been effected in transmission of items. Experience points to the conclusion in conversation that not more than three levels should be included in the communication process. In the dissemination of instructions, three levels are suggested as the maximum. The more important the message, the more media should be used; that is, if it is important, use both oral and written media.

There are probably many things that could be said to the six other people asked to participate in this experiment if we wanted to improve the communication. This list includes:

1. Reduce the number of items in the first place.
2. Ask questions freely when in doubt.
3. Take notes.
4. Playback or review.
5. Sketching and gestures in the description of the scene.
6. Structuring.
7. Itemize.
8. Underscore.
9. Make into some kind of a narrative.

Experiments have shown that by asking questions we would increase the "carry-through" of items by 20%. Also, where written notes were used, there was an additional gain of about 15%. When

the story was played back or reviewed, the gain was as high as 35%. Structuring would be helpful, that is grouping the scene into some kind of logical association, such as perhaps the principal people in it; second, the other people; and third, perhaps the backgrounds. Underscoring would also assist. This is the kind of thing where the individual passing along the story might say, "Now I want you to be sure and get THIS." At this point, an apple is produced and the audience was asked if there were seeds in this apple. There were a variety of replies, mostly to the effect that there were seeds in the apple. Some individuals, however, said they thought there might be some apples that didn't have seeds in them and they didn't know whether this apple had seeds or not. The point of this illustration is that you cannot assert, as a fact, that there are seeds in the apple unless you actually took the apple apart and determined whether or not there were seeds. Even then, there would have to be some agreement on what seeds were and what they look like.

Another illustration was used by drawing a house on the board which was said to belong to A. C. Jones. The automobile parked in front of the house was registered in the name of A. J. Brown, M.D., with a caduceus emblem on it. The question was raised as to what statements of fact could be said about this situation. The group found that they had only one statement of a factual nature that could be made: that there was a car with a doctor's name on it in front of a house with Mr. Jones' name on it.

The point of this research, as interpreted, being that it is this business of stating facts that leads to a lot of trouble in communication. It was pointed out that in our study of grammar we defined a declaratory statement as a statement of fact. Actually, the declaratory statement may or may not be a fact. In the English language we use a declarative form in a number of ways. It can be used to make a statement any time after observation has been made or before an observation is made. A FACTUAL STATEMENT IS POSSIBLE, BUT BEFORE AN OBSERVATION IS MADE ONLY AN INFERENTIAL STATEMENT IS POSSIBLE. The factual stays with what you have actually observed while the inferential goes beyond. For example, what you say about seeds in a particular apple, without breaking it, is inferential. After the observation is made, a limited number of statements is possible. Before the observation is made, the number of inferential statements is almost limitless. There are two kinds of declarative statements:

Statement of fact

1. Made after observation or experience.
2. Is confined to what one observes.
3. Can make only a limited number of statements of fact.
4. After observation we can come as close to certainty as anyone ever gets.
5. We tend to get agreement when it is impossible to make factual statements about a situation.

Statement of inference

1. Made any time—before, during or after observation.
2. Goes beyond what one observes.
3. Can make unlimited number in any situation.
4. Represents only some degree of probability.
5. We can expect disagreement if only inferential statements can be made in a situation.

We continuously make inferential statements as statements of fact, and this is one of the things that leads to difficulty in communication. It can be stated that the beginning of wisdom is knowing that we are making inferences and not making statements of fact. Trouble arises when action is taken on the basis of facts that are not really facts, but inferences. For example, the superintendent that fired the boy who was whittling another stick to use in carrying on his packaging assignments. What happens when a person or thing jumps to conclusions was illustrated by research with wall-eyed pike. The pike tried to eat the minnows but could not because of the glass separation in the tank. After the pike had struck the glass 140 to 160 times, the glass separation was removed and the pike literally starved to death in the midst of plenty.

> They tell an amusing and interesting incident recited by Dr. Eliot, the late president of Harvard. Dr. Eliot had been in a New York club and had checked his hat. When it was time for him to leave, he returned to the entrance where a doorman handed him his hat. Dr. Eliot said, "How did you know that was my hat?" The attendant replied, "I did not know that was your hat, but I do know that is the hat you gave me."

Many illustrations of facts and assumptions which lead us to

jump to conclusions are present in clauses of labor contracts. As an example, when considering two men for promotion, it is easy, on occasion, to make many inferences that a man does not have the ability to do a job. Without changing the wording of the contract, however, this can be stated factually only after the individual has had a trial on the job. A statement of a fact can only be made when the individual does the work.

> During World War II, there was a prominent General of the Army conducting maneuvers in one of our western deserts. At one point he came upon a lineman up on a pole doing some work. The lineman was dressed sloppily in khaki trousers and shirt, with no hat, no tie, and no shave. The General, in his best fashion, proceeded to dress down the lineman. "Who are you and what is your outfit?" The man answered, "Davis —the Telephone Company—and you can go to the devil."

You have probably heard the old statement, "My mind is made up —don't confuse me with the facts."

THOUGHTS OR STATEMENTS ABOUT THE FUTURE—HOPE, PREDICTION, AND/OR PROPHECY—ARE INFERENCES. The things beyond the range of what you observe are inferences. A STATEMENT OF FACT IS ONE THAT IS BASED ON, AND REFERS TO, WHAT YOU SEE OR WHAT YOU OBSERVE WITH ANY OR ALL OF YOUR SENSES.

Trouble doesn't come in conversation because we make inferences. Trouble comes because we believe the inference is the same as a factual observation. Statements have the same certainty as factual observations. Yet we can't live without inferences. We must assume the food we eat is O.K.; that the car we drive is usable; that the elevator we ride in is safe. Without such assumptions, we could seldom act. Yet there is a world of difference in what we see and what we assume. SOMETIMES YOU HAVE TO ACT ON INFERENCES, BUT YOU ARE LESS LIKELY TO LOOK FOOLISH IF YOU KNOW THAT YOU ARE DOING SO. Also, if you know you act on inferences and find you are in error, you will be in a much easier position to make adjustments. Research indicates that wisdom also begins in knowing the difference between a) When are we inferring in our talk, and (b) When are we talking factually? Perhaps one of our most important techniques in improving our communications lies in the area of improving our inference making.

Another communication problem has to do with the person who closes his mind. In this connection, a pencil was held up in front of the group. They were asked to call out all the things they could say about the pencil. For instance, color—size—lead—function—cost—use—point—name—durability. After about twenty items were listed, the group was asked if this was all that could be said. Several said, "Yes." Obviously, however, additional items, such as—machine-made—pointed at the end—made in U.S.A.—yellow color, could be added to the original list. We might put a comma or an et cetera at the second line to indicate a loss of interest. We should, however, not put a period, because the number of details that we can talk about is practically unlimited. The number of details we can mention on any one thing is tremendous. Research could continue indefinitely. We select some and omit others.

No artist ever paints a picture that is complete in all details. No report is ever made of an occurrence that is complete. No history has ever been written that is complete. There always must be an abstracting of some of the details and an omission of others. All talking, living, experiencing, doing, is a matter of abstracting some and omitting much. What happens if this is forgotten? The person doing the forgetting shows an illness which is called "ALLNESS." This is an attitude of having said all there is to say. Many of the habits of training and talking are along the lines of "allness." Research indicates that PEOPLE WITH THE ATTITUDE OF "ALLNESS" ARE THE HEART OF OUR COMMUNICATIONS PROBLEMS—A PRINCIPAL REASON WHY COMMUNICATIONS DO NOT TAKE PLACE. Each of us can call to mind one who seemingly delights in telling other people how much he knows or, to put it realistically, how much he thinks he knows. One seldom enters into a discussion with him; one usually merely listens, or feigns listening anyway, and soon becomes frustrated over the inability to get a word in edgeways. One gets the impression that if and when a word is gotten in edgeways, the fellow actually is not hearing it at all but is thinking up what he is about to interrupt with next.

This disease of "allness" leads to arrogance, the attitude of already knowing, a freezing up, a stopping of the observing process. Peculiarly, "allness" tends to be encouraged as a person becomes more important in the business hierarchy.

In this connection, an interesting experiment is cited made by a Wisconsin psychologist by the name of Widdell. This experiment

had to do with the evaluation of the quality of interviewing work done in employment by personnel men. Dr. Widdell learned that the more experienced a personnel man, the less able he became at judging people. This problem is also present in connection with helping people become teachable. In order to accomplish this, it is necessary to break up this arrogance that comes from the disease of "allness." This disease occurs at all levels, with all kinds of people. There are two general groups of men: (1) The man of strong convictions, but one who can grow—who is a viable man. (2) The other knows already, can learn no more, cannot grow. He is a bigot.

Illustrative of the man who cannot grow is a story retold by Carl Sandburg about an individual who picked up a secondhand cello which had one string. He took it home and put it in his parlor and then, locating a place on the string where he could put his finger, he proceeded to saw and saw and saw. He kept this up indefinitely. His wife remarked that she remembered other cello players used several strings on their cellos and, in playing, moved their fingers. The response of this individual who apparently was afflicted with "allness" was, "Those people are looking for the right place to put their fingers. I already know."

Ofttimes union relations problems are intensified by first-line supervision "allness." Industry and military organizations rotate management and officers in an effort to reduce "allness." Some people would rather have a man with a low I.Q. and viability than one with a high I.Q. and "allness." It is not recommended that beliefs be sterilized or strong feelings, faiths, assumptions, be eliminated. We would only emphasize the difference between a man with strong beliefs who remembers the ET CETERA code and another with strong beliefs who forgets the ET CETERA. THE FORMER REMAINS TEACHABLE—ABLE TO LISTEN AND HEAR. THE LATTER BECOMES RIGID, INFLEXIBLE—HEARING ONLY WHAT HE HAS HEARD BEFORE. HE IS THE UNTEACHABLE MAN—THE PERSON WHO CLOSES HIS MIND. There is no formula for this person. How does "allness" in the speaker affect conversation? How does "allness" in the listener affect conversation?

Speaker

1. Gives own slant.
2. Gives only what he considers pertinent.

3. Creates bad climate for communications.
4. Has problem of breaking through "allness" in listener.

Listener

1. Is not able to listen.
2. Interpretation is warped.
3. New information rejected.

In order to improve our conversations, I leave these two questions with you in this general area for further research: (1) What can I do to reduce my "allness?" (2) What can I do to reduce the "allness" of the people with whom I converse?

THE ONE THING PEOPLE TEND TO TAKE FOR GRANTED IN TALKING TO OTHERS IS THAT THEY UNDERSTAND EACH OTHER. It is rare, indeed, to have someone hold up his own conversation long enough to say, "I think you said . . . did you?"—or "was I right in thinking you meant . . .?" We find people ever so eager to parry what a man says and ever wondering whether that is what the man said. Many of us find ourselves in the predicament of the little girl who was admonished to think before she spoke. "But," she protested, "How can I tell what I think 'til I see what I say?" I have no wish here to give comfort to the bore who gets so much pleasure squelching discussions with his defiant "define your terms." This is not to imply that a speaker cannot help by putting what he has to say in clear, listenable language. THE LISTENER, HOWEVER, HAS A JOB TO DO TOO. IT TAKES TWO TO MAKE COMMUNICATION.

In the first area is the person who listens only to words. To illustrate, words in the following paragraph:

> "Mary was a sensible and giddy young lady, wise and silly beyond compare. She was a slight and small creature, yet so large that everybody who knew her loved her. She felt rather lonely, because she lived in a town with no other houses or people for miles around. But when she did go to visit other people, she was so cheerful that everbody called her the saddest young lady in the country, and her intellect was so sharp that everybody regarded her as a veritable dunce."

The passage re-written with modern equivalents for the old meanings:

> "Mary was a sensible and *enthusiastic* young lady, wise and *blessed* beyond compare. She was a slight and small creature, yet so *generous* that everybody who knew her loved her. She felt rather lonely because she lived on a *farm* with no other houses or people for miles around. But when she did go to visit other people, she was so cheerful that everybody called her the most *contented* young lady in the country, and her intellect was so sharp that everybody regarded her as a veritable scholar."

When asked to analyze the statements, the responses to us were either one of dismissal, one of inquiry, or one of not clear to us. The greater number by far were responses of dismissal. When something is misunderstood in a conversation, the alienation response or response of dismissal provokes its own response in turn; that is, WHEN A LISTENER DISMISSES A SPEAKER,THE LISTENER MAY BE SURE THAT THE SPEAKER WILL LIKEWISE DISMISS THE LISTENER. When there is a communication difficulty, listeners are looking for meanings of words in the wrong place. They should look elsewhere. One person will misunderstand another whenever he pays attention to the words apart from the purposes of the speaker using them. We know the following things about the language:

1. It has technical and nontechnical terms. The technical words are pretty easily understood, whereas nontechnical terms all have a wide range of meaning. For instance, the word "run" has as many as 800 uses in the English language.
2. There is a wide regional and vocational variation in meanings.
3. Historical change. As an example, in the days of Chaucer they used to talk about solemn parties. At that time, a solemn party was one where they all drank so much they finally got into a stupor, or into a solemn situation.
4. Coined words. These are being coined for the English language all the time.
5. Tone.

One person will misunderstand another whenever he pays attention to words apart from the purposes of the speaker using them.

When a person speaks, there is no one else in this world who knows what he is saying other than his listener. Behind a set of words are things, people, relationships, feelings. Let a listener forget about them and the way is cleared for the listener to look at those things in his, instead of the speaker's, perspective. In short, WHEN A LISTENER FOCUSES ON A SPEAKER'S WORD WITHOUT BOTHERING TO WONDER WHAT THE SPEAKER WAS REFERRING TO, THEN WE HAVE THE CONDITION MOST CONDUCIVE TO MISUNDERSTANDING.

Men are less likely to talk at cross purposes when each makes an effort to center his attention on what the other intends his word to stand for. If you think of words as vessels, then you are likely to talk about the meaning of a word as if the meaning were in the word. It is very difficult to find anything in a word; it is easier to explore to what a person is referring. If, therefore, we look at words as pointers, then we are likely to recognize that someone has to do the pointing at something. The key question, then, is not "What is the meaning of his word?" but "WHAT, BEYOND HIS WORD, IS UNDERSTOOD?" Being realistic, you may now be ready to ask the brutal question, "So what?" The notions we have presented are probably not new and, obviously, not revolutionary. Both attitudes and skills are included. Which of these are skills and which attitudes? How do they tie together? How can they be used in the work situation?

Of the four items discussed, three may be described as possessing attitudinal qualities—attitudes that are barriers to conversation. These include (a) a person who jumps to conclusions—"inference proneness"; (b) a person who closes his mind—"allness"; (c) a person who listens only to words—"words and meaning". The fourth item discussed could perhaps be looked at as a skill to be mastered in overcoming barriers to conversation. In this, we can even reduce our ideas to a formula. This, you'll remember, was described as (d) giving and getting information. Our research with Dr. Lee included three other areas involving skill training. These are: (e) making assignments; (f) making corrections; and (g) getting a group to discuss, convey ideas. The group is seemingly inter-related. Either the theories or skills could be approached first. If the skills are learned, attitudes are affected. If new attitudes are acquired, the skills are encouraged. We have tried to integrate knowledge and skill, formulas and attitudes, theory and action. All these things need to be done all

the time because the problems are so subtle. Just as we have boosters to aid transmission over our telephone lines, we should have boosters all along the line to avoid a breakdown in our conversation lines.

The forces of responsibility for communication can be shifted from the speaker to a speaker-listener relationship. People are satisfied to share the blame for misunderstanding when they realize both are involved. It may take time to find out what a man means—it may demand a patient listening and questioning—it may be an unexciting effort. But it should help to bring people into a new area of awareness. Perhaps we might reiterate three statements so often made by Dr. Lee as a basis for research:

1. There is no such a thing as a silly question.
2. No one knows what you are saying except the man listening to you.
3. It is almost impossible to say something that everyone will understand.

The Lee Experiment in the Illinois Bell Telephone Company

From February to May of 1955, Dr. Irving J. Lee, Chairman, Department of Speech, Northwestern University, gave a rather unusual series of lecture-discussions to a group of employees of the Illinois Bell Telephone Company. Dr. Lee had had considerable experience in conducting industrial communications courses with business organizations. He had been a consultant on communications problems for the United States Air Force, and a frequent lecturer at the Air War College at Montgomery, Alabama. He had also dealt with the problems of communication in the Northwestern Traffic Safety Institute, and for many summers he had been a guest lecturer for Northwestern University's Institute for Advanced Management.

The course at Illinois Bell—named "The Lee Experiment"—was unique in one respect: it was set up on an experimental basis in an effort to judge and measure the effect that such training would have on that organization. The class was composed of 12 first, second and third level supervisors and 16 departmental personnel representatives.

Several hundred attitude studies were made of employees, subordinates to those selected for the class; people, generally speaking, who did not know that their supervisors were undergoing any such training. Over 50 non-directive depth interviews were held before and

after the course to determine, if possible, whether the effect of this teaching had worked its way down through the ranks of the personnel, whether a change in supervisors' attitudes was noticed by their subordinates, and whether any such effect was long-lasting. These studies were made by members of the Personnel Department of Illinois Bell; Dr. Lee himself took no part in them.

The results of these interview studies were extremely heartening. Some 72% of the post-lecture interviews of subordinates contained statements which reflected improved communications or relationships between themselves and their supervisors, even though they were unaware of the supervisors' training program. Here are some samples of their comments:

> We were given a brush-up on a new practice. . . I did notice the supervisor seemed to take more time to be sure it was understood. We were asked questions and the girls asked questions. Even the new girls got it straight because we all talked it out and expressed our ideas and it helps. One of the newer girls said, "I got it straight for a change."
>
> We had a meeting with the supervisor the other day. She let us do all the talking and express our opinions. She kept out of the discussion entirely to let us draw our own conclusions. It worked out nicely. It certainly was an interesting discussion. I enjoyed it.
>
> Our supervisor tells us about changes and instructions and we make notes. Then she asks us if we understand and if we have any further questions. It seems now since she is giving the instructions I seem to get them better. I don't know why.

More significantly, it was found that 20% of those interviewed stated *directly* that they had noticed a recent difference either in attitudes or in procedures within their company:

> Our training classes are different lately. The way the information is given is different. The material is written on the blackboard instead of telling us orally. Also, the material is cut down to a main idea in one sentence. It's a pretty good way of doing it, I would say.
>
> I find things are different. We are having more meetings. When I got back from my vacation the supervisor gave me all the changes that took place while I was away. She asked

> me a lot of questions to make sure I understood what she told me.

There is something else the statistics alone do not show but which stands revealed in the interviewees' comments. The changes described have led to a positive improvement in attitude. This is illustrated particularly well in the following case. In the first interview, the interviewee reported:

> "One of my gripes (is that) my own supervisor recommends me (for promotion) but that's as far as it goes. I never could find out how people are picked. All I do is keep getting knocked down. I keep getting up but I'm getting sick of it—sometimes it looks hopeless. Every time there was an opening, someone else got it."

In the second interview the employee had this to say:

> "My own boss seems to be a little freer and easier. We had a nice long talk since you (the interviewer) were here. It did us both a lot of good. There were some things I needed to know for my own good. . . *I guess I must be looking through rose-colored glasses, but this department is sure running smooth.*"

Dr. Lee died in May 1955, shortly after the last session of the course. However, the approach he took was subsequently adapted into a training course now used for management development throughout the Bell System.

Part IV

MEMORIAL SESSION FOR THE LATE WILLIAM M. LEISERSON

WILLIAM M. LEISERSON

Introductory Remarks by JACK BARBASH, AFL-CIO

I regard it as a signal honor to have been asked to preside over this memorial meeting for William M. Leiserson. The main presentation will be made by Frank Kleiler. I cannot, however, resist the opportunity to say a few words of my own.

To me, Dr. Leiserson's distinctive quality and temper were his humaneness and his ability to cut through cant and cliche. Leiserson gave everything he investigated a human dimension. He was contemptuous of mechanical rules and mechanical formulas.

Leiserson was a very careful and highly competent technician in the field of labor economics and collective bargaining. But his competence was not accompanied by the more formidable paraphernalia of erudition and learning. In that slow, scratchy voice he could always penetrate to the vital center of reality in any situation so deftly that people were frequently taken aback by profound insight clothed in everyday attire.

Leiserson's monument will not be in the more honorific types of academic writings, but in a rich profusion of public and private arbitrations and in the words of laws. This is as it should be because Leiserson came out of an intellectual tradition that saw the raw material of economics in the real and frequently grubby and pedestrian problems of the workaday world and the way human beings dealt with these problems in a setting of conflict. (Incidentally, Leiserson used to say that in collective bargaining all you could hope to do was to deal with, not solve, problems.)

Much has been written about the arbitration processes in industrial relations, but to me, no one has captured, as well as Leiserson has, the feeling for arbitration, as he did in a talk which he delivered off-the-cuff to an educational meeting of the Amalgamated Clothing Workers more than 30 years ago.

> ". . . In the cases in which you appear before the Board of Arbitration you talk in defense of your case and try to convert me to your side in the controversy. And so does the other fellow. And both of you often attempt to color your facts, to affect my judgment by arranging your sides. Presumably, both of you think that I am centered on the oral deliveries you are making and neither of you may suspect that the words spoken

> to me and addressed to my judgment matter, on the whole, very little. In fact, it may shock you to learn that I don't listen much to what you fellows say to me. What I really do is to try to find out what is on your mind while you are speaking all those words. You probably know that words do not always tell what is on the mind of the speaker. And so as both sides appear before me I pay little attention to your words, but attempt to get what is back in your minds. I must not outrage your sense of justice, yet I cannot enforce what you may, for the time being, think is justice any more than I can enforce my own notions. I must find a way of making the provisions of agreement appeal to the sense of justice of those who lose as well as those who win the cases. That is not only a very human job. Some people will say it is superhuman."

More recently (1950) as chairman of a University of California session on health and welfare plans, we find several other pieces of characteristic Leiserson insight.

On what the unions want:

> "Back of collective bargaining is a union, and back of a union is one fundamental idea in its relationship with employers, as I see it. Unions want a rule of law that governs the relations between employer and employee; not an arbitrary decision of management, but a rule of law. If you will look at the growth in the size of agreements in collective bargaining, you will find that they grow this way. There were some kinds of grievances during the year not covered by the agreements. When the next time for negotiating the agreement came along, the union said, 'We want a rule like this to cover those grievances.' "

On health and welfare plans:

> ". . . The soundness of those plans is not of primary importance. Some plans I know say, 'When there isn't enough money, we will just reduce it in proportion,' or something like that. They are all experiments. Of course, it is wise for the union and the employers and their advisers to work out as sound a plan as they can, as they see it. But there is no use in somebody coming up and saying, 'This is the only sound plan and the only way in which we can do it.' It has to be

handled on a problem basis. What have we here? How do the people feel about it? What do they want in the way of control over it?"

On experts in collective bargaining:

> ". . . I get a little impatient at the testimony of experts, that we need an accountant to decide this question, an actuary to decide that one, or we need health experts and sanitation experts. Of course we need them, but they have to be like the military. They are subject to the civilian population, which means the ignorant mass of us. If we are wise we educate ourselves so that we will not be so ignorant, but we can never know all of these problems. I think the place of the expert as a subordinate needs to be emphasized. We have to consider first: What is it that we want as a social policy or a labor relations policy? That will be very largely compromised, as all democratic legislation is. We can ask the expert for advice; there is no harm in that. Then when we have decided what we want, we say to the expert, 'You show us how to do this.' But we ourselves have to make the policy decision."

If it is not inappropriate at a meeting of this kind, may I observe that our field can stand a revival of the temper which Leiserson brought to the field of industrial relations. We have been so busy measuring, standardizing, formalizing and classifying in our craft that we stand in danger of losing the quality of humane compassion that was Billy Leiserson's trademark.

Leiserson was that rare scholar who was extremely hard boiled and tough minded about the problems he had to deal with but at the same time he never forgot—and this is his great heritage—that the overarching fact of collective bargaining is that it is human beings who are doing the bargaining.

WILLIAM MORRIS LEISERSON

FRANK M. KLEILER
National Labor Relations Board

The nicknames or titles which people use in addressing a man sometimes are clues to his personality, status, and relationships.

William Morris Leiserson was called "Billy" by hundreds of men in the labor relations field as well as by his wife and closest friends. Students at Antioch College did not have the temerity to call such an eminent professor by his first name, but it seemed inappropriate to identify him as "Professor Leiserson" or "Dr. Leiserson;" we therefore called him "Uncle Billy," which seemed to combine respect and affection.

He was "Dad" to seven children and "Grandpa" to 22 members of the newest generation. His old-fashioned three-story house in Washington was a happy place. He had more pride in his children than in his reputation as a labor relations expert; he loved his work, but he loved his family more.

At the National Labor Relations Board and the National Mediation Board he was usually called "Dr. Leiserson" by company and union officials and by Board employees. But I cannot recall that he ever used the "Doctor" in identifying himself. However, he was proud of his Ph.D. from Columbia in 1911 and his honorary LL.D. from Oberlin in 1947. He also had a Phi Beta Kappa key, which he earned at Wisconsin, where he completed his undergraduate work in 1908.

But he was not a man to rely on an academic background to impress practical-minded union and employer representatives with his superior knowledge. He knew that in collective bargaining an ounce of common sense usually was worth more than a ton of books.

During a recess in an N.L.R.B. hearing a trial examiner once tried to engage in small talk with some of the people who gathered in the court room. Nonchalantly swinging his ornamental key on the end of a chain, the examiner asked, "Do any of you gentlemen belong to Phi Beta Kappa?" A puzzled union official responded, "No. It don't belong to the A. F. of L. It must be one of them C.I.O. unions." When he heard the story Billy was amused, but he remarked, "Nobody can beat a union man in deflating academic egos."

In case any of you Ph.D.'s here today would rather be called "Doctor" than "Mister," I want to warn you that it sometimes causes embarrassment. On a Pullman one time Dr. Leiserson was asked to do

an obstetrician's job. Occasionally a slip of type in a newspaper story added to the confusion. He was once identified as Dr. Leiserson, Chairman of the National Medication Board. A couple of days later his mail contained a job application from a nurse who assumed that the chairman of a medication board surely would need nurses. Another time he was identified as Chairman of the National Meditation Board. A small town minister assumed that Billy was a Doctor of Divinity and expressed gratification that the Government was relying on prayer to settle labor disputes.

From his appearance Billy could easily be mistaken for an M.D. or a D.D., but no one would ever mistake him for a football player. He was short and plump. He moved slowly. He wore glasses. As a youngster he had red hair, but there was little more than a fringe during most of his adult life.

In reviewing the career of this man it is difficult to classify him. For purposes of his official biographical sketch in *Who's Who* he identified himself as an economist. At various times he was also an educator, a public official, an arbitrator, and a mediator.

He taught at Toledo University, Antioch College, American University, and Johns Hopkins. He was truly a great teacher. His standards were high, and his enthusiasm contagious. He always had complete mastery of his subject. As a lecturer he was slow, but the attention of his class never wavered. He was economical with words but lavish with ideas. For many undergraduate students he made economics more interesting than baseball, but perhaps his greatest teaching was done during periods when he was not on the faculty of any college. He was an educational institution all by himself. No matter what job he had, he was a mecca for men and women interested in labor problems. Hundreds—perhaps thousands—of young students as well as advanced scholars and research experts solicited his advice on what to study, how to study, how to evaluate their learning, and how to relate it to the solution of current problems. While serving on the Mediation Board and N.L.R.B. he was more like a genial teacher than a boss. A conversation with him usually was an intellectual exercise, with Billy doing most of the talking, but he was never a bore.

In the last years of his life Billy maintained an office in the old Portland Building on Vermont Avenue in Washington. It was a simple place—one room, no rug on the floor, a paper-cluttered desk for himself, a small typing table for a part-time secretary, lots of book

shelves and filing cabinets. He went there daily to study and write, but he was always being interrupted by people with problems. His callers included plenty of scholars working on doctoral dissertations, but they were intermingled with high-ranking and low-ranking men in Government, union officials, and labor relations directors of companies. In helping others he inevitably neglected his own work, but seldom was anybody turned away because Billy was too busy. His advice was more valuable than that of consultants in offices with modern furniture and wall-to-wall carpeting, but I do not think he ever charged anybody a fee. I suspect that some consultants were bringing their problems to Billy for free advice.

In the early stages of his career Billy was concerned with the problems of adjusting immigrant and industry. He authored a book on that subject. He was familiar with immigrant difficulties from boyhood. Born in Estonia in 1883, he was seven years old when he came to New York and was raised in an immigrant neighborhood. Poverty kept him from attending high school. He got his education the hard way. For many years he worked as an assistant bookkeeper and studied nights to pass college entrance examinations. He did not enter college until he was past the age when others were graduating. Paradoxically, he wanted to study agriculture, and it was for that purpose that he skimped and saved. "I'd never seen a farm," he explained later, "and so I thought I should go out West and study farming." He entered the University of Wisconsin and stretched his savings by various part-time jobs. Some of his contemporaries remember him as a professional pancake flipper. He performed daily in the window of a Madison restaurant. He became a pupil of Professor John R. Commons and emerged from the University with a scholarly and practical interest in industrial problems.

While studying for his doctorate at Columbia, Billy worked on the staff of the New York Commission on Employers' Liability and Unemployment. His Ph.D. thesis was a report which formed the basis for the establishment of an employment service in New York. As deputy industrial commissioner for the State of Wisconsin from 1911 to 1914 he operated the first system of free public employment offices in that state. As a professor at Antioch when the depression hit the country in 1929, he was in the forefront of the drive to deal with the unemployment problem by legislation.

His interests, talents, and activities led him into a wide range of fields, but he was preeminently a mediator and arbitrator. When he

became the first chairman of the National Mediation Board in 1934 he already had more than two decades of experience with labor disputes. He mediated a Milwaukee shoe strike in 1912. He was the impartial chairman for the men's clothing industry at Rochester from 1919 to 1921. At different times he also held that job at New York, Baltimore, and Chicago. He was the secretary of the National Labor Board of the N.R.A. in 1933 and chairman of the Petroleum Labor Policy Board in 1934. After five years on the National Mediation Board President Roosevelt insisted that he switch to the N.L.R.B. For four distinguished years he decided representation and unfair labor practice cases and then chose to return to the Mediation Board.

He did more than any other person to make the Railway Labor Act work. He mediated many of the gigantic national wage disputes in the railroad industry. He also handled personally dozens of the smaller disputes which never made front page news. After he left the Mediation Board in 1944 he served on four Presidential Emergency Boards, and he was the referee in more than 300 grievance cases for the National Railroad Adjustment Board and special boards of adjustment.

Uncle Billy would have flunked any college student who could not explain the difference between mediation and arbitration; but as a mediator and arbitrator himself, *Dr.* Leiserson often was inclined to ignore these differences. I have seen him mediate when ostensibly he was arbitrating and arbitrate when ostensibly he was mediating. Perhaps less skilled men should not intermingle these functions, but Billy was an expert.

As a mediator he was somewhat more formal than most practitioners of that craft. He was not a joke teller. He believed that facts settled disputes, and he insisted that the parties submit their cases to him as completely as they would have had to do in arbitration. He was a relentless cross-examiner, and he never hesitated in laying bare a phony presentation. But he preferred the role of a trusted adviser to both sides, helping each party evaluate its position and understand fully where it was weak and where the opposition was strong. He was a great compromiser, but it was not his custom to urge the disputing parties to compromise simply by splitting differences between them. He had faith that if reasonable men discussed their differences long enough, aided by the constructive criticism of a neutral, they would eventually reach a fair settlement; it would be only a coincidence if their settlement happened to be halfway between what one

party asked and the other was willing to give. When the time arrived for him to throw his own settlement proposals into the negotiations they were as carefully considered as if he were making an arbitration decision. He was loathe to use tricks or cajolery in the mediation process. He avoided night conferences. He wanted no part of mediation by exhaustion. He believed that the mediator and representatives of the parties needed clear heads to arrive at a sound settlement.

His pipe was his only stage prop. He preferred unvarnished briars or cherrywoods, and he used strong tobacco. But there was no truth in the legend that he closed the windows and blew smoke at the negotiators until they settled their differences so they could escape. Anybody who observed Billy closely knows that he hardly smoked his pipe. It was always going out as fast as he got it lit. He smoked more matches than tobacco. His pipe nevertheless was an effective tool. In a situation where a man must think carefully before he speaks, the pipe helped Billy stall for time. When his normally slow speech was further slowed by match-striking and pipe-lighting, Billy's words were well considered before he uttered them.

Incidentally, he was notorious for borrowing matches and never returning them. The first day I went to work for him at the Mediation Board Billy was conducting a hearing. He had me sit by his side, apparently to help him keep his papers in order. About half an hour after the hearing started I noticed him fumbling in his pockets. I produced a folder of matches and handed it to him. He grinned. "You're learning fast," he drawled. "If I ever run out of matches, you lose your job." Thereafter my pockets always bulged with a reserve supply. Even today, whenever I enter a hotel or restaurant, I swipe every match folder in sight, a habit acquired twenty years ago when it was a form of unemployment insurance.

As an arbitrator of wage and contract disputes, Billy preferred three-man, tri-partite boards. Using the patience of a mediator, he strove for unanimous decisions and usually succeeded. Sometimes he had succeeded even though it looked as though he had failed. On one occasion he was arbitrating a troublesome case in which an association of employers was seeking a wage reduction. For two days Billy listened to statistical testimony in which the employers "proved" that they needed a 10 per cent reduction in wage rates in order to survive and in which the union "proved" that the employees deserved a wage increase. Billy was convinced that wages had to be cut, but he was uncertain of how much to cut and exactly where to make the cuts. The

union man on the arbitration board admitted privately that the employers had a formidable case; in fact, he confided, the union leaders knew that a cut was necessary but internal union politics precluded the leadership from agreeing. Billy then mediated the size and method of the wage cut, with the understanding that publicly the union was objecting. The agreement was put into the form of a decision. The union member of the board wrote a dissent. The union leaders excoriated Billy in press releases. And everybody was happy.

Even in grievance arbitration Billy's techniques were much like those of a mediator. When a question of contract interpretation was involved it was not his custom simply to listen to the arguments and then retire to an office to write a decision. He wanted his decisions to be *acceptable* as well as *right*. He preferred candid discussion with representatives of both parties. He often disclosed his tentative judgments in advance of formal decisions, and he gave the losing party a chance to show him where he was wrong before it was too late. Because the parties had to live with his decisions, usually he provided ample opportunity for them to help him find a solution in which they could acquiesce gracefully even though they might not agree to it.

His formal education was that of an economist, but he regarded labor relations more like problems in political science than problems in economics. A collective agreement to him was not the inexorable determinant of economic law; it was more like a constitution or a set of laws governing a bargaining unit, with the working rules, wage scales and grievance machinery defining rights, duties, privileges and immunities of the employees. He regarded collective bargaining as a process by which workers shared sovereignty with their employer. He never assumed that an employer could recognize a union and bargain in good faith without relinquishing some management prerogatives. Collective bargaining to him was a system of maintaining joint government, with the management having the veto power over union proposals for work and pay rules and the union having the veto power over management regulations affecting employees. He liked to compare a bargaining unit to a constitutional monarchy with a bicameral legislature. In his analogy the employer retained the executive power and desigated the management representatives whose functions were similar to those of an upper house of a legislative body. Union representatives elected by the employees constituted a lower house. The grievance procedure, usually with arbitration as the final step, provided the equivalent of courts and an independent judiciary.

Although he used the political science slant, he also likened labor relations to family problems. "Collective bargaining is somewhat like marriage," he often said. "Problems of labor relations are problems of management and working people living and working together. They get on each other's nerves, they have different points of view, and there must be a constant process of adjustment."

It was typical of Billy that he should be active in the affairs of the Industrial Relations Research Association throughout its history. He spent a long and rich lifetime studying labor problems. He was simultaneously a creative philosopher and a realistic practitioner in this field. He never found any panacea. He never even imagined that any quick solution for the problems of labor relations could be found. But he had faith that for every conceivable problem that arises between management and men there is a civilized way and a democratic way of handling it. He was dedicated to the discovery of those ways.

Part V

CURRENT STUDIES OF ECONOMIC SECURITY

ADEQUACY OF MEDICAL BENEFITS IN COLLECTIVELY BARGAINED HEALTH INSURANCE PLANS— RECENT AND FUTURE RESEARCH[1]

FRED SLAVICK
State University of Iowa

During the past several years a number of studies dealing with medical care expenditures in relation to voluntary health insurance benefits have shed considerable light on the extent to which such insurance has covered the expenses of individuals and families receiving medical services. The work of Odin Anderson, Agnes Brewster, Simon Dinitz, Harry Becker, Leon Werch, Jerome Pollack, and (I hope) Fred Slavick has provided us with much substantive information concerning the strengths and weaknesses of present-day voluntary health insurance in financing medical care needs.[2]

It is not my purpose this morning to review these findings in any detail, since they have been published and are readily available. Rather, it is my intention to indicate what I think these recent studies imply for *future* research and to discuss the directions which research

[1] Although the title of this paper is *Adequacy of Medical Benefits in Collectively Bargained Health Insurance Plans—Recent and Future Research,* many of my comments will not be restricted to plans established by this method, but will deal with voluntary insurance generally. However, because medical care plans established or financed by unions and employers represent such a large part of the total voluntary coverage, my discussion has particular relevance and applicability to these plans, and a portion of my remarks will deal directly with the role of unions and employers in the voluntary health insurance field.

[2] Odin W. Anderson and Jacob Feldman, *Family Medical Care Costs and Voluntary Health Insurance: A Nationwide Survey.* New York: McGraw-Hill, 1956; Odin W. Anderson, *Voluntary Health Insurance in Two Cities.* Cambridge, Harvard University Press, 1957; Fred Slavick, *Distribution of Medical Care Costs and Benefits under Four Collectively Bargained Insurance Plans,* Bulletin 37. Ithaca: New York State School of Industrial and Labor Relations, Cornell University, 1956; Agnes W. Brewster and Simon Dinitz, "Health Insurance Protection and Medical Care Expenditures: Findings from Three Family Surveys," *Social Security Bulletin,* Vol. 19, November, 1956; Research Council for Economic Security (Leo Werch, Research Director), *Prolonged Illness—Absenteeism, Summary Report.* Chicago: The Council, 1957; Harry Becker, ed., *Financing Hospital Care in the United States,* Vol. 2, *Prepayment and the Community.* New York: McGraw-Hill, 1955; Jerome Pollack, "Major Medical Expense Insurance: An Evaluation," *American Journal of Public Health,* Vol. 47, No. 3, March 1957. See also "Voluntary Insurance Against Sickness," a series of articles appearing annually in the *Social Security Bulletin* —issues of January-February, 1950, and December of 1951 through 1956.

and experimentation by unions, employers, insurance companies, government, and others should take in order to increase our understanding of the potential of voluntary health insurance, and to enable this potential to be realized.

In analyzing health insurance it is customary to discuss this type of coverage as it applies to (1) in-hospital services, (2) surgery, and (3) nonsurgical medical services rendered outside the hospital. It is my view that, as between these three areas, the greatest need for research and experimentation is in the field of nonsurgical services outside the hospital, and I would like to confine my formal remarks to this area. It may be possible to take up some aspects of hospital and surgical coverage during the informal discussion period later in the day.

Research concerning the financing of physicians' nonsurgical services is of the utmost importance. The recent studies to which I have referred indicate that this type of service accounts for a significant portion of our medical expenses, but is covered least adequately by insurance. For example, Odin Anderson in his national survey of medical costs among 2,809 families during a twelve-month period, found that 17 per cent of all families incurred gross costs of $95 or more for physicians' services other than surgery or obstetrics, while only 7 per cent of the families were found to have incurred surgical costs in excess of this same figure. It was found that 6 per cent of all families incurred physicians' charges of $195 or more for other than surgery and obstetrics compared with 3 per cent of the families which incurred costs in excess of this same figure for surgery. Physicians' nonsurgical services represented 25 per cent of all expenditures, while hospital and surgical expenses were 20 per cent and 12 per cent respectively of total medical care costs.[3] Anderson's findings also indicated that of the 75.2 million individuals covered by surgical or medcal insurance at the time of his survey (July, 1953), all but 4.9 million were covered only for surgical fees or for limited medical services.[4] The Health Insurance Council reported that of 107,662,000 individuals covered by voluntary hospital insurance at the end of

[3] Anderson. *op. cit.*, pp. 39, 109, 141, 143. For the findings of other studies of expenditures for nonsurgical physicians' services see Odin Anderson, *Voluntary Health Insurance in Two Cities*. pp. 17-18; Slavick, *op. cit.*, pp. 15, 21-23, 35-36, 38-39; Brewster and Dinitz, *op. cit.*, p. 6; Research Council for Economic Security, *op. cit.*, pp. 140-146.

[4] Anderson, *Family Medical Costs and Voluntary Health Insurance*, p. 97.

1955, only 55,506,000 had coverage for doctors' nonsurgical services.[5] Benefits for this type of service are usually fixed, limited payments of $2 to $5 per visit, and in many cases are paid only for services provided in the hospital.[6]

Among four collectively bargained programs studied by this writer, only one provided benefits for doctors' nonsurgical services in the home, office and hospital, with benefits ranging from $2 to $5 per visit. In this case, expenditures for such services comprised 23 per cent of total costs incurred by the covered families. The benefits for doctors' nonsurgical services, however, averaged only 60 per cent of expenditures, with over one-half the families being reimbursed for less than 60 per cent of their costs.[7]

In an attempt to close this and other gaps in protection left by the traditional coverages, the insurance industry, non-profit community plans, and individual unions and employers have in recent years been experimenting with types of plans and coverages which go beyond the usual type of policies. Such new approaches are (1) major medical insurance and other comprehensive fee-for-service plans, (2) community plans offering a wide range of services on other than a fee-for-service basis, (3) union health centers, and (4) expanded in-plant industrial medical programs.

Major Medical[8] *and Other Fee-for-Service Plans*

If the adequacy of major medical insurance and its place in the voluntary health insurance picture are to be assessed, research relating to several features of this type of coverage is urgently needed.

[5] Health Insurance Council, *The Extent of Voluntary Health Insurance Coverage in the United States as of December 31, 1955.* New York: The Council, 1956, pp. 7, 9.

[6] Among 100 selected collectively bargained health insurance plans summarized by the Bureau of Labor Statistics, 43 provided some type of benefit for doctors' nonsurgical services and for x-ray and laboratory services in the office, home, or hospital out-patient department. In the vast majority of the 43 plans such benefits were $2, $3, or $5 per visit, and in the case of x-ray and laboratory services were limited to $25 or $50 per disability. See United States Bureau of Labor Statistics, *Digest of One-Hundred Selected Health Insurance Plans under Collective Bargaining,* Bulletin No. 1180, Washington: Government Printing Office, 1954. See also, Research Council for Economic Security, *op. cit.,* pp. 156-158.

[7] Slavick, *op. cit.,* pp. 15, 21, 36.

[8] For an excellent and stimulating discussion of the problems and issues raised by this type of coverage see Pollack, *op. cit.* Pollack estimated that by mid-1956 over 7 million people were covered by major medical insurance.

One of the more vital questions requiring an answer stems from the deductible provisions of major medical policies. To what extent do the deductibles actually result in financial hardship to the individuals who receive medical service? Related to this, and perhaps more important, is the question of the extent to which the deductible does or does not operate to discourage the early seeking of medical service and the early diagnosis of disease. How small must the deductible be before the individual will be encouraged to seek medical diagnosis or treatment immediately, or at least *not be discouraged from doing so?*

Another aspect of major medical insurance which needs study is its impact on the prices of medical services. Once the insurance premium has been paid, the individual's ability to pay for medical care has increased by any where from $1000 upward. Has this fact operated to increase the unit cost of services, and if so, how can means be developed to minimize or prevent this phenomenon?

The number of groups covered by major medical insurance is, I believe, now sufficiently large and varied for union, management, university, government, and other researchers to begin analyzing the experience of such groups in order to seek answers to these questions. For example, since late 1955 the employees of the General Electric Corporation under an agreement with the International Union of Electrical Workers, have been covered by one of two alternative major medical policies. One of the plans has a $50 deductible and $7500 maximum, and the other, a $100 deductible (over and above the benefits paid by the company's basic plan) with a $5000 maximum.

The General Electric Company has plants in sections of the country which are likely to differ as to educational levels of the workforce, physician-patient relationships, medical society philosophies, living costs, wage levels, and other variables which influence the answers to the questions just posed. The experience under this major medical program and others like it needs to be studied and published. Has the utilization of medical services changed since installation of the plans? How does the utilization rate differ as between the two alternative plans? What percentages of the costs of major illnesses have they covered? What factors induced employees to choose one plan rather than the other, and are they satisfied with their choice? What has been the influence of earnings, education, and the other variables mentioned above on the program's experience? Information on these and other questions can make significant contributions to our under-

standing of the role and adequacy of major medical insurance under varying conditions.[9]

An effort should also be made to analyze the experience of the more traditional types of plans, which, while based on the fee-for-service principle, have attempted to provide fairly complete coverage for doctors' nonsurgical and other services outside the hospital. For example, in April, 1955, Group Health, Inc. of New York City began offering to groups in the New York metropolitan area a policy providing unlimited service benefits for home and office calls by general practitioners, service benefits for out-hospital laboratory and x-ray services, and $15 towards the cost of one out-hospital specialist consultation per illness. The experience of the Group Health, Inc. plan and others like it should provide considerable information on the feasibility and desirability of such coverage. Moreover, to the extent that these plans have achieved success, the factors responsible for the workability of this approach and the methods used to overcome some of the theoretical barriers can be pointed up in order to assess the workability of such plans in other areas of the country where some of the more important variables may differ from those in the area studied.[10]

Non Fee-for-Service Community Plans and Union Health Centers

In a number of areas in the United States community-wide health insurance plans based on underwriting methods and concepts differing from those of generally accepted casualty insurance principles have

[9] The General Electric Company itself is currently accumulating data on the program's operation and plans to analyze these data by plant location. After 16 months of experience the company reported that it had found no significant evidence that the plan was being abused or resulting in inflation of medical costs. See George P. Lehmann, "General Electric's Program of Indirect Controls," in *Controlling Employee Benefit and Pension Costs,* Special Report No. 23. New York: American Management Association, 1957, pp. 83-89. This article also discusses the steps taken by General Electric to prevent and control abuse of the plan.

[10] S. J. Axelrod and Robert E. Patton have made an excellent study of the Windsor Medical Service of Ontario, Canada, which provides full coverage for nonsurgical services, with the individual physicians being reimbursed on a fee-for-service basis. "The Use and Abuse of Prepaid Comprehensive Physicians' Services," *American Journal of Public Health,* Vol. 42, May, 1952, pp. 566-574. See also, C. A. Metzner, S. J. Axelrod, and J. H. Sloss, "Statistical Analysis as a Basis for Control in Fee-for-Service Plans," *American Journal of Public Health,* Vol. 43, September, 1953, pp. 1162-1170. For a summary of benefits under other comprehensive plans using fee-for-service see Agnes Brewster, "Independent Plans Providing Medical Care and Hospital Insurance: 1954 Survey," *Social Security Bulletin,* Vol. 17, April, 1955, pp. 8-17.

been in operation for sufficiently long periods of time for their experience to be significant. Recent research and congressional hearings on proposed federal health insurance legislation have provided much information on the financing and administration of these plans, the benefits they provide, and the controversies and issues they have generated.[11] Careful research, however, is needed to evaluate these plans concerning the extent to which participation has actually affected the receipt of medical care by subscribers, and the contribution of the plans to early detection and treatment of disease. In addition, since these plans involve some limitation of the freedom of choice of physicians, the actual (rather than theoretical) importance of this limitation to consumers should be studied.

As I have already indicated, one of the potential benefits to be derived from insurance coverage of medical services other than surgery and hospitalization is the possibility of detecting serious diseases in their incipient stages, and beginning the required treatment early. With chronic disease assuming increasing importance as a cause of disability, greater emphasis needs to be placed on the detection and diagnosis of incipient diseases, particularly those whose symptoms have not appeared, but which if left undiagnosed and untreated will result in serious impairment of health or in death. The Chief of the Division of Chronic Disease of the United States Public Health Service has pointed out that,

> "Based on national estimates, a screening examination of 1,000 apparently well people over the age of 15 for syphilis, diabetes, glaucoma, anemia, tuberculosis, obesity, vision defects, hearing loss, hypertension, and heart diseases would result in finding 976 cases of these diseases or pathological physical conditions. Some of the 1,000 people screened probably would have two or more of these diseases or conditions, whereas others would have none. For example, one person might have syphilis and diabetes; another might have a significant refractive error and glaucoma; and still another might be obese and hypertensive.

[11] See U. S. Congress, House, *Hearings before Committee on Interstate and Foreign Commerce, Available Health Plans and Group Insurance,* 83rd Congress 2nd Session; Agnes Brewster, "Independent Plans Providing Medical Care and Hospital Insurance: 1954 Survey;" Agnes Brewster, "Group-Practice Pre-payment plans: 1954 Survey," *Social Security Bulletin,* Vol. 19, June, 1956. Oscar N. Serbein, Jr., *Paying for Medical Care in the United States.* New York Columbia University Press, 1953, Ch. XII.

> The distribution of the cases would be as follows: There would be 48 cases of syphilis; 22 cases of diabetes; at least 20 people would have glaucoma (more than 3 per cent of the population over 40); 75 would be anemic; 18 or more would have tuberculosis; 200 would be obese; in 266, vision defects would be found; 250 would have a partial hearing loss; hypertension would be present in 38; and, at least 39 would have heart disease."[12]

The importance of early diagnosis and treatment indicates that a major area of research should concern itself with the question of what role insurance can play in furthering detection and treatment of disease. It is here that unions and employers through careful analysis of and experimentation with their existing plans can make a major contribution. One of the most promising methods developed during the past decade for the early detection of chronic disease among large segements of the population is the technique known as multiphasic screening. This involves the combining of mass testing procedures for individual diseases into a single battery of tests capable of detecting disease among apparently healthy individuals. Separate mass case finding surveys for tuberculosis, syphilis, and other diseases have long proved successful in screening out individuals in need of detailed diagnosis and treatment. Following the development pattern of the serological test for syphilis and the minature chest x-ray for tuberculosis, effective, simple, and economical methods have been evolved for the mass detection of diabetes, anemia, heart disease, nutritional deficiencies, and some types of cancer. Under the multiphasic screening procedure such tests are given to large groups in a single program, with the screening procedures being carried out by technicians and the tests results interpreted by qualified physicians.[13]

The existence of large amounts of undiagnosed pathology and the ability of the tests used in the multiphasic screening process to detect such abnormalities suggest the role which insurance coverage outside the hospital can play in furthering preventive medicine, and in helping to maximize the contribution of preventive medicine to health preservation and economic security. What is needed is research and experi-

[12] A. L. Chapman, "The Concept of Multiphasic Screening," Public Health Reports, Vol. 64, No. 42, October 21, 1949, p. 1313.

[13] See Lester Breslow, "Multiphasic Screening Examination—An Extension of the Mass Screening Techniques," *American Journal of Public Health,* Vol. 40, March, 1950. See also Chapman, *op. cit.*

mentation to devise possible methods of integrating multiphasic screening and follow-up procedures with the prepaid insurance programs and welfare funds operated by unions, employers, or other groups.

Some work along this line has been done, the most important experiment being that conducted by the International Longshoremen's and Warehousemen's Union in cooperation with the Permanente Health Plan.[14] These organizations set up a battery of twelve laboratory and other tests in the union hiring hall on the waterfront in the San Francisco Bay Area. The employees were covered for comprehensive medical care under the Permanente Medical Plan, so that no financial barriers existed to complete follow-up of test findings. Approximately 4,000 longshoremen were screened, and almost two-thirds of the men tested were found to have one or more positive screening tests. Seventy-two per cent of those with positive findings obtained follow-up service during the four months following completion of the screening.[15]

The fact that 4000 individuals representing many cultural and language groups and every level of education, and scattered over 80 miles of waterfront could be brought together for such a screening program, and large numbers induced to follow up positive findings indicates that it is feasible to integrate the multiphasic screening process and prepaid insurance into a program of health maintenance. It therefore behooves other unions, employers, and insurance underwriters to undertake experimentation and research along similar lines in an effort to develop the educational programs and administrative techniques capable of integrating diagnostic procedures and follow-up treatment with insurance coverage, and to analyze and publicize the resulting morbidity data in order to point up the preventive aspects of their programs.

Those unions and employers operating health centers are in a particularly good position to integrate multiphasic screening into their programs.[16] The facilities and personnel are already present and can be adapted to administer the tests and follow ups, and employees fre-

[14] E. Richard Weinerman, Lester Breslow, Nedra B. Belloc, Anne Waybur, and Benno K. Milmore, "Multiphasic Screening of Longshoremen with Organized Medical Follow-up," *American Journal of Public Health,* Vol. 42, No. 12, December, 1952, pp. 1552-1567.

[15] *Ibid.,* p. 1558.

[16] For a detailed description of union medical centers see Margaret C. Klem and Margaret F. McKiever, *Manage ent and Union Health and Medical Programs,* United States Department of Health, Education and Welfare, Public Health Service, Washington: Government Printing Office, 1953.

quently work in geographic areas not far removed from the health centers, thus minimizing the time lost and other inconveniences of taking the tests. Many of the union health centers already make a practice of giving individuals visiting the centers for the first time a battery of tests, regardless of the original purpose of the visit, so that a full scale multiphasic screening program would represent a logical extension of this practice. Moreover, union health center records are or can be made to be an important source of information concerning the question of the extent to which previously unrecognized disease can be discovered through routine physical examinations. The medical records of the various health centers should be analyzed to determine the frequency with which disease has been discovered. Research of this type would tell us a great deal as to the cost in comparison to the potential benefits to be derived from early diagnosis.

Expanded In-Plant Industrial Medicine Programs

Another possible approach to the detection of unrecognized pathology and financing the cost of its treatment lies in tying together more closely union health and welfare plans with existing industrial medicine programs. Some companies have well developed industrial medical departments, including the facilities and personnel to provide the type of service capable of detecting latent disease.[17] Although industrial medicine has been traditionally restricted to the provision of emergency care following industrial injury, and for preemployment physical examinations, it is possible for industrial medical programs to go beyond their usual functions without infringing on the work of the family physician. A number of companies have gone beyond the traditional boundaries of industrial medicine, with excellent results in terms of pathology discovered, and in increasing employee understanding of methods and problems of health maintenance. For example, an analysis of the case records of 526 women who voluntarily participated in the diagnostic and preventive medicine program of a publishing company showed that large amounts of previously undiagnosed disease

[17] See Margaret C. Klem, Margaret F. McKiever, and Walter J. Lear, *Industrial Health and Medical Programs*, Public Health Service Publication No. 15, Federal Security Agency, Public Health Service. Washington: Government Printing Office, 1950; Margaret C. Klem and Margaret F. McKiever, *Small Plant Health and Medical Programs*, Public Health Service Publication No. 215, Federal Security Agency, Public Health Service. Washington: Government Printing Office, 1952; George W. Bachman and Associates, *Health Resources in the United States*. Washington: The Brookings Institution, 1952, Ch. X; Research Council for Economic Security, *op. cit.*, pp. 130-131.

had been discovered, including 95 cases of cervical pathology, 21 abnormal uterine findings, and 21 cases of demonstrable vulvo-perineal pathology.[18]

It is probable that well thought out extensions of industrial medicine programs would increase the scope of the family physician's work, result in improved utilization of his time, and increase the financial soundness of full coverage fee-for-service or non-fee-for-service prepayment plans. If industrial medical departments provided periodic physical examinations for all employees, and if company medical facilities and personnel were available at all times to the employees for consultation with respect to any medical matters of concern to them, such departments could serve as the means of channeling or directing employees to their own physicians for further diagnosis or treatment where required. If, in addition, a group's prepaid insurance provided full coverage for doctor's visits in the office or home there would be no financial barriers to the employees following up on the diagnosis or treatment recommended by the industrial physician. The industrial physician himself could contact the individual's family doctor and arrange for immediate further diagnosis or treatment. On the other hand, the industrial medical department would serve to discourage *unnecessary* visits to the family physician which, some argue, a full coverage insurance program might encourage.

It is true, of course, that an expanded industrial medicine program of the type suggested might prove more expensive than a given company felt it could afford. However, is there any reason why the costs of the new or expanded portions of industrial medical departments could not be financed, at least in part, by the union-employer welfare plan or fund? Moreover, it has been demonstrated repeatedly that well developed industrial medicine programs have reduced absenteeism, lowered accident rates, and resulted in significant savings in workmen's compensation premiums. Thus, for example, the Allen Manufacturing Company, a participant in a small plant cooperative medical service which began in 1946, reported a decline in lost-time injuries from 3.8 per 100 employees in 1946 to 0 in 1951, and a reduction in its workmen's compensation premium great enough to pay for its share of the doctors' services and all medical supplies purchased. The company attributed the reduction in absenteeism and turnover in great

[18] Dorothy I. Lansing, "An Industrial Diagnostic and Preventive Medicine Program, Survey of 526 Patients," *Industrial Medicine and Surgery,* Vol. 22, No. 4, April, 1953, pp. 156-160.

measure to the health education program resulting from the medical plan.[19]

The economics of industrial medicine and its potential for discovering unknown pathology should continue to be studied by employers, unions, and government and the results written up. Such continued study would help clarify the relation between industrial medicine and prepaid insurance, and motivate unions and companies to integrate these two approaches to health maintenance and economic security.[20]

[19] Doris M. Thompson, "A Small Plant Group Cooperative Medical Service," *Industrial Medicine and Surgery,* Vol. 22. No. 1, January, 1953, pp. 34-36. For a summary of company experience concerning the values of industrial medical care programs see Kelm and McKiever, *Small Plant Health and Medical Programs,* pp. 62-68. This publication also contains a description of a number of small plant medical programs and community-wide projects. Companies and unions representing firms believed to be too small to afford their own individual industrial medicine programs would do well to study the approaches described there.

[20] For a brief description of a program sponsored by the County Medical Society in Tacoma, Washington, which integrates a modified fee-for-service insurance plan with industrial medical activities, see Charles M. McGill and Sherman S. Pinto, "Successful Prepaid Medicine in Industry," *Industrial Medicine and Surgery,* Vol. 21, No. 9, September, 1952, pp. 438-39.

ISSUES IN VOLUNTARY HEALTH INSURANCE

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There are four main economic risks in modern industrial society, three of which have been pretty well settled in principle and to a great extent in operation, and a fourth which has been settled in principle but which is now and will be for some time to come concerned with problems of operation. These four deal mainly with the continuity of income and family financial solvency and are as follows:

1. Unemployment—because of lack of suitable employment or because of disability.
2. Old age—living too long so that income and savings are exhausted.
3. Premature death—dying too young, leaving dependents in destitution.
4. Costs of personal health services striking families unevenly and in relatively large amounts.

The last element of risk—costs of personal health services—is the present frontier of economic security which is in an extremely dynamic situation. The concept of insurance against the costs of personal health services is firmly established in principle, and now the concern is with the scope of benefits—"comprehensiveness"—which should be included in a health insurance "package" and the problem of enrolling people who are not members of employed groups in the labor force. These are mainly problems of operation and administration, but also involve problems of standards in evaluating achievements, goals, and so on.

The Health Information Foundation is a research foundation concerned primarily with the broad problems of paying for and organizing personal health services in the United States, particularly the private or non-governmental sector of personal health services. The private sector or personal health services accounts for around 70 percent of the total expenditures for personal health services in this country. Obviously, American industry has a great stake in the costs of personal health services because such services are now invariably a part of the bargaining package and even where there is no bargaining, health insurance of some type is included in the terms of employment as a

matter of course. From our studies we know that for about 60 percent of the workers and dependents covered under group health insurance contracts, the employer pays all or part of the premium.

Today I wish to report briefly on the research program of the Health Information Foundation of direct relevance to economic security. I use the word *program* rather than *project* because our research is made up of interrelated projects constituting a program.

In looking at the problem of the costs of personal health services experienced by families, we formulated a research program on both a nationwide and local basis to examine the following:

1. The distribution of costs of personal health services among families over a year by magnitude of costs and by type of service, i.e., hospital, physician, dentists, etc.
2. The extent of voluntary health insurance by age, family, income, and occupation, and residence.
3. The degree to which current voluntary health insurance was helping insured families to cushion their costs of care over a year.
4. The extent to which costs of services of financial consequence to families were not covered under prevailing benefit patterns.

These studies on a nationwide sample of families and subscriber-households in Birmingham-Boston were conducted in cooperation with the National Opinion Research Center, University of Chicago.[1]

What were some of the highlights of our findings?

Enrollment.

1. Families with incomes over $5,000 are twice as likely to have some health insurance as families under $3,000.
2. By type of industry there is a variation of 33 to 90 percent with some type of health insurance.
3. Seventy-seven percent of the families with health insurance obtained it through their place of work.

[1] Odin W. Anderson with Jacob J. Feldman. *Family Medical Costs and Voluntary Health Insurance: A Nationwide Survey.* New York, McGraw Hill, 1956. 251 pp.

Odin W. Anderson and the staff of the National Opinion Research Center, University of Chicago. *Voluntary Health Insurance in Two Cities, A Survey of Subscriber Households.* Combridge, Mass. Harvard University Press, 1957. 145 p.

Distribution of charges.

1. The average charge per family for a year for all types of personal health services was $207 (this was in 1953 and is now probably close to $240).
2. Eight percent of the families incurred no charges, and approximately 11 percent of the families incurred charges exceeding approximately $500 or 43 percent of total charges for all families.
3. Fifty-three percent of the families in one year laid out less than 5 percent of their income, and 2 percent incurred charges exceeding 50 percent of their incomes.
4. Families incurred charges of $200 by each type of service in a year as follows:

All services	34% of the families
Surgery	3%
Hospital	6%
"Other physicians".	6%
Medicines	2%
Dental	4%

Effectiveness of prevailing health insurance.

1. One half of the families incurring hospital charges and receiving insurance benefits had over 89 percent of the hospital charges paid by insurance.
2. One half of the families incurring charges for surgery and receiving benefits had over 75 percent of the charges paid by insurance.
3. Among insured families insurance paid 19 percent of the total charges incurred in a year. This decreased by income—26 percent for incomes under $2,000 and 15 percent for incomes over $7,500. (Since the survey in 1953 the proportion has risen from 19 percent to an estimated 25 percent or more.)

What are the implications of these data for voluntary health insurance today? The prevailing assumption among insurance and prepayment agencies until the recent past was that hospital care, and surgery—with some grudging assent to obstetrical and medical services —were regarded as the "insurable" services in that these were the services which were needed without notice, cost a great deal suddenly, and could be predicted for a population with a fair degree of

accuracy. When one considers the whole range of comprehensive personal health services, it is apparent that those left out are physisians' home and office calls, out-of-hospital diagnostic and therapeutic services, prescribed drugs and medicines, private duty nursing in hospital and home, dental care, and appliances. Assuming these services to make up 100 percent of the cost of personal health services, prevailing insurance opinion was that only about 30 to 35 percent of it was insurable—namely, hospital care, obstetrical services, physicians' services in the hospital, and surgery. The remaining 65 to 70 percent could conveniently be paid for directly by the families as need for these services occurred.

The drive toward greater comprehensiveness of benefits has been so relentless that the principle itself is not an issue any more and current discussion and worry are now directed to "how comprehensive" and how can it be administered. The whole major medical development is an expression of the drive toward greater comprehensiveness both as to range of services and upper limits of family costs for services which insurance agencies will underwrite, undoubtedly because of public demand for such coverage even though operating problems are far from solved.

It is thus apparent from our studies that physicians' services outside of the hospital have a financial impact on families during a year exceeding that of surgical services, and equalling that of hospital services. It is also worth noting that all types of services fall unevenly during a year. In Birmingham and Boston a similar cost distribution among families was found.

We in the Foundation felt that we were on thoroughly solid ground if for the time being we limited our research in personal health services and health insurance to two main areas: studying the financial impact that the costs of personal health services have on families by type of service, and testing the adequacy, in economic terms, of prevailing methods of financing care.

In so doing I believe we have demonstrated quite conclusively that the cost of physicians' services outside the hospital are also important to families, as are the costs of drugs, appliances and apparently dental care. It follows that the plans today that are meeting costs outside the hospital are more effectively meeting family needs than those that do not, because such costs also have a serious economic impact on families.

With this demonstrable knowledge we moved on to studying

plans that are providing the full range of physicians' services on an insurance basis, and with organizational and financial arrangements which are most likely to be acceptable to organized medicine and which appear feasible to administer. Windsor Medical Services in Windsor, Ontario, and two medical bureaus in the state of Washington are the very cooperative guinea pigs. These plans have been in operation for 20 years under the auspices of the local medical societies and pay physicians on a fee-for-service basis in their private offices.

All economic forecasts point to more and more discretionary purchasing power in the pockets of American families, and given a relative freedom to choose from the tremendous range of goods and services available to us today, insurance agencies are in a position to tap this increased income for hospital care, physician services, and the whole range of services today. Only then can our health services system keep pace with the rest of an expanding economy. This will continue to mean increasing utilization and increasing cost. At the present time less than five percent of total personal incomes go for personal health services. An additional one or two percent would pour more fiscal blood into our health services' system to help finance unmet needs such as for chronic illness and the medical problems associated with an aging population, and gradually increasing use by a more health conscious population.

It would seem then that there are three interlocking problems in financing personal health services, and no one can be considered apart from the other two:

> (1) The first is the insurance concept of meeting the risk of high cost for the family in order to enable the family to absorb sporadic costs in its stride. I believe the public has become sufficiently aware of the risk elements in several aspects of life so that there is a direct interest in risk elements in cost of personal health services as well. The concept of risk is accepted as a working proposition today.
>
> (2) The second is the problem of enabling families to pay for goods and services, including personal health services, in small periodic amounts. This method of payment is a general characteristic in American society today, and it appears to be about the only effective way to compete for the family budget for other goods and services. The concept of budgeting through periodic payments or installment buying is accepted as a working proposition today.

(3) The third is the self-evident desirability of providing a stable and gradually expanding financial base for the tremendous physical plant and health personnel resources in this country. This may be self-evident, but it is this sector of the three interlocking problems which is now in greatest need of clarification in voluntary health insurance.

It is in this sector where we encounter the problems of increased cost which are a result of increased utilization and increased unit cost. It is here where voluntary health insurance plans are caught in the middle, and it is here where they are challenged more than they ever have been before. These problems have been brewing for 20 years and they have been inevitable, once we have accepted the concept of risk and the concept of budgeting and periodic payments as working propositions. Voluntary health insurance has now grown up and must meet the problems of maturity.

The problems of increased cost because of both utilization and increases in unit cost—not to mention increases in cost accompanying expanded benefits—are very hard to explain to the public when premiums have to be examined and increased periodically. Voluntary health insurance is prone to avoid the issue by going on the defensive and blaming increasing costs on "abuse" and "overuse" and presumably unwarranted inflation of unit cost of services. There is then fear that voluntary health insurance is pricing itself out of the market. Sad to say, no real examination has been made as to what extent the increased utilization is warranted or to what degree increased unit costs are inherent and justified in our hospital economy and in physicians' services for some time to come.

In any enterprise as vast as voluntary health insurance and personal health services today it is extremely easy to point to instances of wasteful duplication, gross misuse of hospital care—like the classic example of two sister school teachers who retired to a hospital for their Christmas holidays—or to surgeons who perform appendectomies where there is no pathology.

On the whole, however, it would seem to be more reasonable to work on the assumption that the increased care given today and the increased cost incurred results in more medical need being met. If it were possible to isolate instances of abuse or overcharging and eliminate them through proper administrative controls we would still face

the basic problem of channeling more money into the health field. I say this on the assumption that the savings gained through elimination of abuses would not be sufficient to permit substantial savings. The public would still need to be told why costs are what they are, and that this is what it takes to operate an effective personal health service.

THE FAIR LABOR STANDARDS ACT AND ECONOMIC SECURITY IN PUERTO RICO*

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One of the major sources of economic insecurity consists of substandard wages. As Professors Turnbull, Williams, and Cheit explained in their recent book *Economic and Social Security,* at issue here is the inability of an individual ". . . to get an employment contract that meets the minimum standards under which society will permit its members to be employed." [1] Minimum wage programs attempt to eliminate this source of economic insecurity by establishing a floor below which wages are not permitted to fall. Of course, the lower this floor, the less effective the program; on the other hand, the higher the floor, the greater the danger that the minimum may increase unemployment, another important source of economic insecurity. Thus, the problem of determining a minimum wage that maximizes the economic security of workers tends to be somewhat similar to the problem of finding a channel between Scylla and Charybdis.

The underlying objective of the Fair Labor Standards Act of 1938, as set forth in the Act's "Finding and Declaration of Policy," is that ". . . labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers. . . ." be corrected and as rapidly as practicable be eliminated; and, furthermore, that this be accomplished ". . . without substantially curtailing employment or earning power." In order to achieve this objective in Puerto Rico, Congress establishes for the island in 1940 a separate and distinct minimum wage program by an amendment to the Act. Under this program, minimum rates of pay at or below the level of the mainland minimum are determined periodically on an industry-by-industry basis by tri-partite "industry committees." In the determination of these minimum rates, the committees are directed by the Act to employ two and only two criteria. The first, that no minimum wage rate be so low as to provide Puerto Rican firms with a competitive

* This paper is a partial summary of a larger study dealing with the federal minimum wage program for Puerto Rico.

[1] John G. Turnbull, C. Arthur Williams, Jr., and Earl F. Cheit, *Economic and Social Security* (New York: Ronald Press, 1957), p. 7.

advantage over mainland industries, was designed to provide protection for employers and workers in the States. The second criterion, that every minimum rate be the highest that will not create *substantial* curtailment of employment in the insular industry, seeks to achieve the underlying objective of the Act.

The purpose of this paper is to shed some light on the achievements and failures of this minimum wage program with respect to the underlying objective of the Act. Specifically, we are concerned with the following two questions:

1. To what extent has this program raised the level of real wages and thus increased the economic security of the Puerto Rican worker?
2. To what extent has the program curtailed employment and thus increased economic insecurity on the island?

Any attempt to answer these questions is somewhat handicapped by the inadequacy of the available information and statistical data; however, the evidence is quite sufficient to permit a number of significant conclusions.

Raising the Level of Real Wages

An indication of the success of this minimum wage program in raising the level of real wages in Puerto Rico is provided by a comparison of the percentage increases in minimum rates established during the two periods 1940-45 and 1950-54 with the corresponding percentage changes in the consumers' price index for wage earners' families on the island. Such a comparison involving a total of 68 minimum rates of pay shows that

1. Of these rates, 39 rose more rapidly, in many instances much more rapidly, than the consumers' price index and thus increased in real value;
2. Of the 29 rates that rose more slowly than the consumers' price index and consequently decreased in real value, a total of 22 consisted of rates established for the home needlework industries;
3. The remaining seven rates that declined in terms of purchasing power were established for the leaf tobacco, cigar and

cigarette, hand-hooked rug, men's and boys' clothing, and furniture industries.[2]

Thus, the evidence clearly indicates that, if the home needlework industries are excluded, this minimum wage program increased the real value of the minimum rates of pay for the vast majority of Puerto Rico's industries.

This conclusion is supported by the substantial increase in the real value of gross average hourly earnings in the island's manufacturing industries since the end of World War II. For instance, in terms of 1941 purchasing power, real wages in these industries averaged 22.1 cents per hour during the fiscal year 1946-47; in the first eight months of 1954, these wages had increased to 26.2 cents per hour or by about 18.6 percent.[3] Still, this increase was almost 19 percent less than the comparable rise of 22.9 percent in the real gross average hourly earnings in the mainland manufacturing industries during the same period.[4]

To a considerable extent, the minimum rates of pay established under the federal minimum wage program were responsible for the rise in real earnings on the island. The differential between average and minimum wages in Puerto Rico has generally tended to be relatively narrow. Whereas gross hourly earnings in the mainland manufacturing industries have averaged at least double the federal statutory minimum every year except 1950, average earnings on the island exceeded the minimum rates as recently as 1955 by less than 50 percent in the vast majority and by less than 20 percent in slightly

[2] For the data from which this summary has been derived see Karl O. Mann, "Minimum Wages in the Puerto Rican Economy," (unpublished Ph.D. Dissertation, Cornell University, 1955), Table 9, pp. 176-181.

[3] The consumers' price index for wage earners' families in Puerto Rico (March 1941 = 100) averaged 175.0 during the fiscal year 1946-47 and 199.9 during the first eight months of 1954. Government of Puerto Rico, Department of Agriculture and Commerce, *Annual Book on Statistics of Puerto Rico: Fiscal Year 1948-49*, pp. 288-9; and, Commonwealth of Puerto Rico, Planning Board, *Current Business Statistics*, October 1954, pp. 4-5. Gross hourly earnings of production workers in Puerto Rico's manufacturing industries averaged 38.7 cents in 1946-47 and 52.3 cents during the first eight months of 1954. Government of Puerto Rico, Economic Development Administration. *Annual Book of Statistics of Puerto Rico: Fiscal Year 1949-50*, p. 64; and, Commonwealth of Puerto Rico, Department of Labor, *Employment, Hours, and Earnings in Manufacturing Industries in Puerto Rico*, January to April 1954 (Release 1954-2) p. 3, April to June 1954 (Release 1954-3) p. 3, and June to August 1954 (Release 1954-4) p. 4.

[4] Derived from data contained in U. S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review* (various issues) and *Consumer Price Index—U.S.: All Items, 1913 Forward—Series A-1* (1947-49 = 100).

more than half of the industries.[5] Under these circumstances, the impact of minimum wages on the average wage structure appears to have been substantial. However, the increase in real average earnings in the island's manufacturing industries must be attributed not only to the minimum rates that have been established, but also to the success achieved by Puerto Rico's industrial development program since the late 1940's. This program—frequently referred to as "Operation Bootstrap"—has provided firms established in "new" industries and those expanding in certain specified "old" industries on the island with a full tax exemption as well as other subsidies and services. By the beginning of 1955, the development program had been responsible for the establishment of approximately 320 new manufacturing plants employing about 23,000 workers, a third of all employees then in manufacturing on the island.[6] This industrial expansion took place in a wide variety of industries; however, most of the new firms produced electronics equipment and parts, metal and plastic products, and wearing apparel.

Preventing Curtailment of Employment

The success of this minimum wage program in preventing curtailment of employment is indicated by the employment trends in Puerto Rico's manufacturing industries. During the first fifteen years the program was in operation, factory employment increased in most of these industries. In the ten-year period ending with 1949, employment declined in only two small industries and in both by an average of not more than one percent per year.[7] In more recent years, however, the number of workers employed by several industries on the island decreased more sharply. During the five-year period from November 1949 to October 1954, employment of production workers declined by an average of about two to three percent per year in the chemicals and related products, the lumber and wood products (except furniture), and the printing, publishing, and related industries and by almost four and a half percent in the

[5] See Karl O. Mann, *op. cit.*, pp. 209-13; and Robert R. Nathan and Associates, Inc., *Evaluation of Minimum Wage Policy in Puerto Rico* (Washington, D. C., 1955), pp. 49-53.

[6] *New York Times*, February 20, 1955, Sec. I, p. 13, col. 1.

[7] See Commonwealth of Puerto Rico, Planning Board, *Statistical Yearbook: 1951-52*, pp. 154-59.

food and kindred products industries.[8] It may be debatable whether such a decrease in the number of workers employed should be considered as substantial curtailment of employment. However, even if it is so considered, it must be recognized that these reductions in employment may be attributable not only to the minimum rates of pay established under this minimum wage program but, also, to such developments as increasing competition from countries recovering from World War II, decreasing consumer demand, and mechanization and other technological improvements designed to reduce costs and, thus, to increase profits. An illustration is provided by the findings of the Administrator of the Wage and Hour Division in 1953 in connection with a minimum wage determination for the Puerto Rican sugar manufacturing industry, an industry that employs a majority of the workers in the food and kindred products industries. On the basis of all the evidence, the Administrator found that factors other than wages, such as the desire for a reduction in operating costs, and not past increases in the minimum rates of pay had been responsible for the mechanization and the general trend toward concentration in the industry and, thus, for the curtailment of employment in the sugar mills.[9]

The greatest and most important decrease of employment in any Puerto Rican industry subsequent to the establishment of the minimum wage program in 1940 has been the fairly recent decline in the number of homeworkers employed by the island's needlework industries. Prior to the fiscal year 1951-52, employment of these homeworkers had increased slowly but steadily, averaging 45,000 in 1940, 48,000 in 1946-47, 45,000 in 1947-48, 50,000 in 1948-49, 51,000 in 1949-50, and 55,000 in 1950-51. In 1951-52, however, the number of homeworkers employed by the needlework industries averaged only 34,000, a decline of about 38 percent from the preceding year. (During subsequent years, employment of homeworkers continued at this new and relatively low level, averaging 37,000 in 1952-53 and 31,000 in 1953-54.)[10] Of course, some of this decline

[8] Based on data contained in Commonwealth of Puerto Rico, Department of Labor, *Census of Employment in Manufacturing Industries, Puerto Rico: October 1952*, p. 8, and *Employment, Hours, and Earnings in the Manufacturing Industries in Puerto Rico: October 1954*, pp. 6-8.

[9] See U. S. Department of Labor, Wage and Hour Division, "Findings and Opinion of the Administrator in the Matter of the Recommendation of Special Industry Committee No. 12 for Puerto Rico for a Minimum Wage Rate in the Sugar Manufacturing Industry in Puerto Rico," January 26, 1953, pp. 11-12.

[10] Commonwealth of Puerto Rico, Planning Board, *Economic Development of Puerto Rico: 1940-1950, 1951-1960*, Appendix Table No. 4, p. 153, and *Statistical Yearbook: Puerto Rico*, 1955, p. 97.

in employment may be attributable to increasing foreign competition and other factors. At the same time, it is significant that higher minimum wage rates became effective for the island's needlework industries on June 4, 1951, slightly less than a month prior to the beginning of fiscal year 1951-52. Thus, the evidence appears to indicate that higher minimum rates of pay were chiefly responsible for this very sharp curtailment of employment in Puerto Rico's home needlework industries.

Conclusions

In summary, the available evidence permits the following conclusions:

1. At least some of the economic insecurity caused by substandard wages in Puerto Rico has been eliminated. The federal minimum wage program has increased the purchasing power of the minimum rates of pay established in most insular industries and, in view of the relatively narrow minimum-average wage differential in Puerto Rico, appears to have been largely responsible for the rise in the level of real average wages on the island. However, this rise in real average earnings has been less than the comparable rise in the States and, furthermore, must also be attributed to the success achieved by Puerto Rico's industrial development program.

2. The minimum wage rates established on the island since 1940 have created substantial curtailment of employment and, thus, greater economic insecurity only in the home needlework industries. The much smaller declines in employment that have taken place in a few other industries appear to be attributable to a number of factors in addition to the minimum rates of pay.

3. The increase in economic insecurity in Puerto Rico's home needlework industries may appear as the outstanding failure of this minimum wage program in its efforts to achieve the underlying objective of the Fair Labor Standards Act. In these industries, the real value of the minimum rates of pay has decreased and, in recent years, employment has been curtailed substantially. Fundamentally, however, these two developments do not reflect a failure of the minimum wage program; rather, they indicate that factors other than minimum rates of pay have been chiefly responsible for the inability of the island's home needlework industries to compete successfully. These factors include the growing competition from

such low-wage countries as Japan and the Philippines, the inherent inability of these industries to raise man-hour productivity by a significant amount, and the fact that the industrial development program of the Puerto Rican government does not encourage the expansion of homework industries. Under these circumstances, in its efforts to minimize the economic insecurity caused by both substandard wages and unemployment and, thus, to escape Scylla as well as Charybdis, the minimum wage program for Puerto Rico has been overwhelmed by both in the sea of home needlework.

A COORDINATED APPROACH TO LOW INCOMES AND SUBSTANDARD LEVELS OF LIVING

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The New York State Interdepartmental Committee on Low Incomes

The persistence of low incomes for significant numbers of people in the United States, even at high current levels of business activity and employment, has been a matter of considerable concern during the postwar years. The problem of low income families has been the subject of reports and extensive hearings under the auspices of the Subcommittee on Low Income Families of the Joint Congressional Committee on the Economic Report.

During good times studies of low incomes should be especially revealing in pointing up the nature of the more stubborn factors which block many persons and families from adequate participation in the productive work and prevailing prosperity of the American economy. Further, after twenty-five years of progress in developing income maintenance and related programs, both public and private, it is timely to examine the extent and nature of the residual low income problem, to appraise the over-all impacts of going public programs for amelioration and prevention, and to explore the causes and means of combatting depressed levels of living which still persist.

In this setting, Governor Harriman in December 1955 created the New York State Interdepartmental Committee on Low Incomes, under the chairmanship of Isador Lubin, the State's Industrial Commissioner, composed of selected department and agency heads within the State government.[1] It was instructed to undertake a survey of low income groups within the State and to conduct demonstration

[1] *Members of the Committee* are: Daniel J. Carey, Commissioner of Agriculture and Markets; James E. Allen, Jr., Commissioner of Education; Herman E. Hilleboe, M.D., Commissioner of Health; Paul H. Hoch, M.D., Commissioner of Mental Hygiene; Raymond W. Houston, Commissioner of Social Welfare; Edward T. Dickinson, Commissioner of Commerce; Joseph P. McMurray, Commissioner of Housing; Charles Abrams, Chairman, State Commission Against Discrimination; Philip M. Kaiser, Special Assistant on Problems of the Aging, and Persia Campbell, Consumer Counsel, Office of the Governor; and Isador Lubin, Industrial Commissioner, *Chairman. Staff:* Meredith B. Givens, *Executive Director,* Eleanor M. Snyder, Gladys F. Webbink, John G. Myers.

projects to improve their economic position. As stated by the Governor in two special messages to the Legislature (1956 and 1957), key objectives of the intensive studies and demonstration projects are "to identify the population at substandard levels of living and the causes of their low economic status," "to lay the basis for a long-range coordinated attack on the problem through research, planning and action," and to sponsor "coordination of facilities (at the state and local level) to help low-income wage earners become more productive and thereby improve their living standards."

The Committee has been established with a small technical staff. The cooperation of federal, state and local agencies has been secured in various projects, and further cooperation is being developed.

In setting up the Committee the Governor called the attention of the Legislature to the "astonishing lack of adequate data at the state level" as to the incidence and causes of low incomes. He emphasized that the Committee is charged with the task ot survey, analysis and demonstration, i.e., the assembly of facts and the study of the causes of low income, in order to "decide precisely what action is needed to help raise (low incomes)."

From the standpoint of both investigation and action, the problem of the adequacy of incomes is a problem of the family group. In terms of living levels and standards, the family is the basic economic unit in our society. It is the aggregated income of all members of the economic family, in relation to the family structure, its needs and its spending patterns, which determines its welfare. Hence these studies are focussed on the economics of the family.

By the same token, this program of necessity is concerned with the combined effect of the many forces and influences which determine the economic status of the family or household, such as family structure and the demography of the family, housing conditions, health conditions, employment, number of earners and occupation, educational attainment, assets and debt, etc. Except for census years, our ready-made statistics for New York State—largely byproducts of administrative operations—have a limited relevance to these informational needs. Most of the available data relate to individuals and not to the family, or to the case or transaction or operation, as defined in the administrative framework. Often it is necessary to delve deeply in a welter of administrative data to find the human facts. For these reasons, our task has required the use of original field inquiries, within the limits of our resources.

To estimate the extent and distribution of low incomes, several steps are required. First, the over-all pattern of income distribution among the State's population must be delineated. For this purpose we have utilized, first, special tabulations of the census statistics of 1949 incomes for the population of New York State. Second, we will have gathered data on 1956 incomes through a statewide sample survey of households. This survey has been conducted for the Committee by the Bureau of the Census, by expanding within the State the coverage of the national monthly Current Population Survey. This survey will produce representative data for the State and for New York City, comparable to national figures, and will provide additional information beyond the scope of the national survey for all households visited within the State.

The special survey undertaken in 1957 is based upon a representative statewide population sample. It will yield all demographic and labor force data regularly covered by CPS, amplified by the special questions on the composition of incomes and on selected items indicative of economic status. The sample has been fortified to produce data for ethnic groups in New York City. The survey has been made possible by a special grant of federal Title III funds to the New York State Department of Labor, Division of Employment, allotted for this purpose by the Bureau of Employment Security, U. S. Department of Labor; an allocation from the State's appropriation for low income studies, and an appropriation by the Board of Estimate of the City of New York. The survey is expected to produce information of widespread interest for various purposes in addition to its uses in the Committee's study of low incomes.

To supplement the statewide sample household survey conducted by the Bureau of the Census, we are studying several subsamples of the State's low income population. Public assistance recipients, of course, are administratively defined as low income people. We are examining the characteristics of these people and their households, and exploring the combined effects of the several public assistance programs and other public and private sources of income and assistance within the household. Comprehensive information on the combined impacts of the income maintenance programs on family living is not now available. In order to develop some information in this area, the Committee, with the assistance of the New York State Department of Social Welfare and local welfare agencies, has conducted a sample statewide survey of the characteristics of recipients of public assistance and their immediate

families and other relatives living in the household, during the early months of 1957, utilizing existing case records supplemented by personal interviews by field workers. This survey is yielding detailed information on the demographic, personal and economic characteristics of the families receiving aid under the various categories of public assistance. Insofar as possible, the elements of inquiry in this survey are comparable conceptually with the materials of the household census previously mentioned.

Another subgroup of the low income population which we are investigating with which we are concerned is the group of unemployment insurance beneficiaries. The Bureau of Applied Social Research at Columbia University, as contract agency, is collecting detailed information on the incomes and expenditures of unemployment insurance beneficiaries and their households in the Albany-Schenectady-Troy area. This is one of a group of studies financed by federal employment security funds and conducted by state agencies, following generally the pattern of a recent pilot study in Pittsburgh conducted by Duquesne University, which was designed to produce information to be used in the evaluation of the adequacy of benefits. Household interviews in great depth were conducted among a sample of several hundred families of unemployment insurance beneficiaries in the Albany-Schenectady-Troy area during the summer of 1957 to collect detailed income and expenditure data for the previous 12-month period and work histories for all members of the family. It is expected that the resulting information will be useful, within the rigid limitations of sample size and specifications, in evaluating the level of living of this group of families. This method, however, is extremely expensive, and its practicability on a broader quantitative scale is problematical. Under rules specified for these studies, the representativeness of the findings is restricted by limitations on family size, duration of unemployment, etc., for eligible cases. A further exploratory project has therefore been undertaken to develop a short form questionnaire to reveal the nature of family adjustments to periods of unemployment, without requiring the arduous balancing of income with expenditures as in the conventional expenditure surveys whose primary purpose is to develop weights for consumer price indexes. This study is testing various batteries of questions in the field to determine the validity and practicability of simpler methods of obtaining the needed information on economic and family adjustment to unemployment, by means of interviews not to average more than one hour in duration.

Rural poverty is a widespread problem of long standing in every state. The northern seaboard states have their liberal share of this problem, and New York State is no exception. The problem is a function of the productivity of land on the one hand, and the characteristics and behavior of rural families on the other. The contours of the problem in New York State are being defined, and the results of previous research are being summarized and evaluated for the Committee through contract arrangements with the State College of Agriculture at Cornell University. While past studies have been concerned chiefly with full-time farmers, these explorations are giving attention to part-time farmers, and families of rural residents outside the cities, many of whom include earners with off-farm and urban employment. Meaningful information on the incomes of farmers is not readily derived from surveys designed primarily for urban conditions, since cash intake is business revenue as well as "consumer income," whereas "income in kind" escapes the coverage of such inquiries altogether. These problems are being explored by the Cornell study, and lines of action to improve levels of living in rural areas are being developed.

Several pilot projects have been conducted to establish facts concerning the concentration of low incomes among minority groups and to investigate some aspects of the ways in which discrimination leads to this concentration. These studies have been planned and sponsored in cooperation with the State Commission Against Discrimination, and carried out by the New School. They have analyzed data on the relative economic status of whites, negroes and Puerto Ricans, conducted interviews on family educational experiences and occupational aspirations among negro and white adolescents in an upstate community, explored factors of occupational discrimination thrugh management interviews in the environs of New York City, and conducted case studies of two union locals.

Pilot demonstration projects designed to improve economic status of low income people are under way. These include (1) a demonstration project of case work services in public assistance conducted by the Department of Welfare in selected localities, designed to remove the causes of dependency and develop self-support among low income families; (2) a pilot program of vocational services for former mental patients conducted by the Department of Mental Hygiene, to aid former mental patients to become useful members of the labor force; and (3) vocational training and placement to meet verified local skill requirements designed to improve the economic status of selected

adults by fitting them for specific occupations known to be in short supply, and placing them in productive employment.

More ambitious is a local-state pilot demonstration program in Oneida County, New York, designed to demonstrate the capacity of a local community "to break the cycle of self-perpetuating poverty and to eliminate the acceptance of depressed levels of living."

In his special message to the Legislature in January 1957 the Governor proposed several such area projects. He stated that "in the localities to be selected the various State and local agencies will work together to appraise present and future manpower requirements of local industry and trade, the prospects for increasing employment opportunities and the available skills and potentials of the existing and future labor force. Every community has reserves of labor power among older workers as well as inadequately trained youth, the underemployed, handicapped, and those subject to discrimination. It is important too that rehabilitation through health and mental hygiene services shall be linked to effective training and employment services for such persons. From close local inventory and diagnosis, the educational authorities will be in a better position to gear vocational training and basic educational programs to upgrade the productivity of the available manpower, and the welfare agencies will be better able to direct their efforts towards specific tangible goals."

The approach in this program calls for unified effort to attain full and coordinated application locally of all action programs which bear upon problems of low incomes and substandard levels of living, such as the various rehabilitation services, education, training and placement services, housing, welfare, health and medical care services. This program emphasizes the coordination of local fact-finding with cooperative community action. Research projects now underway or proposed in the area, under various auspices, include appraisal of the local economy, survey of occupational requirements and skills of the work force, studies of youth in the job market, problems of the aging and studies of housing and urban renewal. An interdisciplinary team approach is planned, for identification, diagnosis, rehabilitation, training and placement of employable people who are members of families in low income status. The program will undertake the coordination of public and private services in order to enhance the degree of self-care among the dependent (who are now a burden upon their families as well as the community), to develop training programs to meet known skill shortages and to expand employment opportunity for under-utilized and

under-employed groups. Included also is a rural development program aimed at lifting the economic status of low income rural people in the area.

It is obvious that our Interdepartmental Committee is tackling an assignment which is bafflingly complex, but whose complexities cannot be evaded in a realistic approach to the low income problem. It is hoped that the area project will demonstrate the fruitfulness of concurrent research and action in a local situation, in which study of the community environment and the local economy is combined with a diagnostic and therapeutic approach to better utilization of hitherto marginal manpower, and consequent elevation of living standards in the community. During the coming year our various studies should move to completion.

When the area project is fully launched new fields for research demonstration will be opened up. It is my own belief that localized study of the impact of our national and state programs is badly needed. And it is only locally that an over-all coordination of diagnosis, service, education and placement can be attempted. Segments of this scheme of coordinated work and action have been undertaken in the past. Meanwhile, the elements of this projected program are submitted for your critical consideration.

NOTE: *Fact-finding studies* undertaken by the Committee include the following:

Project R-1. *Income Distribution in Relation to Economic Status in New York State, 1949-56,* a research study conducted by the staff of the Interdepartmental Committee, to provide a factual basis for an integrated program to improve the economic status of low income families in New York. The socio-economic characteristics of low income families will be analyzed and estimates will be prepared of the numbers and distribution of such families by area within the State.

R-2. *Survey of Incomes, Work Experience and Economic Status, Families and Individuals in New York State, 1956-57,* a statewide sample census of households conducted by the U.S. Bureau of the Census under contract with New York State. The survey will provide up-to-date information on incomes, economic activity, labor force participation, employment, education, housing and selected items associated with economic status.

R-3. *Survey of Characteristics of Public Assistance Recipients and Their Households, New York State, 1957,* a statewide survey conducted by the New York State Department of Social Welfare in cooperation with local public welfare agencies, under sponsorship of the Interdepartmental Committee. A sample survey of recipients of public assistance and members of their immediate families and other relatives living in the household is being made from existing case records supplemented by personal interview, to provide detailed information on demographic, personal and economic characteristics of these groups.

R-4. *Incomes and Expenditures of Unemployment Insurance Beneficiaries and Their Households,* a study conducted by the Bureau of Applied Social Research, Columbia University, under contract with the New York State Department of Labor, in cooperation with the Interdepartmental Committee. Household interviews have been conducted with a sample of 265 families of unemployed persons in the Albany-Schenectady-Troy area who were currently receiving unemployment insurance benefits, to collect detailed information on incomes and expenditures for the previous twelve-month period (May 1, 1956 to April 30, 1957), and work histories for all members of the family.

R-5. *Family Adjustments to Periods of Unemployment,* an exploratory study conducted by the Bureau of Applied Social Research, Columbia University, under contract with the New York State Department of Labor, in cooperation with the Interdepartmental Committee, of methodology and procedures required to obtain information on financial and non-financial adjustments to unemployment, attitudes toward unemployment, etc., and to develop a most practicable approach for further use in studies in this field.

R-6. *Problems of Low-Income Farming, New York State,* a project conducted by the State College of Agriculture, Cornell University, under contract with the Interdepartmental Committee. The study will summarize and evaluate available Federal and State data, previous reports and studies, and data from recent and current field studies to analyze the problems of low incomes, sub-standard earnings and level of living in rural areas.

R-7. *Analysis of Standards of Need in Use by Various Public Agencies in New York State,* a study conducted by staff of the Interdepartmental Committee. Through interviews with key persons in different programs and assembly of available written guides, budgets, policies and procedures, the staff will analyze the various methods used for evaluation of income in determining financial eligibility for different types of public assistance and care.

R-8. *Discrimination and Low Incomes,* studies conducted by the New School for Social Research under contract with the New York State Commission against Discrimination, in cooperation with the Interdepartmental Committee. Several pilot projects have been conducted to establish facts concerning the disproportionate concentration of minority groups in the low income population and to investigate some aspects of the ways in which discrimination leads to this concentration.

Various pilot *demonstration projects* designed to improve economic status of low income people are under way or projected; these include:

Project D-1. *Demonstration Project of Case Work Services in Public Assistance* (Department of Social Welfare), in selected localities, designed to remove the causes of dependency and develop self-support among low income families.

D-2. *Pilot Program of Vocational Services for Former Mental Patients* (Department of Mental Hygiene) to aid former mental patients to become useful members of the labor force.

D-3. *Vocational Training to Meet Local Skill Requirements* (Department of Education, Department of Labor), aimed at improving the economic status of selected adults by fitting them for specific occupations known to be in short supply, and thereby increasing their earning power and incomes.

D-4. *Community Demonstration Program for Raising the Productivity and Economic Status of Low Income People,* a program designed to demonstrate the capacity of a local community "to break the cycle of self-perpetuating poverty and to eliminate the acceptance of depressed levels of living." This program is being developed in a local community, under local auspices, with the unified support of state agencies. The

project emphasizes coordinated development and application of survey and research findings, fact finding concurrent with cooperative community action in the identification, diagnosis, rehabilitation, and training of employable people and members of *families* in low income status.

Key elements in the fact finding program as thus far defined include appraisal of the local economy, survey of occupational requirements and skills of the work force, studies of youth in the job market and problems of the aging, studies of housing and urban renewal, and of standards of need in use by public agencies in the area.

The demonstration work is visualized to include an interdisciplinary team approach to rehabilitation and improvement of economic status in terms of total family situations, provision of needed services to assist in achievement of self-support and economic adequacy, and specifically planned training programs to meet known skill shortages and to expand employment opportunity for under-utilized and under-employed groups.

THE RELATIONSHIP BETWEEN PUBLIC AND PRIVATE ECONOMIC SECURITY PLANS

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The American social security system has grown by fits and starts, in response to shifting economic and political conditions, and is now a conglomeration of private social insurance, public social insurance, and public assistance. As our society has become wealthier, we have shown a marked preference for insurance techniques to alleviate economic adversity, thus allowing public assistance to decline in relative importance. It has been well advertised that private social insurance has been assuming a relatively more important role in providing economic security.[1] Since the passage of the Social Security Act and the state unemployment insurance laws, public insurance has done little about expanding into new areas and not enough about liberalizing benefits in the existing programs. Perhaps the pendulum will swing back again; but in the meantime we have some areas of economic security which are predominantly public, some which are exclusively private, and many which are a peculiar mixture of the two.

To what extent are private economic security programs replacing the public programs? What are the relative rates of growth? This may be measured on a macro basis in terms of the financial costs of the programs, the benefits paid out, or the assets held in reserve funds. Or, it may be measured in terms of the protection provided to typical individuals. Measurements on a macro basis suffer from the shortcoming of not showing the patterns of change until well after the changes have developed. This is not to say that continuous research on the macro trends is wasteful; it is necessary for public policy purposes.

The nature of the rise in private social insurance relative to public social insurance is brought into sharper focus by studying the trends in specific types of protection for individuals. An individual's protection depends on his income, family status, and whether his job is covered by the relevant insurance program. For a typical well-paid worker in an industrial union (assuming that it has won, or soon will

[1] Herman M. Somers and Anne R. Somers, "Unemployment Insurance and Workmen's Compensation," *Proceedings of the Industrial Relations Research Association*, 1956, pp. 120-144. See also the discussion following their paper, by William H. Wandel and Robert R. France.

win, a supplementary unemployment benefit program) the following comparison may be made between the prewar (and until 1949) and present patterns of insurance protection:

TYPE OF BENEFIT	PREWAR	PRESENT
Retirement	entirely public	mainly public
Death	entirely public	mainly public
Unemployment	entirely public	mainly public[a]
On-job disability		
wage loss	entirely public	mainly public
medical	entirely public	mainly public
Off-job temporary disability		
wage loss	none from either	entirely private[b]
medical	none from either	entirely private[b]
Off-job permanent disability		
wage loss	none from either	mainly public[c]
medical	none from either	entirely private
Medical protection for dependents	none from either	entirely private

[a] When the SUB plans mature, the private programs may provide as much as half of the protection.

[b] In New York, New Jersey, Rhode Island, and California, most of the wage loss benefits for off-job temporary disability are the result of a public program.

[c] It is mainly public only for those over the age of fifty years. For those who are younger and who suffer off-job permanent disability, their protection, until the age of fifty, must come entirely from private programs.

The outstanding changes are, first, the invasion of private insurance into fields previously entirely public; i.e., retirement, unemployment, and on-job accidents. In these cases the private insurance provides more than simply the frosting on the cake. Second, private insurance has taken over fields left untouched by public insurance; i.e., off-job temporary disability and medical protection for dependents. Of course, the majority of workers are not as well protected as the one described in the table above. Unionized construction workers, for example, are covered by fewer types of private insurance, but the difference is more a matter of degree than of kind, and one which may eventually disappear. It is also common for nonunion employees to have some forms of private protection. And here again, the private insurance has been gaining on the public insurance.

This recent change in the relative importance of public and private insurance is reflected even more sharply if all benefits are divided into just two categories: wage loss and medical benefits. Prior to the war, nearly all wage loss benefits were under public programs, whereas at present, private insurance accounts for a significant portion. Except

for workmen's compensation, neither public nor private insurance offered any reasonable amount of medical benefits seventeen years ago. Now this field has been entirely usurped by private insurance, except for on-job disability, and even here private insurance is beginning to assume a portion of the load. This statement needs to be qualified only to the extent that four states have temporary disability insurance laws.

What difference does it make whether economic security is provided primarily through public programs or primarily through private programs? It is generally granted the private programs have the disadvantage of spotty coverage and unequal benefits, leaving large portions of the labor force with no protection; but the main argument centers around the impact on worker mobility. When collective bargaining pension plans began their rapid expansion, it was claimed that they would restrict mobility. However, the impact on mobility was probably modest, because the workers who were tied to their jobs by the pension plans were the older ones who were not inclined to be mobile in any case. Although this aspect of private economic security plans has been frequently discussed, it has not been (and cannot be) conclusively proven that these plans significantly reduce mobility. Nevertheless, the recent trends in private social insurance, particularly the SUB plans, have been toward erecting barriers affecting the younger and more mobile workers. Since these plans are new and workers have not yet adjusted their living patterns to them, it can be no more than speculative to predict their eventual impact on mobility, but probably it is negative.

It is not necessary—at least not yet—to sound a general alarm to the effect that the private security programs are immobilizing our labor force. Nevertheless, the rigidities which they do introduce are sufficiently serious that they should not be tolerated if the same goals can be achieved without erecting the barriers to mobility. The narrower institutional goals of firms and unions may be less well satisfied; but the economic security goals of the economy and of workers as individuals can be more adequately achieved through a greater emphasis on public insurance.

If this is accepted, then what is the impact of the private programs on the development of a well constructed public program? The growth of the private plans frustrates the development of the public programs for two reasons. First, to the extent that unions are able to satisfy the security demands of their members through collective bar-

gaining, they exert less pressure on the legislature to expand public social insurance, thus withdrawing one of the major interest groups which would otherwise be strongly advocating liberalization of the public programs. In this process, unions earn an extra dividend as well; they directly receive the credit for the improvement in the welfare of the members. In short, unions more effectively promote their own self-interest through the private plans.

Second, as areas of social insurance are pre-empted by private plans, it becomes increasingly difficult for public programs to enter the field. Vested interests become associated with the private programs. Each union has its own set of benefits—its own mixture of hospitalization, maternity care, surgical benefits, wage loss benefits, etc.—and would be reluctant to trade for a public program unless it is equally generous in all respects. The same point applies to eligibility; each private plan has its own rules of eligibility and required waiting periods. The workers' attitudes may be the same as that of their unions. In fact, it is unfair to ask them to give up the equity they have earned in order to make room for a public program. A third group of vested interests consists of the firms financing the benefits for their employees. Management would be reluctant to give up its investment, and this includes more than monetary investment, in exchange for a public plan, since it does little to avoid turnover. The insurance companies, banks, and others selling the private plans can be expected to resist public encroachments into their domain of profitable operations. Thus, these vested interests have a grip on the pendulum, preventing it from swinging back toward public insurance. Of course, there have always been vested interests exerting their political power in this direction, but now these vested interests have been joined by workers and their unions.

Even if these forces do not prevent a resurgence of public insurance, as a minimum, they will shape its development; because, if present trends continue, by the end of five or ten years any new public program or any significant liberalization of benefits in an existing program will either create a great deal of confusion in collective bargaining or will have to be violently contorted to fit a crazy-quilt pattern of private programs. To illustrate this point, consider the possible relationship between unemployment insurance and SUB five years from now. By that time, the following assumed conditions could exist in any of our more highly industrialized states:

1. average weekly pay for all workers of $150,
2. maximum UI benefit of $60 per week,
3. SUB makes up the difference between UI benefit and two-thirds of the weekly wage, thus adding $40 per week in unemployment protection for the average worker,[2]
4. and large reserves to finance SUB have been built up over a period of years as a consequence of employer contributions of five to ten cents per hour.

What would be the impact of such conditions on a potential liberalization of UI benefits? If the state legislature wishes to return the benefits to their originally intended ratio of benefits equal to two-thirds of the wages lost, this would entail raising the maximum from $60 to at least $100 and it would still leave the rate less than two-thirds of wages for nearly half of the workers. This would amount to an elimination of the workers' equity in the SUB plan, an equity built up at a cost to the worker of enduring wages lower than he would otherwise have received. He would now be entitled to receive nothing where he previously had earned the right to $40 per week. If he successfully bargained to maintain the $40 his total unemployment income would be close—perhaps dangerously close—to his employment income. A modest change in the assumptions could bring us the possibility of unemployment income exceeding employment income; again with the alternative being a reduction in the worker's equity in the SUB reserve. Nevertheless, if such liberalization of unemployment insurance is adopted under the described circumstances, rather than throw away the surplus accumulated in the SUB reserve, unions would probably attempt some fast footwork in collective bargaining.

Before drawing conclusions on the relationship between unemployment insurance and SUB, a look should be taken at another economic security program.[3] As collective bargaining welfare plans have grown, the overwhelming tendency has been for employers to

[2] The argument is fortified by taking into account the fact that the average weekly wage for workers covered by SUB would be greater than the average weekly wage of all workers covered by UI. The supplementation under the private plan would consequently be greater than $40 per week.

[3] Accidental injury and sickness insurance has been the fastest growing form of group insurance. See John G. Turnbull, C. Arthur Williams, Jr., and Earl F. Cheit, *Economic and Social Security* (New York: The Ronald Press, 1957), pp. 338-9.

bear the full cost. Assume now that a state legislature is about to adopt a temporary disability insurance program, financed through a payroll tax. Many have argued—for good reasons that will not be discussed here—that employees should directly pay a portion of the costs. To inaugurate such a financial system in the face of existing programs (a disadvantage that the present state laws did not encounter) would amount to cutting the wages of the workers covered by the private programs and raising the profits of their employers. If the public program is not as generous as the most generous private programs, it would tend to reduce the benefits for some workers. Again, these two aspects of the public program would create confusion in collective bargaining, which would be particularly unsettling for those unions and managements which have long-term contracts. Perhaps the public program could be drafted so as to avoid these problems; but as a minimum, the freedom of the legislative drafters would be severely restricted.

The relationship between a potential national health insurance program and the existing collective bargaining health programs is similar to that described for the potential temporary disability insurance laws and the welfare programs.

A different story may be told of the relationship between the benefits under OASDI and the collective bargaining pension plans. Before the private benefits had the opportunity to expand to the point of assuming the major share of the protection, Congress liberalized the public benefits to much more reasonable proportions. Perhaps this is a tribute to the potency of the "old age lobby." Or, more likely, it demonstrates that a strictly federal program is better able to adjust to changing economic conditions. This serves as a powerful argument for federalizing unemployment insurance, temporary disability insurance, and public health insurance, if the latter is ever adopted.

With the private programs expanding relatively more rapidly than the public, the problem is becoming more serious. Furthermore, the disadvantages of the private programs will probably become more severe as the programs mature. Hence, if it is deemed wise policy to provide the bulk of economic security through universal public programs, the more delay before enactment, the greater the difficulty in developing an appropriate program: one which covers minimum essentials (by a then current definition of minimum essentials) does not destroy the equity earned by many millions of workers in their

private programs and still leaves enough freedom for private programs both to experiment in new areas and to cover special situations.

Over the past seventeen years, private insurance has been increasing its importance relative to public insurance in providing protection against economic risks. Private insurance, if it is relied upon as the major source of protection, has a number of disadvantages in comparison with public insurance, disadvantages which will become greater as the programs mature. As private insurance continues to grow relatively more important—and it will continue to do so unless public insurance accelerates its rate of growth—it becomes increasingly difficult to devise a public program which fulfills the needs of society, without creating inequities with respect to the existing structure of private programs.

Part VI

CURRENT STUDIES OF UNION STRUCTURE AND POLICY

THE RELATIONSHIP BETWEEN STRUCTURE AND POLICY IN THE TEAMSTERS UNION

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The evolution and development of the internal structure of international unions in the United States has not yet been adequately studied. The matter deserves careful attention, however, because in numerous cases it serves to explain how unions reach decisions and why they follow particular policies. This paper presents in cursory form the basic links between structure and policy in the Teamsters Union.[1]

I

From the very beginning, the national teamsters union consisted of a group of relatively autonomous locals. In 1898, a number of leaders representing locals mainly in the Midwest sought and received help from Samuel Gompers in setting up an international union of teamsters. The following year, the American Federation of Labor chartered this organization as the Team Drivers International Union. But bitter factionalism broke out almost immediately and a secession movement that split the union took place. In 1903, when the breach had been healed, the AFL gave the charter granting jurisdiction over drivers to the reconstituted union—the International Brotherhood of Teamsters. Since then, in a series of changes, the name of the union has been expanded to International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America (IBT).

Prior to the turn of the century, the typical local union of teamsters included drivers of all kinds of wagons. But at about that time, particularly in Chicago which was then the locale in the forefront of efforts to unionize teamsters, the craft type of structural unit became dominant. It was recognized there that even in the same city, drivers employed in one industry in some instances had little in common with those working in another, except that they all used horses and streets.[2] Methods of wage payment, hours, and discipline quite

[1] This paper extends and amplifies some of the material which appears in my book—*The Teamsters Union; A Study of Its Economic Impact* (Bookman Associates, 1957).

[2] John R. Commons, "Types of American Labor Organization—The Teamsters of Chicago," *Quarterly Journal of Economics,* May 1905, p. 401.

frequently were different.

Mixed locals of drivers have continued to function in those places where union membership is too small to permit occupational breakdowns. But when separate locals based on craft were established in one geographical area, the international constitution from the outset provided for joint councils. Such councils, which were prescribed in every city having two or more (now, three or more) locals of teamsters, were assigned the duty of considering and acting upon matters involving strikes, lockouts, boycotts, and lawsuits of their constituent units.

For many years the jurisdiction claimed by the international was limited strictly to drivers; and the degree of control exercised by the general officers over locals was nominal. Although the constitution of the union might be construed by those reading it to have assigned a substantial amount of authority to the president and general executive board, such an interpretation would not be a realistic appraisal of the situation in effect. Except for cases in which locals expected financial assistance from the international for members out on strike and instances where rival or dual unionism was involved, the president of the IBT rarely showed interest in local activities. Indeed, the international officers were not able to do otherwise. Daniel J. Tobin, who held the office of president from 1907 to 1952, had a headquarters staff of only two persons during most of that period. Moreover, he was primarily preoccupied with consolidating and maintaining his hold on the presidency and gaining some personal recognition from other labor leaders rather than intervening in local affairs. At the same time, locals were not ordinarily willing to call upon Tobin for assistance or look to the national organization for advice.

The Teamsters Union was under very little internal or external pressure to reduce the autonomy of its locals or centralize its affairs. Union members were engaged in work which was, almost without exception, of a local nature. They delivered goods by horse and wagon from merchant to consumer or from one business establishment to another. Intermingling among working teamsters from different communities was rare, and wage scales or hours-of-work schedules for comparable workers in different towns were relatively independent of one another. Even bargaining arrangements made by different teaming crafts in each city varied considerably.

II

Modification in the structure of the Teamsters Union resulted mainly from two factors—the drive by some leaders in the union for more power and the remarkable development of the motor truck as a means of transporting freight in the United States. Although local leaders did not show any disposition to challenge Tobin for control of the international after 1910, until Beck undertook to do so in the late 1930's, many of them did strive to augment their power in the locality where they operated by conducting vigorous organizational campaigns. The expanding jurisdiction of the IBT, which was an outgrowth of this behavior, became marked in 1918 when the union made claims for control over all dairy workers. But growth has persisted relentlessly over the years and has enabled many local leaders to find outlets for their excess energy. The explanation offered by the union on many of the occasions when it was engaged in extending its domain, however, has been that such action is necessary to protect and strengthen the position of workers already organized. Though the growth of jurisdiction did not by itself bring about a change in the structure of the Teamsters Union, it did bear on the complexity of the problems arising in the union and the eventual form of structure which emerged.

The use of over-the-road or intercity trucking as a basic means of shipping goods began during the First World War, but did not assume major importance until the fourth decade of this century. This development, however, was not only responsible for new patterns of transportation but caused drastic alterations in the structure of the Teamsters Union. An increase in the number of over-the-road drivers made it urgent that the union organize them so as to solve the competitive problems which they introduced. These drivers often had to remain within a town until an intercity freight load was ready for them. During this period, many of them had no compunction about cutting rates and taking local work away from unionized men. They served also as the medium through which teamsters in widely separated places compared and contrasted wages, hours, and working conditions in different cities.

In 1934, leaders of Minneapolis Local 574, members of the Socialist Workers Party, first began to organize over-the-road drivers systematically. They accomplished the task by requiring all drivers coming into Minneapolis terminals controlled by the local to be union members. Gradually, the strategic position of the local grew in the

Midwest. It then set up the District Drivers Council to coordinate the work of those teamster locals in the region affected by intercity operations and bring workers other than drivers into the union. In 1938, the council achieved a uniform contract for over-the-road drivers. But the heads of Local 574 were ejected from the IBT several years later as a result of a power struggle with Tobin. At about the same time, they became involved with the federal government for violation of the Smith Act of 1940.

On the West Coast, Dave Beck was able to establish his hegemony over the entire region. Here too, the growth of intercity trucking was an underlying cause of his success. In the mid-1930's, despite the existence of joint councils, there was little coordination of activities of locals in the same city and rare cooperation among locals in different cities. In 1937, Beck was strong enough, despite intense opposition by Tobin, to set up the Western Conference of Teamsters in the eleven western states and Canadian province of British Columbia. The ostensible intent of the conference, which consisted of representatives from the joint councils and locals in the region, was to function as a voluntary and advisory body. But, in reality, it was used to combine some of the financial resources available and integrate the efforts of numerous organizers in an attempt to increase union membership and improve contract terms. Although conferences were not recognized by the constitution of the IBT until 1947, Beck was in undisputed control of the West Coast from the time he formed the western conference.

The southern conference, which has thus far not been particularly effective in organizing the South, was created in 1943 by the amalgamation of the southwest over-the-road and general teamsters council and the southeast teamsters council. The other two conferences, the central states and the eastern, were set up in 1953 during the first year of Beck's administration as president of the international union. The work of each conference is directed by a chairman, appointed by the general president from among the vice presidents and international organizers, and an executive board or policy committee elected from the locals and joint councils involved. Trade divisions within each conference are based on the different types of work performed by union members in the region. They include units such as bakery, over-the-road or freight, general hauling, shipbuilding and water front, warehouse, cannery and frozen foods, laundry and dry cleaning, brewery and soft drinks, taxicab, and local cartage. In a number of cases, es-

pecially in the Midwest, state conferences have been established to deal with more localized trucking problems, such as the supervision of welfare funds for intracity drivers.

There has been a slow but continuing increase in the influence and power exercised by the conferences. As uniform contracts become more prevalent over larger geographical areas, the conferences assume a more vital role in negotiating and enforcing provisions in the agreements. The trend is clearly in the direction of increasing their strength at the expense of the joint councils and locals. One of the more significant achievements of the past decade, made possible by the establishment of conferences, has been the negotiation of a local cartage agreement in the central states covering almost all drivers working for common and contract carriers in short-run hauling of freight. This contract provides uniform working conditions in the entire region.

During the past few years, the structure of the union has been further modified by the creation of national trade divisions. These units are chartered by the international for a broader geographical area than is assigned the trade divisions within the conferences. Apparatus is thereby available for simultaneous national bargaining with all employers of teamsters engaged in the same craft or with a company having establishments spread over the entire country. Such negotiations, for example, have been carried on for several years with Montgomery Ward and Company. Although there has been evidence of conflicts in authority between the conferences and the national trade divisions, it appears that in most cases involving disputes the conferences will wield power over the locals and the trade divisions will normally do no more than correlate the relevant union work of the different regions on an advisory basis.

III

The convention of the international union, which is the supreme governing body, meets every five years to elect officers and decide all matters submitted for its consideration. The repository of power between conventions is the general executive board which consists of two administrative officers—the general president and general secretary-treasurer—and eleven vice presidents. Considerable power is vested constitutionally in the general president, however. In emergency situations which he deems "imminently dangerous to the welfare" of the union he has authority to assume original jurisdiction in

conducting the trial of a member, officer, local, joint council, or other unit in the union. He may appoint trustees to supervise joint councils or locals, if he thinks such action necessary. (Trustees have the power to select and remove officers and conduct the business of the subordinate body over which they have been placed.) The president appoints and removes international organizers, decides whether members involved in strikes and lockouts are entitled to benefits, approves bylaws of locals and other subdivisions, and validates contracts negotiated in the union.

Unquestionably the Teamsters Union would be highly centralized if the powers delegated to the general president were exercised by him to their full extent. But his actions and decisions have been affected by the attitude of subordinate officials and the knowledge that court intervention in union affairs is a distinct possibility under certain conditions. Most important, however, in tempering presidential intervention has been recognition of the fact that the general executive board, to which his decisions may be appealed, has almost invariably favored local autonomy. Members of the board are usually local officers and draw their strength from that connection.

The appointment of trustees has to a limited extent helped centralize union control. The power was first given to the president in 1908 in order to permit him more effectively to fight the secession movements which were then plaguing the Teamsters Union. Although the IBT has a relatively large number of locals under trusteeship, they are ordinarily set up by the president with the consent and frequently under the supervision of the member of the general executive board in the region. Only in rare cases has the union been estopped from using this procedure by court action. In the early part of 1957, 108 locals out of 876, or more than 12 per cent, were subject to trusteeship; of these, 27 were under such control for more than five years. The trusteeship problem is one of the few subjects about which Beck was willing to talk before the McClellan committee. He pointed out that though trustees were used by almost all the large unions, they had been imposed on a greater percentage of teamster locals because the IBT negotiated with many thousands of employers, was comprised of relatively unskilled workers, and was engaged in special types of operations.[8] Beck declared that stricter supervision therefore was some-

[8] *Investigation of Improper Activities in the Labor or Management Field,* Hearings before the Select Committee on Improper Activities in the Labor or Management Field, Senate, 85th Congress, 1st Session, 1957, pp. 2392-2395.

times necessary in order to prevent and forestall actions which would unduly burden workers and the public.

In practice, the provision requiring the president to approve contracts is inoperative. The union has conceded that it is not even aware how many collective bargaining agreements its locals have negotiated.[4] The president undoubtedly would create internal dissension by exercising a power which was always available to him but which he did not use in the past. Local autonomy and historical prerogatives are still jealously guarded.

Tobin was reelected unanimously as president of the union each time he ran for office. But although subsequent to 1935 he was probably the most influential member of the executive council of the AFL, Tobin was a relatively weak union chief executive. He did not always have a clear notion regarding the extent of power to be wielded by the international nor the degree of centralization to be pursued. Tobin made many unsuccessful attempts to induce representatives gathered at conventions of the Teamsters Union to diminish local autonomy or grant the international more control over union finances. It has been indicated already, however, that Tobin did not always encourage centralization in the IBT. In fact, he fought hard against the establishment of the conference for fear that greater integration of union affairs and policy would make it easier for potential rivals to emerge in the union.

IV

Beck began his regime in 1952 with a record of having substantially consolidated and centralized the work of the IBT on the West Coast. He planned to gather more power in his own hands than had been held by Tobin by fostering policies intended to integrate local affairs and curtail local autonomy. He therefore completed the task of dividing the United States into conference areas during his first year in office. But his hopes of shifting some of the authority flowing to the conference into the international office were not fulfilled.

Beck also devoted himself to extirpate the more notorious cases of racketeering in the union. He undertook to achieve this end by appointing trustees in instances where wrongdoing by union officers had been publicly exposed and by trying to gain some administrative

[4] *Senate Report 1734*, 84th Congress, 2nd Session, 1956, p. 127 (Welfare and Pension Plans Investigation).

control for the international over the welfare and pension funds negotiated by its subdivisions. A turning point was reached in Dave Beck's career, however, when the New York State Supreme Court, at the beginning of 1954, set aside his trusteeship appointment in Binghamton[5] and when the general executive board of the Teamsters Union, at about the same time, refused to authorize any international supervision over welfare and pension funds without a constitutional amendment permitting such action. Beck felt that his drive to increase centralization had been effectively arrested, and he made almost no effort in that direction thereafter. It is not necessary to condone some of Beck's own activities during his tenure as an officer of the union in order to conclude that greater centralization would have tended to reduce the incidence of corruption and racketeering in the IBT.

Although the Teamsters Union is more centralized today both with regard to structure and policy than it has ever been in the past, local autonomy, particularly in some of the larger metropolitan areas, is still pronounced. Further structural evolution, however, seems destined to complete the process of integration in a short time. It will come about mainly as a result of the market structures in which the union operates and the efforts by some of the leaders to achieve greater centralization—efforts which do not meet serious resistance from the rank and file. Today too, the enlarged jurisdiction and huge membership of the IBT open the door to the emergence of a general labor union if those heading the organization feel that goal to be desirable. For these reasons, among others, it appears quite possible for the Teamsters Union to remain at odds with the AFL-CIO and even independent of it without much fear of sustaining effective internal or external disruption.[6]

[5] *New York Times,* February 26, 1954, p. 42:2.

[6] This paper, delivered at the beginning of September, 1957, has not been modified in any way. Since then, however, there have been several significant developments which should be added. The Teamsters Union held its quinquennial convention during the week beginning September 30, 1957. At the end of October, the IBT was suspended by the executive council of the AFL-CIO and, at the beginning of December, it was expelled as an affiliated union by the convention of the federation.

The IBT convention approved several constitutional changes which remain ineffective pending court determination as to the validity of the proceedings. These alterations include provisions for an increase in the number of vice presidents from eleven to thirteen; greater authority to the conferences to establish bargaining policy; and union hearings at the time that trusteeships are set up by the general president.

THE DEVELOPMENT OF THE INTERNATIONAL PRINTING PRESSMEN AND ASSISTANTS' UNION

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I welcome this opportunity to tell something of the International Printing Pressmen and Assistants' Union of North America, now the largest of the five unions that form the International Allied Printing Trades Association. Today's membership tops 100,000, and the curve shows a sharply upward trend. The other four are the Compositors, the Bookbinders, the Photoengravers, and the Stereotypers and Electrotypers. A sixth active group is that of the Lithographers, which has not been admitted into the Allied Printing Trades Association.

A hundred years ago there was only one printing union of national scope in this country. That was the International Typographical Union. In 1889 the Pressmen led the march out of the parent organization, soon followed by the other crafts; and in these sixty-eight years the Pressmen's International has grown from thirteen locals to some 750, each of which sent delegates to last year's convention at International Union expense.

Changing technology in presswork was largely responsible for the emergence of the Pressmen as a craft organization. Now, owing again to technological developments, industrial groups have been acquired to include pressmen and assistants and allied workers in three different printing processes instead of one. Pressmen struggled hard and long to gain independence from the ITU. Today a new contest between Pressmen and Compositors spearheads jurisdictional disputes throughout the graphic arts industry.

The development of the Pressmen's Union can be only selectively sketched in the time available this morning. But one generalization seems pertinent at the outset. That is that this organization is almost unknown outside of the industry and, most unfortunately for both the Union and students of industrial relations, the publicity which it has received has been largely concerned with the unquestionable frailties of its longest time President, George L. Berry, which were aired in the courts and before a Congressional committee a few years ago.

I say unfortunately because, while those facts have a definite place in the history, they have so cloaked enduring achievements that the layman has no knowledge of the nature of this Union, nor of the status as a labor organization which it has earned.

It is pertinent, therefore, to glance as far back as 1816 when a little band of Philadelphia Pressmen took its stand against strikes as a means of increasing their wages. From a mass meeting word went out to local employers that pressmen intended "to avoid as far as possible those inconveniences and altercations. . . which invariably arise out of an imperfect understanding." Seventy years later the Union's founding fathers adopted an official emblem whose motto—*Confide Recte Agens*—translates into the phrase: "Have Confidence When Acting Rightly." In 1947 President Berry declared: "There is a community of interest between investor, management and labor, therefore we have tried to the best of our ability to make industry prosperous."

I realize that what I am saying is high praise for a labor union, and I have probed the records in search of the mainsprings aside from that of perpetual technological change. I found a clue in the position taken by Theodore L. De Vinne, who is known as the "scholar printer" of the nineteenth century. De Vinne held that presswork was the profitable branch of the business. "Upon the pressman, more than any other workman, depends the credit of your office," he counseled, adding that "Clean presswork hides a multitude of sins of composition."

The remarks highlight the fact that ever since presswork was separated from typesetting the pressroom has been the proving ground of the print shop, the place where errors and defects come to light, variables that could not have been foreseen after all had done their best. Hence the most experienced press craftsman is never free from the possibility of low production, or of serious faults in the finished product, which he may be called on the carpet to explain. The very nature of pressmen's work, therefore, seems to have fostered a modesty and humility, along with long suffering, that tend to save them from arrogance in favor of what they term "considered reasonableness."

This is not to imply that Pressmen have done no wrong in the eyes of their employers. There have long been complaints against local union insistence on unduly high wages for the less skilled brothers, on overfull press crews, on excessively long apprenticeship

periods. But at the same time the International has so instilled the principle of arbitration into its members that practically every point of difference with employers can be settled without a strike.

With but one interruption since 1902 the Pressmen and the American Newspaper Publishers have governed their relations under arbitration agreements; and for the last thirty-five years the Pressmen have been the only International Union to hold such agreements. Since Printing Industry of America with its Union Employers Section came into being in 1945, arbitration pacts in the commercial branch of the industry have run more or less parallel to those with the Publishers. In addition, Pressmen have an agreement with UES on standards for apprentices which is bearing fruit.

The Pressmen passed their law in 1898 that required foremen to be union members; and under the Wagner Act the National Labor Relations Board honored the decree by including all front-line supervisors in units appropriate for collective bargaining. Under the Taft-Hartley Act the Union altered its clause on the foreman to read that he "may be" instead of he "shall be" a union member; but the union shop and the union foreman have remained. The IPP&AU has vehemently protested the Taft-Hartley law. Nevertheless, the theory has been that until it is repealed it should be obeyed.

What of the collective bargaining tactics of the Pressmen's Union? Knowing something of this, I was not surprised to find that the Pressmen took the leading role in Case No. 7 of the series on *The Causes of Industrial Peace*. This was the case of "Nashua Gummed and Coated Paper Company and Seven AFL Unions," submitted by Myers and Shultz. It was in 1934 that the Pressmen converted that New Hampshire company from nonunionism to unionism, and today's word is that relations among the several unions and with management continue friendly.

Local pressmen's unions have always enjoyed bargaining autonomy, but in recent years they have been urged to use standard contract forms which include eleven minimum demands that reach all the way from arbitration and press manning to union jurisdiction. As yet there is said to be no scientific means of standardizing complements of men on the presses because of the many variables involved, such as length of run and size of plant. In specific cases it is sometimes the decision of an arbitrator that determines the size of the press crew, and such decisions tend to advance standardization.

Since 1940 a well-equipped Service Bureau has kept the local

unions up to date on all new contracts. The Bureau also guides the locals throughout their contract negotiations—from the prenegotiation letter that reminds them of the obligation under Taft-Hartley to send written notice to management offering to negotiate, to the time when the International President underwrites each agreement and the local union secretary distributes copies to all parties concerned.

* * * *

A summary of the development of the Pressmen's Union would be wanting indeed if it omitted mention of internal conflicts which technology has imposed. For example, when the great web rotary presses were installed in the 1890s, first for newspapers, then for magazines and books, a multiplication of helpers were employed to assist in their operation. These, combined with all the other juniors—job pressmen, pressfeeders, and assistants—vied with their seniors for toe-holds in the webroom. And the fact that they soon composed a third of the total international membership forced reluctant pressmen to listen to their pleas. Meanwhile the webpressmen developed a consciousness of kind that prompted demands for separate charters; and confusion was compounded by the arrival of a mixture of remaining ITU pressworkers.

The political, economic, and social turmoil which ensued from all this might well have destroyed the young Union had it not been for strong and exceedingly patient leadership, supported by traditions that made for cohesion. Hence a persistent secession movement on the part of the juniors was forestalled by elevating them to a place in the International name. Other disaffections have been met by various methods which seem to have contributed to the Union's maturing process; until today, when cohesion is perhaps more imperative than ever, President Dunwody declares that the IPP&AU "is a union of no faction, it is a union of no member; it is, therefore, a union of all members. . . . We have sought in our way," he continues, "to restore confidence in [union-management relations]. Our creed . . . is more than a motto. It is a standard of performance.

* * * *

The major twentieth century developments which impelled the Pressmen to modify their craft pattern were the introduction of offset-lithography since 1906, with its camera system, and of specialty printing since the 1930s. Both innovations have offered stiff competition at times to established commercial plants.

It was in 1913 that a small group of organized lithographers car-

ried a complaint to the American Federation of Labor against the teaching of offset printing at the Pressmen's Technical Trade School. They contended that the new process was modern lithography; while George Berry held that it was but a further advance in the art of printing, and that all printing except that from stone was the province of his Union.

This controversey studded the proceedings of almost every AFL convention up to the depression decade. When it was resumed, the Federation acted upon a committee report made in 1916 which recommended award of offset printers to the Pressmen and offset platemakers to the Photoengravers. This prompted the Amalgamated Lithographers of America to leave the AFL and join the CIO. While the National Labor Relations Board has since given support to the Pressmen in a number of offset disputes. it refused to honor the Federation's award on the ground that failure to enforce it for three decades indicated that it had "lost the stature of an adjudication demanding respect . . . [and] was not calculated to achieve industrial peace."

Although a craft-oriented union, many ALA members are in the general category of what in the thirties President Charles Howard of the Typographical Union called "composite mechanics"; and the Pressmen sided with Howard on behalf of industrial organization where technological developments so dictated. Hence, when the Lithographers left the AFL, some of their members joined those already in the Pressmen's Union; and before long the IPP&AU adapted its apprentice requirements to enable offset pressmen to enjoy journeyman status on a plane with letterpressmen.

During the war period offset printing burgeoned, and more and more concerns with which the Union had long-established contractual relations became combination letterpress and offset plants. This and other developments led the Pressmen to decide that to hold their position, as well as to advance, they must include offset platemaking in their declared jurisdiction. More recently the ITU has entered this arena, and today's jurisdictional clash between Pressmen and Compositors is in some ways more serious than that out of which the Pressmen originally emerged as an International Union.

As for the specialty printing innovation, it is clear that the Pressmen's espousal of industrial unionism in the thirties sprang not only from the will to keep a step ahead of the Lithographers, but from the conviction that they must organize specialty workers.

In a word, specialty printing deals mainly with paper products where printing is supplementary to the product, such as cartons and supermarket packaged goods. A majority of the workers are at most semi-skilled, some forty percent being women. There are some highly skilled workmen in the crews, however, which of course include the pressmen who used to be known as the "forgotten pressmen." Under the Globe Doctrine of 1937 the National Labor Relations Board permitted the pressmen to be carved out as separate units. This enabled the IPP&AU to organize nearly all pressrooms in New York City paper-box factories. Then came the Brotherhood of Pulp and Sulphite Workers bidding all employees to form single units in these plants, and the pressmen chose to join them to strengthen their bargaining power.

Loss of those paper-box printers stimulated the Pressmen to redirect their strategy. They must begin to think of the industry as a whole. Technological advances had already prompted them to organize ink workers, roller workers, and paper handlers. Now it must be the specialty workers.

The Pressmen chartered their first specialities union in San Francisco in 1934. By 1948, IPP&AU membership had soared from 50,000 to 80,000, and the speciality unions were invited to elect a vice-president who would represent them on the International Board of Directors. In 1950 publication of a second official organ began—*The Specialty Worker.*

We have said that the Pressmen's Union is now on the way toward its second hundred thousand members despite the disputes over jurisdiction. But organizing costs are high. The President has noted that there are now some sixteen international unions which have printing pressmen and assistants and allied workers in their ranks; and that the estimated cost of collecting or retaining members in a labor union today is nearly $40.00 per person. Up to the middle of October of last year, the Compositors and the Lithographers were the only major graphic arts unions which had failed to sign the AFL-CIO no-raiding agreement. President Dunwody uses Witt Bowden's phrase—"dynamic adaptability"—to describe the nature of the action which the International Pressmen's Union must take.

* * * *

I should add in closing that the sources for the intensive study from which this sketch has been taken have been chiefly trade union records. Employers' records were scarce; but this handicap was partly

overcome by long talks with representatives of several employers' organizations. Three weeks were spent at the Tennessee headquarters of the International Union where everything requested was supplied with no strings whatsoever attached. The Associate Editor of *The American Pressmen,* who is also the Union's Public Relations Director, read the entire manuscript of the book, as also did three employing printers' representatives. From both quarters I received comment which helped very much in the effort to turn out what I hope will be a useful document.

MARITIME LABOR ECONOMICS AS A DETERMINANT OF THE STRUCTURE AND POLICY OF SEAMEN'S UNIONS

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It is a truism that any organization is normally an outgrowth of and reaction to certain problems and objectives of its members; but seamen's unions represent a particularly apt illustration of this general proposition because of the many peculiar and unique occupational characteristics of the merchant marine. Seafaring is something more than just another kind of job: it is a separate and distinct way of life, encrusted with centuries of custom and tradition and differing markedly, in many respects, from the life of the ordinary worker ashore. Merchant seamen and shoreside employees have much in common, of course, as do workers and human beings everywhere; but some basic and significant aspects of their jobs and lives are so far apart as to merit special attention.

This brief research report will deal chiefly with the differences rather than the similarities between the two groups—partly because the similarities are relatively well-known, owing to the fact that the overwhelming proportion of the whole field of industrial relations is concerned with the problems of shoreside labor; and partly because sharp limitations of time make it impossible to do more than to present a very hasty survey, amounting to little more than a mere listing, of the characteristic aspects of maritime labor economics.

Parenthetically, it should be noted that the merchant marine, in terms of manpower, is a relatively small industry. Very seldom, and then only for comparatively short periods, has the number of American merchant seamen actually at work risen above one hundred thousand. On the other hand, a ship, the tool or vehicle operated by seamen, represents one of the largest, most costly, and most complicated pieces of mechanism ever devised by man. Furthermore, sizeable foreign-going vessels, as distinct from smaller craft, cannot be mass-produced. Instead, each ship is a separate entity, with its own characteristic differences in performance and behavior—so much so that for centuries, through the eras of both sail and steam, seamen have attributed to their vessels qualities of individuality, personality and character, and have often developed feelings toward them which

can only be described as deep affection. It is difficult, if not impossible, to find any parallel relationship existing in shoreside industry.

In sharp contrast to these qualities of appeal and affection, however, stand certain other psychological aspects of seafaring and a long historical record of abuses, hatreds, and exploitation in connection with the personnel policies (or lack thereof) of the shipping industry. The nature of a seaman's work inevitably dominates his entire pattern of life, both on and off the job. He must be away from home throughout the major portion of his working lifetime, but for periods which are often irregular, unpredictable, and timed with no relation to his personal needs or those of his family. When he is at home between voyages he is on vacation or unemployed, with resulting problems which are both psychological and financial, and which hinder or prohibit the ordinary satisfactions of a normal home life.

Work and life at sea present a shifting combination of factors including hardship, danger, monotony, boredom, uncertainty, confined quarters, limited companionship, regimented discipline, health hazards, adventure, and an understandable desire for a "celebration" upon stepping ashore which has been one of the identifying earmarks of the seaman for centuries. Because his ship is necessarily a temporary home as well as a workplace, housekeeping items play a prominent part in a seaman's life, in his union contracts, and in his protective legislation. Both laws and collective bargaining agreements are generously sprinkled with requirements regarding quality and variety of food, size and division of living quarters, laundry and toilet facilities, amount and type of bedding, refrigeration, ventilation, recreational equipment, and other matters relating to comfort, privacy or safety.

Personnel policies and human relationships also occupy an unusually important place in shipboard life, owing to the combination of cramped space, unvarying routine, discipline at close range (and therefore often personal rather than impersonal), and inability for long periods to find the slightest change of scene or of companionship. Viewed from the standpoint of historical perspective, it is a far cry from the brutal discipline, the "bucko mates," the coffin-ships, the crimps, "land-sharks" and "blood-money," and the incredible forecastles of the nineteenth-century sailing-ships to the Plimsoll Marks, the elaborate safety requirements, the collective bargaining agreements, the ship's delegates, and the decent living quarters and good food of the more advanced merchant marines of today; but in the United States, at least, the occupational memory of the earlier abuses

and hardships has left a psychological legacy of sail to steam which has by no means been forgotten, erased or reversed.

Speaking broadly, and making due allowance for certain exceptional periods such as the past decade, it seems fair to say that American maritime labor relations have been characterized by turbulence, frictions, tensions, sharp divisions, intense rivalries, violent hatreds, and occasional spectacular upheavals. Responsibility for this stormy and tempestuous record must be divided between management and labor both when they were bargaining collectively and when they were not, and must be attributed in large degree to habits of thought, memories, and practices carried over from the past as well as to divisions between the parties on each side of the bargaining table.

With these divisions traceable to the widely separated coasts of the United States; to the shipboard structural organization into licensed and unlicensed personnel and into deck, engineroom and stewards' departments; and later to the cleavages between A.F.L., C.I.O. and independent unions, it is no wonder that the shipping industry came to be a striking example of rival, dual and fragmented unionism, as well as of divided and fragmented employers' groups. Union rivalries, based upon ideological, geographical or jurisdictional grounds, became particularly acute, and led to a steady flow of charges and counter-charges and to much internecine warfare.

Other peculiarities and special features of seagoing labor are legion. By the very nature of his calling the merchant seaman is inevitably an internationalist, a constant traveler, a "man of the world" and of broad horizons in the literal if not the figurative sense. His major interests and problems are national or international rather than local in scope, and in many respects his organizations clearly reflect this fact. Seamen's unions have no locals, because local unions, often the backbone of shoreside labor groups, would be functionally meaningless and structurally awkward for seamen. The men who attend a union meeting in Baltimore or Boston today will be scattered over the seven seas, or in port in San Francisco or Capetown or Antwerp or Sydney, when the next meeting is held, and their places will be taken by others who happen to be in port on that day. A surprisingly large number of seamen come from inland areas, and visit their homes between trips when possible. Consequently there are branches of the national union, with facilities available to any member when and if he is on hand, rather than locals, in every port of consequence. Important union votes are taken by mail, with several weeks or

months allowed for the double task of distributing the ballots and of mailing them back from the far corners of the earth.

Further evidence of the international character of seamen's affairs is found in the fact that the International Labor Organization has become the outstanding clearing-house and focal center for maritime labor information and discussion, with seafarers singled out as the one working-class group whose problems are so specialized and peculiar as to warrant separate and distinct International (Maritime) Conferences. It is by no means accidental, either, that the International Transport-workers' Federation, with seamen as one of its major constituent groups, is by far the largest and most powerful of the International Trade Secretariats; or that one of its most spectacular activities is the enforcement of an international boycott against "runaway ships" which transfer their registry from relatively high-standard countries to such maritime nonentities as Panama or Honduras in order to take advantage of abnormally low labor, safety or tax codes.

In the field of national affairs, too, the merchant seaman occupies a strategic and at times vital position. Successful prosecution of either World War I or II would have been unthinkable without him, and he figures prominently in such varied fields as naval strategy, diplomacy, national defense, ship subsidies, international trade and international competition. Whether or not trade follows the flag, he is closely associated with both.

Such immersion in matters of public policy has resulted in another characteristic of the seaman's work and life, namely, that he must learn to live with and under a vast array of legislative requirements and prohibitions, administrative regulations, international conventions, treaty provisions, and legalisms and controls of all kinds, emanating from consular officers, foreign governments, ships' agents, trade union contracts, seamen's institutes, and a long list of government agencies, from the Coast Guard to the State Department and the Public Health Service. Few if any other occupations are so encumbered with red tape and "paper work," or so directly answerable to Congressional pronouncements ranging from the disciplinary and punitive to the paternalistic and protective. One result of all this has been the recent development by the larger seamen's unions of "personal service" departments, where members can secure free, expert and sympathetic advice and guidance in threading their way through the maze of legal rights and prohibitions affecting them and their families.

Two other fields of peculiar significance to seamen are those of discipline and of health. Partly due to custom but mainly to obvious and admitted necessity, a ship at sea requires a disciplinary organization which bears many similarities to those of the military services. The authority of the master is supreme, both under ordinary circumstances and in emergencies which threaten the safety of the vessel or its cargo, passengers or crew, and the master alone has the right to decide when an emergency exists. One interesting corollary of this power, from a trade union standpoint, is the fact that no overtime is paid for work performed during emergencies; but the traditions of the sea and the common-sense argument of self-preservation are such that this provision has seldom, if ever, been seriously challenged.

In certain respects union contracts now provide for carrying crew grievances through the ship's delegate to the proper officer or the master; but while minor "gripes" may be settled at sea, major issues are usually postponed until the end of the voyage, when they are presented to a joint union-management port committee for settlement or arbitration. In general, the grievance machinery of seamen's unions is necessarily more limited and slow-moving than that of many shoreside unions. An order at sea, as in the military services, is to be obeyed, not argued over. It should be added, though, that in some circles it is believed that union influence on shipboard has reached the point where it is a threat to effective discipline.

Perhaps the most vital aspect of the seamen's pseudo-military status, however, was that of desertion. For each separate voyage a seaman signs a document known as the articles of agreement, in which he agrees, among other things, to complete the voyage from and to certain ports. In other words, he "enlists" for the trip on that particular vessel. Up until the passage of the La Follette Seamen's Act in 1915 he was held to be guilty of desertion, in the full-fledged military sense of the term, if he left his vessel before the end of the voyage, and was subject to arrest, fine and imprisonment if apprehended. Thus the shoreside worker's right to leave his job at any time, with or without reason, was denied him along with the ability to go on strike, except in the limited sense of refusing to sign on for a new job, as distinct from temporarily staying away from an existing job. The most strategic provisions of the Seamen's Act, to which Andrew Furuseth devoted most of his life, were to change this legal status by allowing seamen to leave their vessels in any safe port, without being guilty of desertion, and to demand half of the wages then due them. Although

the effects of this Act fell short of the far-reaching results predicted and expected, it is perhaps not wholly unjustifiable to regard these twin provisions, as Furuseth did, as the keystone of all subsequent American seamen's legislation.

As for the complementary fields of health and medical care, again the merchant seaman occupies an unusual position. Seafaring has long ranked with mining as one of the most dangerous occupations in the world, both in terms of accident and of disease. Numerous major causes, ranging from storms and exposure to sudden changes of climate and unsanitary conditions in foreign ports, serve to explain why the average seaman spends an uncommonly large proportion of his working lifetime in hospitals and in various stages of convalescence. Coupled with the fact that he is typically away from home when requiring medical attention, this high incidence of accident and disease obviously demanded special consideration. Consequently Congress long ago provided for a chain of special Marine Hospitals (now incorporated into the Public Health Service) in which seamen were entitled to "maintenance and cure" at government expense.

Within the immediate past the larger seamen's unions have supplemented this free hospital care with substantial employer-financed health and welfare funds, through which their members are entitled to relatively familiar additional medical and welfare services for themselves as well as their families. Since many seamen change employers, however, with each voyage, and may have several different employers per year and an indefinite number over a longer period, it was necessary to set up a central pool which collects contributions from all ship operators having contracts with the union and pays out benefits to all union members, regardless of individual employer-employee relationships.

Last but by no means least in this heavily condensed list of seagoing labor characteristics are the related items of employment opportunities and of earnings. A seaman does not have a job, in the ordinary shoreside sense of that term. Instead, he has an irregular, uncertain and unpredictable series of jobs, depending upon what vessels happen to be in port at the time he wants to ship out. Inevitably there is a large element of pure chance in his employment record. On any given day in any given port there may be no vessels hiring at all; or there may be some openings available, but none at his rating—fireman, ordinary seaman, steward, second cook, or whatnot; or he may sign on for a short trip and just miss a vessel sailing for Sydney

and Fremantle which will be gone for several months. With these chronic uncertainties added to the sensitive employment fluctuations in the shipping industry and the need for rest and recreation ashore between trips, it is readily understandable that seafaring is characterized by serious occupational underemployment as well as unemployment, and that the average seaman seldom works more than eight to ten months per year.

These same factors, too, serve to explain why seamen are so insistent upon retaining the hiring-hall, with its basic concept of hiring in strict rotation by ratings. In earlier periods of weak unions or no unions, hiring crews was a hit-or-miss affair in which the individual applicant too often became the victim of petty bribery, gross favoritism, discrimination, personal prejudices, or pure luck. Now, on the other hand, his name is listed chronologically, by ratings, and his job opportunity is the result of straight rotation. There is still, inevitably, a large element of chance; but its subjective elements have been reduced to a minimum, and seamen have served notice repeatedly that they will fight to the limit to keep the hiring-hall.

For the present, at least, this institution has succeeded in avoiding the closed-shop prohibition of the Taft-Hartley Act by substituting seniority for union membership as the basis for hiring. Under recent conditions, for all practical purposes, the two are virtually synonymous, so that the hiring-hall is operating without serious interference; but there is a widespread feeling, outside as well as inside union ranks, that before long it may be necessary to amend the Taft-Hartley Act in order to exempt maritime labor from the closed-shop clause, which may well have never been aimed at seafaring in the first place.

Finally, just as a seaman does not have an ordinary job, neither does he have a regular pay-day. Formally, he is paid only once at the end of each voyage, which is usually a matter of several weeks to several months; and not only are his pay-days thus infrequent and irregularly spaced, but no two of them call for the same amount of money. In fact, his entire earnings, as well as the amount due on any given pay-day, involve a series of debits and credits which often fluctuate widely.

His credits include his base pay, stated in terms of dollars per month; overtime calculated under various specified conditions, both at sea and in port, but reckoned not in terms of percentages but of absolute figures per hour, with variations according to ratings and

base pay schedules; penalty pay, also in terms of dollars and cents per hour, for dirty or dangerous work such as carrying sulphur or explosives; bonus payments, substantial in wartime but less important in peacetime; and occasional miscellaneous items such as a share of salvage money.

Debits may be large or small, both in amount and in number, and vary widely from man to man. Seamen with dependents may, and usually do, provide for a monthly allotment to near relatives of any amount up to ninety per cent of their base pay. They may also buy on credit at the ship's store, or "slop-chest," and have the right to make carefully regulated "draws" of cash for spending-money in ports of call. In addition, there may be fines for "loggings" and other incidental items.

What the seaman actually receives in cash on his pay-day just before leaving a vessel, then, is simply the net balance between these widely assorted debits and credits, accumulated throughout the course of the voyage and seldom if ever the same for any two trips; but the extent of his real earnings, in terms of purchasing power, is subject to even greater variations—for part of his money income has been spent by his family at home and part of it by himself on shipboard and in one or more foreign or domestic ports, each with a different price level. A seaman's pay-day, in truth, is quite different from that of his factory worker cousin ashore!

CONTEMPORARY STRUCTURAL CHANGES IN ORGANIZED LABOR

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The basic preoccupation of organized labor in the United States with the task of collective bargaining has made the national union the locus of power within the labor movement.[1] The changing distribution of job territory among the national unions reflects the continuing search by each union for the kind of structure that would maximize what Perlman and others called "job control." A more customary label today is "bargaining power."

Stephansky, at the end of a perceptive essay on structure sponsored by this Association in 1952, observed:

> It is in the realm of structure. . . where one discerns the labor movement's stubborn rootage in its industrial job terrain, and where one can see most clearly that the development of broader structural forms has not signified an ideological transformation from a will to job control to a will to political power, but has meant the fullfillment of job-conscious unionism in an altered industrial environment.[2]

The "industrial job terrain" continues to change, of course, as well as the total environment in which bargaining takes place. While structural diversity will persist, a significant "central tendency" appears to be emerging. The purpose of this short paper is to suggest, at least as a working hypothesis, the nature of this structural trend, and to outline the factors which seem to be primarily responsible for it.[3]

The structure of organized labor and the difficulties of structural adaptation have been a source of public concern and intervention since the 1930's.[4] To anticipate structural developments with some degree of assurance may thus prove useful both for scholarly motives and as a practical contribution toward the shaping of public policy. It

[1] See Lloyd Ulman, *The rise of the National Union* (Cambridge: Harvard University Press, 1955), Ch. 18.

[2] Ben Stephansky, *"The Structure of the American Labor Movement,"* in *Interpreting the Labor Movement* (IRRA, 1952), p. 69.

[3] This hypothesis is a by-product of current research by the writer on recent jurisdictional developments, in preparation for the 1958 IRRA volume.

[4] Henry H. Albers, "Union Jurisdiction," *Labor Law Journal*, Vol. 4, No. 3, March 1953, pp. 183-195, offers a useful analysis of public policy developments in this area.

should not be assumed that I favor the development which this paper predicts, and no attempt is made here to evaluate its probable consequences.

Space limitations make it impossible to recount the assumptions that are implicit in this paper. I will simply emphasize two of the most obvious: (a) that unions will continue to function chiefly as agencies for collective bargaining; and (b) that no abrupt and drastic change will take place in the legal, economic and social climate in which unions function.

The hypothesis is that, as the years go by, the bulk of organized labor will fall within the jurisdiction of a smaller number of national unions. Each of these large unions (ranging in size, say, from one million to three million members) will be multi-industrial in scope, and will have within its established jurisdiction a wide range of occupational groups.

I will outline the considerations which support this hypothesis under the following headings: (1) the displacement of narrow-based (craft) unions by broader forms; (2) greater craft autonomy within industrial unions; (3) multi-industrial expansion; (4) the favorable consequences of size as such; (5) the process of adjustment.

(1) *Broadening the Narrow Craft Base.* Amalgamation of related crafts has been a basic historical trend in organized labor.[5] The percent of the total number of national unions that falls within the pure craft category was estimated by Stephansky to have declined from 21 in 1915, to 9 in 1939, and to 6 percent in 1951.[6] On a membership basis, the relative decline of the pure craft union has been even greater.

A pure craft union must have a membership that is strategically situated, in the sense that the employer cannot operate without the craft. It must have organized the craft throughout the relevant competitive labor and product market area, so that substitutes are not available to the employer in the event of a strike by the craft. Even when these conditions are met, other factors may encourage a broadening of the membership base.

Among the major causes of amalgamation are: (a) the need to rely on other crafts for strike support (and the corresponding obligation to reciprocate);[7] (b) potential employer use of closely related

[5] Stephansky, *op. cit.*, pp. 44-46.
[6] *Ibid.*
[7] See Ulman, *op. cit.*, pp. 312-325.

crafts as strikebreakers; (c) inter-craft mobility, and the need for its regulation; (d) mechanization of craft operations, and the extension of jurisdiction to cover the new jobs created by the technological development;[8] (e) employer demands for "one bargain" with related crafts; (f) industrial organization to protect a nucleus of skilled workers, which was often provoked by CIO competition with such established AFL unions as the International Association of Machinists and the International Brotherhood of Electrical Workers; and (g) the need to attain a workable or more effective scale of operation. Actual amalgamation is often preceded by informal or formal cooperative arrangements. It may also be encouraged as a defense against competitive multi-craft organizations premised on a broader jurisdictional basis, such as the United Railroad Operating Crafts (Ind.) or the United Construction Workers Division of District 50, United Mine Workers (Ind.). The Departments of the AFL-CIO and the local trade councils are important agencies of craft cooperation.

(2) *More craft autonomy within the industrial union framework.* When the CIO first swept into mass production, its organizing committees and industrial unions gave little thought to potential problems based on a heterogeneous membership. With rare exceptions, the bulk of the craftsmen were unorganized, and there was no shortage of skilled labor in the 1930's. One big union for all—at least, for all production and maintenance workers—was the goal, and it was readily achieved. After 1939, the National Labor Relations Board lent additional support to industrial organization by a refusal to allow small craft groups to break away from established industrial units with a history of successful collective bargaining.[9]

The last decade has witnessed some important changes in the legal and economic climate affecting craft representation. The generally high levels of employment and output and the tight market for many skills has led some groups of craftsmen to wonder whether their inherent bargaining power is being given full recognition within the industrial unit. Differences between "captive" and "jobbing shop" rates, and between "inside" and "outside" rates—formerly "justified" by the less regular earnings of workers in jobbing shops and on construction jobs—stir some discontent. Meanwhile, the Taft-Hartley Act in

[8] Sumner H. Slichter, *Union Policies and Industrial Management* (Washington: Brookings, 1941), Chapter IX ("Technological Change—The Policy of Control").

[9] *American Can Company,* 13 National Labor Relations Board 1252 (1939).

1947 reinforced a craft severance policy toward which the National Labor Relations Board had already begun to turn in 1946.[10] The proportion of total employees represented by unions in many mass production industries began to decline—and sometimes the absolute numbers as well—as technological progress and related developments increased the percent of office, technical and professional employees. Resistant in any event to unionization, these latter groups could certainly not be organized along pure industrial lines.

In this context, many industrial unions have given increasing consideration to craft groups in the course of collective bargaining. More dramatic, perhaps, because of its formal character, was the adoption by the United Automobile Workers at its last convention of constitutional amendments to permit direct craft representation in collective bargaining and in "the negotiation of supplementary agreements dealing with their special problems on which they have the right to act."[11]

Occupationally-oriented groups seeking members among the employees of the large industrial corporations are forcing this kind of structural modification. The Office Employees International Union claims jurisdiction over *all* office employees, and seeks to organize on that basis. Efforts are being made by a number of craft-type organizations to recruit engineers and scientists on an occupational basis. The Society of Skilled Trades and the more recent American Federation of Skilled Crafts hope to make significant incursions into UAW territory when present automobile contracts cease to operate as a representation bar in June 1958. Some of the former AFL unions are not loath to acquire members in industrially situated craft units, although the AFL-CIO No-Raiding Agreement (see below) is limiting such activity so far as the participating unions are concerned.

(3) *Multi-Industrial Expansion.* For a number of reasons, the important "industrial" unions are actually multi-industrial in scope, and this characteristic is going to persist. First, of course, there is the obvious difficulty of defining an industry. As illustrative of this problem, a reference to the examples which have appeared in the arbitration cases arising under the CIO Organizational Disputes Agreement —now being administered by the Industrial Union Department of the AFL-CIO—may be of interest. Out of a total of 33 cases from April

[10] Albers, *op. cit.*, pp. 187-188.
[11] Report of President Walter P. Reuther to the 16th Constitutional Convention, April 7-12, 1957, p. 57.

1952 to date, 23 involved problems of jurisdictional definition. I have grouped them into the following categories:

A. *Input versus Output* (i.e., jurisdiction based on raw materials versus the destination or nature of the output).
   11 cases. *Examples:*
      metal refrigerator cabinets (steel fabrication or furniture components?)
      fiberglass (glass or textile?)
      glass plant making automobile window glass (glass or auto parts?)

B. *Multi-Product Plants* (i.e., the plant makes a number of products which fall into the theoretical jurisdiction of more than one union.).
   3 cases. *Example:*
      plant output includes airplane engines and home appliances.

C. *Border-Line Products.*
   2 cases. *Example:*
      jewelry boxes (jewelry or box industry?)

D. *Single Product in Two Jurisdictions.*
   3 cases. *Examples:*
      packings made of rubber and/or fiber (rubber and textiles)
      curtains (furniture and textiles)

E. *No Established Jurisdiction.*
   1 case. *Example:*
      revolver plant.

F. *Changes in Products.*
   3 Cases. *Examples:*
      formerly automobile radiators, now air conditioning for home use
      jet engine components temporarily; home appliances permanently
      artillery shells temporarily; automobile parts later.

Apart from such difficulties or definition, there is the growing importance of the multi-plant corporation operating in a variety of industries as defined by product categories. Unions typically strive to attain company-wide organization so as to maximize bargaining strength. This makes for multi-industry unionism. Also, the stream

of new raw materials, new processes of manufacture and new products continuously upsets established jurisdictional boundaries. When the same union continues to represent the affected workers, its multi-industrial character is enhanced.

Strategic alliances also promote multi-industry unionism. Many groups, for example, look to the strategically placed Teamsters for support, especially in retail and service industries. As Estey has observed,". . . it is only natural that sooner or later, the strategic groups should determine either to claim for themselves the organization gains which they have made possible or . . . to claim other tribute from their dependents."[12]

Finally, as Somers has noted, "general" or "territorial" unionism may have special advantages in the organization of small establishments geographically situated in areas where the union is already well established: a greater acceptability among the unorganized workers, a greater capacity to restrict the use of strikebreakers, and saving of cost in organizing and servicing locals.[13]

(4) *The Advantages of Bigness.* In many jurisdictions, small national unions can operate with adequate efficiency. Nevertheless, it seems apparent that size *as such* confers some advantages. The large union can more readily allocate resources to organizing the unorganized, to research, to legal counsel, to servicing the membership. Its capacity to assist strikers, whether through strike funds or by assessments on employed members, is likely to be greater. It can attain a better geographic distribution of its facilities. By "getting there first" it has a better chance to recruit and keep new members, especially in jurisdictionally ambiguous situations, and it can organize more persuasively because of its reputation and its capacity to render service. The large union also carries more weight in the labor movement as a whole, which can be important in connection with jurisdictional battles.[14] There can also be disadvantages associated with size.[15] They do not appear to present significant obstacles, however, to the growth in relative importance of the large national union.

(5) *The Process of Structural Adjustment.* Competition and con-

[12] Marten S. Estey, "The Strategic Alliance as a Factor in Union Growth," *Industrial and Labor Relations Review,* Vol. 9, No. 1, October 1955, p. 52.

[13] Gerald G. Somers, "Small Establishments and Chemicals," IRRA *Proceedings,* 1956, pp. 252-254.

[14] For historical confirmation of this point, see Philip Taft, *The A F of L in the Time of Gompers* (New York: Harper and Brothers, 1957), Chapter XII.

[15] See, for example, George Brooks, "Reflections on the Changing Character of American Labor Unions, " IRRA *Proceedings,* 1956, pp. pp. 38-39.

flict among the national unions over membership and work jurisdiction remains a continuing problem. At the same time, there has been remarkable development during the last decade in the acceptability of a variety of peaceful methods for resolving such disputes, as well as in positive cooperation for collective bargaining objectives. The merger of the AFL and CIO, while a significant historical landmark, is but one manifestation of a general anti-competitive trend within organized labor.

One fact of the merger that is particularly pertinent is the formal recognition in the AFL-CIO Constitution that "both craft and industrial unions are appropriate, equal and necessary as methods of union organization" (Article II, 2). Another significant part of the Constitution is Article II, 8, which lists among the objectives and principles of the Federation:

> 8. To preserve and maintain the integrity of each affiliated union in the organization to the end that each affiliate shall respect the established bargaining relationships of every other affiliate and, at the same time, to encourage the elimination of conflicting and duplicating organizations and jurisdictions through the process of voluntary agreement or voluntary merger in consultation with the appropriate officials of the Federation; to preserve, subject to the foregoing, the organizing jurisdiction of each affiliate.

The AFL-CIO continues to administer the No-Raiding Agreement originally entered into by the AFL and CIO in December, 1953. 105 out of 139 AFL-CIO affiliates are currently participating in this Agreement. Although narrow in scope, being confined to raiding attempts upon employees who are represented by another union party to the Agreement, it has been effective in its sphere. Disputes not otherwise resolved under its provisions are disposed of by arbitration.[16] The CIO Organizational Disputes Agreement, adopted on October 31, 1951, and subscribed to by all but two former CIO affiliates, not only prohibits raiding but covers disputes over the jurisdiction of unrepresented employees.. From the 33 opinions by the three umpires who have served to date, there is beginning to emerge a body of principles that may come to have wide significance.[17] The AFL

[16] David L. Cole, "Jurisdictional Issues and the Promise of Merger," *Industrial and Labor Relations Review*, Vol. 9, No. 3, April 1956, pp. 401-403.

[17] The Industrial Union Department of the AFL-CIO plans to publish these cases in the near future.

Internal Disputes plan, adopted in 1954 and similar in scope to the CIO plan, has had little real testing so far but also provides for the arbitration of organizational disputes.[18]

In addition to these three schemes, there has been a rash of bilateral inter-union agreements during the past decade covering jurisdiction problems, joint action in organizing or bargaining, and no-raiding.[19] Under the administration of the Building Trades Department of the AFL (now AFL-CIO), the National Joint Board for the Settlement of Jurisdictional Disputes is in its tenth year of operation, and has achieved remarkable results in this period in spite of the complexity of the problems involved.[20]

All in all, it is a reasonable inference that the national unions are demonstrating increasing willingness to settle jurisdictional differences without resort to direct economic action. Perhaps this is because the large unions can afford to, while the smaller ones have little choice. Undoubtedly, the futility of persistent raiding activities,[21] the waste of jurisdictional stoppages, and increasing public sympathy for the employer caught in the middle of jurisdictional conflict, have all made a contribution. Meanwhile, where persistent jurisdictional difficulties remain, the AFL-CIO is committed to encourage voluntary agreement or merger.

Greater reliance on peaceful methods, including arbitration, will not hamper the larger unions over the long run. The CIO Organizational Disputes Agreement, for example, includes as criteria which the arbitrator may consider, "The extent to which each of the unions involved has organized (a) the industry, (b) the area, (c) the particular plant involved," and also "The ability of each of the unions to provide service to the employees involved."

The Union which can commence organizing activity first, which already has substantial membership in the area or industry, and which can promise good services to the prospective members, is likely to fare relatively well in jurisdictional disputes which do not involve the obvious violation of another union's well-defined territory.

[18] Seymour H. Lehrer, "Some Jurisdictional Problems Confronting the AFL-CIO," *ILResearch* (Cornell University),Vol. III, No. 3, Summer 1957, p. 13.

[19] John T. Dunlop, "Structural Changes in the American Labor Movement and Industrial Relations System," IRRA *Proceedings,* 1956, pp. 18-19.

[20] John T. Dunlop, "The National Joint Board, A Ten Year Report," *Building and Construction Trades Bulletin,* Vol. X, No. 8, August 1957.

[21] Joseph Krislov, "Raiding Among the Legitimate Unions," *Industrial and Labor Relations Review,* Vol. 8, No. 1, October 1954, pp. 19-29.

Conclusions

Powerful forces are at work, which are encouraging the predominance of large multi-industrial unions in which some substantial measure of occupational autonomy is granted to skilled craft groups, office workers, professional employees and technicians. The craft unions have characteristically broadened their occupational bases and in many instances have also organized along industrial lines. Industrial unions, on the other hand, are giving increased attention to the heterogeneity of their memberships. The ambiguity inherent in attempts to delineate industries, as well as the growth of the multiplant corporation and the widespread adoptoin of product diversification as a business policy, all encourage multi-industrial unionism. Finally, the advantages associated with size as *such* reinforce the ability of the larger unions to expand, relative to smaller labor organizations.

Structural diversity will persist, and the large unions will continue to deface competitive menaces from a variety of small organizations pulling in various directions as underlying pressures change. But the large unions—like our two major political parties—have demonstrated that they possess the acumen and flexibility to adopt the structural modifications that will permit them to increase their status within the labor movement as a whole.

THE NATURE OF UNION ATTEMPTS TO ENCOURAGE MEMBER PARTICIPATION

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One of the areas of inquiry into the affairs of labor unions which seems to be of continuing importance concerns the relationships which prevail between rank and file union members and the various echelons of union leadership. Not only has this relationship occupied the attention of Congressional investigation and acedemic and industrial researchers, it has assumed importance as a direct issue of public policy. For example, commenting upon the essential contributions of the Labor Management Relations Act of 1947 to the framework of labor law in the United States, Dunlop and Healy have suggested that a basic premise incorporated in the LMRA was that:

> The interests of labor oganizations are not to be regarded as identical, according to the Taft-Hartley law. Public policy cannot be restricted to considering labor organizations as an entity; it must push on into relations between union members and union officers and between members and the union organization. The Act presumed that many union members are captives; they are persistently trying to get out of the union organization. The Act presumed that union leaders do not reflect, in a significant number of cases or in important cases, the true wishes and opinions of the rank and file of members. . . . On these grounds, public policy should go behind the actions of union leaders to determine more directly the members' views or to permit them to escape the organization.[1]

This reflection of what may approximate public opinion has been the basis for some interesting research which has attempted to provide insight into the member-union official relationship.[2]

A characteristic of many of these useful studies has been an approach to the problem characterized by consultation with rank and file unionists. Through these studies a considerable volume of testimony

[1]John T. Dunlop and James J. Healy, *Collective Bargaining,* Revised, Richard D. Irwin, Inc., Homewood, Illinois, 1953, p. 19.

[2]C. F. Hjalmar Rosen and R. A. Hudson Rosen, *The Union Member Speaks,* New York, Prentice-Hall, Inc., 1955.

has become available on how the union envisions his position in a union vis-à-vis labor officials. The findings of these studies in reflecting the union member's attitude are by no means entirely consistent with the "captive status" idea which Dunlop and Healy suggest is the basis of Taft-Hartley deliberations in this area.

None the less, many labor economists who have contact with students, townspeople, university professors and management have probably been impressed at one time or another by the considerable body of opinion which is based upon the "captive status" premise.

The origin of the premise varies but a significantly large part of it seems to be steeped in personal experience, either as a unionist or as a friend of a unionist whose democratic rights in unions have been abridged by the dictatorial actions of labor officials.

"Theoretically," to paraphrase a typical comment, "unionism will benefit the member because it will give him more say in determining his terms and conditions of employment. But, practically, union policy has become the private domain of labor union officials who conduct union affairs without reference to rank and file opinion and welfare."

Clearly this generalization has not been substantiated in the literature but is documented to the satisfaction of many by the convenient vehicle of personal experience.

Consulting the data in this matter, it seems clear that the current structure of labor unions does not consist of 18 million reluctant rank and filers being led through their employment paces by a handful of cunning administrators.[3] But all this may be begging the question, for the reason that what people think is the relationship between union members and union leaders may be just as important for some problems (e.g., political issues and resultant public policy) as the relationship which actually exists. Thus an important question which derives from what may be the community's lack of understanding about the internal conduct of trade union matters concerns the question of what labor officials are doing to combat what may be a prevalent notion of union oligarchy. One facet of the question, which will not be discussed in this paper, has to do with the efforts of union officials

[3] In other words the power of incorrect ideas does not govern the growth of trade unions. No historical scholar has suggested that the "growth cones" of labor unions structure lie in superior salesmen vending an inferior product, union membership. The dynamics of union growth lie in the potential employment advantages which can be gained for individuals through collective action—not in the "bureaucracy of officialdom" which is created in the process of union growth, including the professionalization of the organization process.

to present themselves in a favorable light to the community through participation in public forums, community service activities, etc.

The focus of this study concerns the activities of particular unions to get at the base of the problem by creating in the rank and file an effective and articulate denial of the "captive status" premise.

Thus it is not the extensive propaganda procedures leveled by unions at the general public, including members, which is useful in pursuing this particular problem. Rather it is one facet of the vast and varied educational programs of unions which commands attention, the facet which is ostensibly aimed primarily at union members rather than at the general public. It is within a specific element of these educational programs that insight may be gained; the element, if it exists, which is designed to genuinely stimulate union member interest in trade union matters, to the end that the unions can become a better democratic tool of membership.

The attention of this article, then, has been directed at a study of precisely what, if anything, trade union leaders are doing to (1) encourage rank and file determination of union policy by (2) taking effective action to create rank and file interest in the business of unions through (3) particular efforts at stimulating the seemingly pedestrian concept of membership attendance at local union meetings.

It is submitted as a hypothesis that the interest evidenced by union leaders in strengthening this vital aspect of control—i.e., meeting attendance—will determine in some measure its overall interest in promoting a democratic institution. An implicit assumption of this hypothesis is that the strength of union democracy lies more in the meetings and affairs of local unions than in the more publicized and exciting conventions of nationals and federations, which depend for their democratic lifeblood upon prior concern by local unions in selecting local delegates.

With this essential question in mind, the initial procedure of this study has been to query various kinds of union officials about their activities designed to promote greater interest in union affairs, as particularly manifested in meeting attendance. Many possible alternatives presented themselves in choosing a source for these data. One system would direct questions at the local unions of a particular national union. Another would be to case-study the activities of a particular local union. Another, and the one which was used here as a starting point, was to address the question to various officials of national unions. The limited applicability of the first two methods to the trade union

movement as a whole suggested the third means as a more meaningful first technique.[4] Letters were sent to various officials of national unions, in some instances to the research director and/or education director where such offices existed, and to elected officials where they did not. From an initial total of 75 letters, responses were received, after a follow-up letter, from 44 national union officials. At a later date 55 letters were sent to different national unions than were included in the first survey, 13 replies resulting. No follow-up letter was sent to the non-responding 42 unions of the second survey. Thus a total of 57 responses from 130 national unions surveyed constitutes the current source of data for this study. The 58 responses were thought to be sufficient for introductory analysis since they covered many of the important variables such as kind of union structure, affiliation, size, geography, etc.

The survey letter was in the form of an open-end inquiry, indicating the nature of the study and requesting information regarding specific techniques for promoting rank and file determination of union policy through increased meeting attendance which were (1) known by the responding official to be practiced at the local level by some local affiliates, and/or (2) devices encouraged through educational programs by national unions which were designed to be incorporated into the pattern of local union operation. No checklist of techniques was used, since some detailed description was solicited.

SOME GENERAL OBSERVATIONS OF UNION LEADERSHIP

Very soon after responses began to be received it again became clear that an area of considerable union pride relates to the constitution of national unions. Although no specific request for copies of constitutions was made, more than one-third of the respondents voluntarily enclosed them. Often where no constitution was enclosed, a reference and an offer to send the constitution was included in the letter. This response is not, of course, surprising since it has been well established that the inadequacies which prevail in the democratic structure of unions does not derive from constitutional difficulties, since the constitutions are for the most part consistent with recognized and widely-accepted democratic principles and procedures. Other

[4] Particularly since the educational campaigns of which this problem is one facet are conducted primarily from the national union level and are directed toward local union leadership.

types of enclosures were received in abundance, and their contents in some cases are analyzed later in this paper.

The general nature of the prefatory comment of the respondents, by way of introducing the inertia-breaking activities of several unions, is in one sense as significant as the listings themselves, and can be categorized into three areas of opinion: (1) some degree of scepticism that meeting attendance is a pertinent measurement of rank and file interest, or of the penetration of democracy; (2) a general defense of the democratic structure of unions, particularly as contrasted to other types of economic and political organizations; and (3) the idea that the successful continuation of unionism is dependent upon considerable membership interest and discretion.

(1) *Scepticism of Meeting Attendance as a Pertinent Criterion or Measurement of Democracy.*

Within this general category there were, of course, several shades of opinion and many contrasting ideas. A research director of a large craft union took the position that the basic determinants of member participation are the laws of the organization, whether or not they are permissive of democratic control. If so, then member interest and participaton follows naturally from ths protective device. The role of leadership within this context is to educate the rank and file for greater responsibility by way of committee and even leadership assignments. It should be noted that this thesis of automaticity of participation, given the necessary constitutional protection, was not mentioned by any other respondent.

More typical were the comments of two research directors of industrial unions, one small and one large. The former took the position that the typically-small meeting attendance was the direct result of the fact that a faithful few are willing to accept the responsibility and the work of union business, while others are willing to delegate this continuing authority. This he interpreted not as a clique control but simply as the inevitable result of personality differences. His statements were in substantial agreement with those of the other industrial union research director who suggested that this created the problem not of bossism but of stimulating enough interest in union affairs to equitably distribute the work load of committees, stewards, etc. Also, both were concerned that unions devote more rather than less effort to the problem of creating this membership interest.

It was the opinion of a leader in the needle-trades that the shallow-

ness of meeting attendance as a criterion of membership control is attested to by the violent ups and downs in membership attendance in good and bad times, or in times of some bargaining crisis. The fact that attendance is typically small was interpreted by this man as evidence that the rank and file is for the most part satisfied with present leadership and except in times of unusual occurrences, is happy to delegate to existing leadership the responsibility and the authority of conducting union business. A suggested corollary was the fact that continuingly high attendance might be an indication of membership suspicion of the conduct of union affairs.

A shade of this opinion was voiced by many other respondents to the effect that during the normal course of affairs membership does not see any necessity for regular presence at meetings but will react to any problems in contract negotiations, grievance procedure, automation, etc., with a continuing and often vocal upsurge in union-meeting interest. But after an active but brief interim of interest, the rank and file will again lose interest in the administrative details of unions once their broad employment demands have been tentatively satisfied. Parenthetically it is interesting to note that this was probably the most articulate statement of the concept of unionism as strictly an economic institution, without social and political facets, that was received.

(2) *The Democratic Characteristics of Labor Unions Relative to Other Institutions.*

The second general areas of preliminary comment in the responses related to the relative place of labor unions among all voluntary organizations in providing democratic control.

Again several respondents analyzed the general area with some differences in approach. Several emphasized the essential similarity of the problems of insufficient interest in voluntary organizations existing at several levels—church groups, fraternal groups and political groups at city, state and national levels. While lack of interest has been traditional in these organizations, many respondents were of the opinion that a double standard of value allows other groups to escape public criticism while unions wrestling with the same problem are accused of autocratic bossism.

One very articulate reply from a research director of an industrial union suggested that the double standard stems from labor's essential status as a protest movement, and that it will thereby continue to be

judged harshly, since it necessarily arouses antagonism in performing its functional duties.

An expected corollary to this area of comment pertained to the analogy between the democratic practices of unions as opposed to business firms. It was mentioned that again there exists a double standard of judgment as reflected in the criticism of unions for occasional examples of oligarchy, but no accompanying criticism of business despite the continued separation of corporate ownership and control. The reasons for this were again found to exist in the generally sympathetic climate within which enterprise functions, and the often hostile environment created for and by the labor protest movement. The analogy was carried to the point of contrasting rank and file attendance at monthly meetings with shareholder attendance at annual meetings.

(3) *The Dependence of Unionism upon Membership Support*

The proposition that a successful union movement is dependent upon the continued interest and support on the part of membership was the third area of initial comment. This point of view, suggested by fewer respondents than the other two general comments, was stated by a few officials as follows: the effectiveness and thus the maintenance of labor unions will ultimately depend upon the voluntary interest of the body of union membership. In the words of one writer, the rank and file can simply abandon the institution and it will die a natural death, and this could happen as a result of union leader lethargy in providing genuine leadership in the matter of encouraging rank and file participation.

No respondent, naturally enough, envisioned this as a meaningful possibility, however. Most were encouraged by the fact that increasing educational efforts are being made by national unions to increase the effectiveness of local union leadership and to make that leadership aware of the problem posed by apathetic members.

Also several times attention was called to the fact that in order to endure and prosper, the labor movement required active support by the membership and that this active support is nurtured by the very structure of unionism based as it is upon the local.

While this attitude expresses confidence in the basic democratic structure of trade unionism, there was little in the language of most respondents which suggested complacency in the face of membership indifference. Rather most were anxious to discuss the possibility of

positive action by union leadership which could have the effect of injecting new habits of participation into the traditional mold of member apathy.

SOME SPECIFIC DEVICES USED TO ENCOURAGE PARTICIPATION

In compiling and analyzing the specific devices employed by national and local union officials to maximize the area of member discretion in union policy, no attempt has been made at this time to list exhaustively all the techniques which have been employed at one time or another. Rather an attempt has been made to consider the direction which national union leadership is taking in its concern with the problem. At the same time some of the more imaginative and creative methods of encouraging interest are reported here in the hope that they may be of some use to leaders who are currently pondering the problem.

The replies to the inquiry can be divided into two general systems of democracy-promotion: (1) compulsory techniques whereby some punishment is levied against non-participating members; and (2) voluntary techniques which are characterized by positive efforts at the local and national level to educate members to the advantages of active participation, and efforts to make that participation more attractive. Clearly the problem is becoming of major concern to the educational departments of national unions.

To consider the first category briefly, a significantly large number of replies indicated that compulsory devices, while used as a partial remedy, were being discarded as a continuing policy. The reasons for the discontinuations were not always given, but some observers felt they were by their very nature inappropriate to the goal of creating interest in, as opposed to allegiance to, the local union. Also some respondents felt that the animosity created by money fines permanently removed the punished as potentially active local members.

Many varieties of fines and penalties have been attempted. While some United Transport Workers local unions levied fines for unexcused absences, locals of the International Union of Marine and Shipbuilding Workers of America simply published the names of non-attenders in union newspapers. Locals of the Bakers and Confectionery Workers attempted dues rebates for perfect meeting attendance, while the National Maritime Union gets at the problem of participation by making voting mandatory in elections and refer-

endums. A local of the Photo-engravers union specified a minimum number of meetings which must be attended if money fines were to be avoided, while the Brotherhood of Locomotive Firemen and Engineers treats absenteeism constitutionally by cancelling eligibility to union office in the event of chronic non-attendance. The cement workers international union will sometimes withhold strike sanction if attendance at local meetings was very low when the strike vote was taken. Although there were other forms of fines and penalties, these typify the experiments mentioned in what appears to be a declining area of union activity.

In a very meaningful sense, the second category of devices can be interpreted as a growing activity of the rapidly expanding educational offices of national unions. Since the end of the second world war one of the significant changes in national unions has been the increased effort on education as it relates to local union leadership and membership. While it is not appropriate here to discuss the general increase in union education activity, it becomes pertinent when education campaigns are addressed specifically to the problem of how to promote rank and file interest in the concept of unionism. Because most educational programs of national unions are directed to local union leadership, their attempt has been to discuss with these leaders the background of the problem. The International Union of Electrical Workers has sponsored a local leadership conference dealing with the importance of local meeting attendance, as has the chemical workers' union.

An important aspect of this educational campaign has been the publication of material by national unions directed to local leadership handling of rank and file apathy. The rubber workers have published a pamphlet on how to reach the rank and file, dealing with successful leadership techniques at local meetings, and the American Federation of Teachers includes a similar discussion in the manual published for local leaders. The butcher workmen's union has authorized a pamphlet entitled "Greater Membership Involvement in the Local Union Meetings," and the Textile Workers of America typifies many national publications in its "Officer's Guide to Effective Union Meetings." The Building Service Employees International Union has devised a questionnaire to local leaders, inquiring why meeting attendance has been poor and what should be done about it.

Efforts have been made by education departments and other union bodies to encourage more direct participation at local union

meetings by strict adherence to parliamentary rules or other means to expedite the local business meetings. A local union of the American Federation of Hosiery Workers has set a one-hour time limit on local meetings in an effort to meet a specific criticism of the members; the United Stone and Allied Products Workers of America have approached the problem by trying to insure a maximum privacy for members when such things as officer election or strike votes are on the agenda. The chemical workers have made unusually extensive use of committees and committee reports for the purpose of expediting local meetings.

The above should not be construed to mean that the concern with the question posed here has become a monopoly of union education departments. There exist ideas and efforts to maximize membership participation which are not related to the activities of union education offices as such. For example, many local unions have evolved a practice of specific-purpose meetings such as meetings designed for briefing the membership on the status of contract negotiations. The American Federation of Government Employees has devised a system whereby officials of a particular government agency will address a specifically-called local meeting. The International Ladies Garment Workers Union has experimented successfully with noon meetings, or after-work meetings at which concrete shop problems are the sole focus of attention. In many unions there has been an attempt, on the other hand, to exclude specific member grievances from consideration at general membership meetings, so that the time of the meeting can be devoted to problems of a more general nature.

Many, many other types of experiments have been devised by local and national unions in response to the tendency of union members to abdicate control of union policy. Some unions make geographic or time adjustments in order to accommodate the rank and file; many unions have special convention characteristics which are designed to arouse the interest of the membership-at-large; some local unions seek to compel membership interest in the union by addressing themselves to the members' wives and providing incentives for the ladies to attend a social meeting after the business meeting which the member has attended at his spouse's insistence; and, of course, unions have also resorted to door-prizes, lotteries, entertainment, or other forms of social activities to make the business meeting better attended.

CONCLUSIONS

Clearly it is dangerous to draw substantial conclusions based on information acquired through the process of soliciting ideas by way of personal correspondence. But at the same time if insightful analysis, as opposed to purely descriptive analysis, is to flow from this area of research it is useful to formulate certain hypotheses for other persons to criticize and test. Such has been the ultimate goal of this project.

The major hypothesis which has been formulated in the process of this study has been that the data tend to verify the bifurcation which exists within the various elements which constitute the leadership of the "American labor movement." This bifurcation exists as a result of two distinctly separate theories of what the labor union should be. According to one theory, which exists only in pragmatics and not in the literature, labor unionism exists as a compulsive force in the economy which has two primary functions: (1) to create a better employment bargain than could be managed without the compulsive force of organization, and (2) to create in the process an institutional leadership which exists ultimately as an end in itself, not necessarily related to the first function. Within this context, of course. conflicts can arise between the two functions, in which case the perpetuation of leadership takes precedence over but does not eliminate the creation of superior employment contracts.

The second theory of the labor movement, as formulated by the second category of union leadership, envisions the labor movement again as a protest movement against the employment bargain which would be struck in the absence of organization. But in this second theory of unionism, which is also a theory of normative leadership, the union leader exists primarily as a device by which the potential of economic organization can be channeled into a more favorable employment contract.

The implications of this bifurcation in terms of the problems posed in this paper are clear. If leadership exists as an end in itself, then it follows that it will not exert leadership efforts to increase the role that the rank and file plays in policy determination. Within this frame of reference, on the other hand, the firmly entrenched leader will have a vested interest in minimizing the role of membership in such things as meeting attendance, convention concern, etc. The type of activity which can ultimately eventuate from this concept of leadership needs no expansion here, having been fairly well

documented as recently as this summer during Congressional hearings in Washington.

But what of leadership within the other context of what unionism should be? In this case a growing problem of leadership becomes the discovery of methods whereby continued rank and file interest in the activities of unions is demonstrated because it is vital to the continuing success of these organizations. The leader spends more of his time and creates staff positions which are primarily concerned with educating local leadership and local members to the necessity of continued interest in union affairs.

The findings of this paper seem to indicate that a majority of current trade union leadership is striving at a conscious level to breathe new life into the organization with grass-roots injections of democracy. But even by their own admission these leaders have not yet found the key; the search is a continuing one but is complicated by many factors including a rising living standard which has considerably increased the competition for trade unionists' time. This lack of success may have created a dichotomy in this category of leadership; the responses of a considerable, although minority, number of leaders seem to indicate that they are losing faith in thier own ability to arouse the interest of membership in the business of unions. Whether this will degenerate into a what's-the-use philosophy will depend to a significant extent upon the success of the still hopeful and always energetic majority of union leaders.

At the same time, however, the small but hard core of leadership which is not oriented toward popular determination of union policy continues to exert a significant pressure on the economy and upon the attitudes of the public. Within the last fifteen years public opinion has seemingly been more heavily swayed by the activities of this minority than by the less spectacular functions of the democratically-inclined majority.

It is interesting to speculate upon the future growth potential of labor unions in the event this tendency continues. How long can the institution of trade unionism continue to exert significant influence in the economy if the attitude of the general electorate continues to swing in an unsympathetic direction, a direction which is formulated on the assumption that the activities of the publicity-creating bosses are typical of labor union leaders?

Part VII

CURRENT LABOR MARKET STUDIES

WAGE DETERMINATION IN A NON-UNION LABOR MARKET*

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THE TERM "RESEARCH" usually implies two types of objectives. One is accurate presentation and interpretation of the particular set of facts or the situation under study. The other is more general and addresses the question: How can the knowledge gained in one study be used to form statements about the entire class of situations broadly similar to the one described? Of course the two objectives are basically inseparable: our theory dictates our research design just as our findings lead us into further explorations of theory.

These two objectives have been our general guide in this study of wage determination for female clerical workers in the fields of banking and insurance, as represented in the Boston metropolitan area. We have selected for study an area of white-collar employment partly because that seemed worthwhile in and of itself—there has been little previous wage research in the white-collar field and this occupational group is important and growing. In addition, the conditions that prevail here offer important contrasts to those encountered in most recent wage studies, which have concentrated on collective bargaining in manufacturing industries. By providing a different point of reference, examination of this predominantly female and non-union type of situation may help in further development of wage theory.

Our limited research resources were spread over both the demand and supply sides of the labor market under review, in order to build on the extensive literature available and to draw together two areas of theory and research that are too often treated separately: wage studies focusing on demand conditions and collective bargaining on

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the one hand and, on the other, labor force and labor market analysis.[1]

We saw our research problem then, as one of identifying forces on both the supply and demand side of the labor market in terms of specific institutional and behavioral parameters. We wished to concentrate on a limited number of industry groups, so that we could grasp a particular set of demand conditions and, in so far as possible, trace these through the wage policies and actions of a related group of firms. At the same time, we wanted to get from our study an understanding of the labor supply conditions facing these firms. These considerations led to selection of the banking and insurance industry groups and to female, non-supervisory workers as the areas of research concentration.

The data in Table 1 show both the strength and the weakness of this selection. The banking and insurance industry groups are of quantitatively significant proportions in the Boston area and the firms in them can be matched with our worker category, since clerical employment dominates these industries. On the other hand there are industries employing large numbers of clerical workers outside our area of interest. The sample of employees interviewed as part of the research was drawn from those employed by banking and insurance firms and therefore cannot be said to represent the supply side of the whole market for clerical workers in Boston.

WAGE THEORY AS A GUIDE TO OUR RESEARCH

Our approach and the research questions which flow from it are best understood when placed in the context of recent developments in wage research and thinking. In general, these developments have reflected the growing factual knowledge about wage rates and other forms of compensation, about the labor force and its mobility, and about the internal operation of labor and management institutions. Of course, they have also reflected the growing importance of these institutions, along with government, as consequential entities capable of making policy themselves rather than simply adjusting to rates as given by a market in which they are but a minor factor. The nature of the principal findings is indicated below:

[1] Lloyd Reynolds has highlighted this distinction in a book review: "There has been some tendency in the past to regard the economics of labor as coincident with the economics of wages. It is gradually becoming clear, however, that the subject includes a second major area—the dynamics of the labor force, the processes of labor mobility, and the structure of labor markets." Review of "Labor Mobility and Economic Opportunity," *American Economic Review, June, 1955,* p. 461.

TABLE 1

Clerical Workers by Industrial Distribution and by Proportion of Industry Employment
Boston Metropolitan Area, 1950

Industry	Employment			Industrial Distribution of Clerical Workers		Clerical Workers by Proportion of Industry Employment	
	All Workers	Male Clericals	Female Clericals	Males	Females	Males	Females
				%	%	%	%
Construction	53,113	728	1,442	1.3	1.3	1.4	2.7
Manufacturing	262,010	14,944	21,960	26.9	20.3	5.7	8.4
Transportation, communication and other public utilities	77,741	7,621	13,729	13.7	12.7	9.8	17.7
Transportation	48,725	5,501	2,708	9.8	2.5	11.2	5.6
Communication	14,974	751	9,086	1.4	8.4	5.0	60.7
Other public utilities	14,042	1,369	1,935	2.5	1.8	9.7	13.8
Wholesale and retail trade	200,968	9,259	19,621	16.7	18.1	4.6	9.8
Finance, insurance and real estate	53,242	5,228	21,724	9.4	20.0	9.8	40.8
Banking and other finance	17,247	3,365	7,589	6.0	7.0	19.5	44.0
Insurance and real estate	35,995	1,863	14,135	3.4	13.0	5.1	39.3
Business and repair services	24,872	927	2,763	1.7	2.5	3.7	11.1
Personal services	55,090	601	2,226	1.1	2.1	1.1	4.0
Professional and related services	104,931	1,692	13,346	3.1	12.3	1.5	12.8
Public administration	54,556	13,852	9,400	25.0	8.7	25.4	17.2
Other[2]	28,430	612	2,212	1.1	2.0	2.1	7.8
Total	914,953	55,464	108,423	100.0	100.0	6.1	11.9

[2] Includes agriculture, forestry and fishing; mining; entertainment and recreation; and industry not reported.

Source: U. S. Department of Commerce, Bureau of the Census, *1950 United States Census of Population, Massachusetts,* Bulletin P-C 21 (U. S. Government Printing Office, 1952), pp. 277-278.

(1) The actual rates paid for similar work even within a given community tend to be rather persistently dispersed over a range larger than would be expected under competitive conditions.

(2) Patterns of labor mobility and the impact of industrial, occupational, geographical and company barriers to movement vary widely but systematically. The proportionate importance of young, short-service workers among those who move has been clearly documented.

(3) Individuals evaluate jobs according to a broad range of factors. The way in which changes in circumstances change the weighting of these factors has at least been suggested. In this connection, the importance of family and living arrangements is clear.

(4) Individuals seek jobs and knowledge about job openings in ways that introduce certain distortions in the individual's picture of the labor market. Similar distortions on the employer side result from the ways in which firms acquire and use information about the labor market or judge the development of union policies.

(5) A growing body of literature on the institutional life of both unions and companies shows the effects of such things as personal and institutional rivalries, internal politics and the drive for organizational survival and growth on the objectives pursued in collective bargaining as well as in other activities.

These and other findings like them have obviously tended to weaken any theory of wage determination that is based on the interaction of supply and demand in a market of many buyers and sellers, where accurate information is widely shared and where people and institutions act independently and primarily in response to economic incentives. One observer has remarked that "by now the slag pile of 'imperfections' in the labor market is larger and probably richer than the vein from which it came;"[3] and he, along with others, has gone on to seek a reformulation of wage theory in terms of this rich slag pile. Kerr and Fisher, for example, comment that,

[3] Arthur M. Ross, *Trade Union Wage Policy* (Berkeley and Los Angeles: University of California Press, 1948), p. 45.

> "The labor market, defined as the geographical area within which persons with fixed residence seek employment, still exists, but it has less and less effect on price. Supply and demand adjust to price, rather than price to supply and demand. Nor does reference to related labor markets return wage determination to an economic basis, because the relatedness of labor markets is increasingly the relatedness of organizations, policies, and ideas of equity."[4]

Our reaction to these research findings (and consequently our basic research questions) is somewhat different from that expressed above. Supply and demand still remain for us fundamental concepts to which research findings must be related. Obviously implied, however, are rather complex concepts, which reflect the institutional and behavioral characteristics of the markets to which they refer.

Since there may be especially great ambiguity about the meaning of "labor supply," we shall discuss our view of this concept further. We want principally to point up the importance of differentiating between supply to the firm and to the market more generally. Supply to the firm may be expected to have certain special characteristics that sets it apart from the market, characteristics derived from the tastes of the firm's employees. For example, a new firm may be able to enter an area of unemployment and hire people at $1.00 per hour, but the employees of an established firm that had been hiring at $1.25 per hour will not permit that rate to be lowered. The firms are spatially in the same "market" but obviously face different supply curves.

Differences in firm supply conditions may thus reflect institutional pressures, psychological factors of various sorts, or the presence of a strong union. These factors can all be fed into a concept of worker tastes under varying conditions and they readily become part of the supply concept, as soon as we differentiate between the firm and the market in a geographical or total labor force sense. It is important to emphasize, however, that the supply curves of the various firms in an area are usually inter-related with each other and with the labor force dimensions of the area. Conceptually, however, we start with the firm and build the relationships from there on.

We are not thinking, then, of a "perfect" market as the norm with which everything must be compared. Markets may be expected to vary

[4] Clark Kerr and Lloyd Fisher, "Multiple-Employer Bargaining: the San Francisco Experience," in *Insights into Labor Issues*, edited by Richard A. Lester and Joseph Shister (New York: Macmillan, 1948), p. 52.

widely, but the variations need not cause us to abandon economic tools of description and analysis. If we can differentiate in our economic thought between the market for cotton grey goods and the market for cigarettes, then we should be able to do the same for the vast variety of situations where the price of labor is determined. At any rate, we will apply this approach to our specific findings here.

SOURCES OF DATA

Basic descriptive and statistical information about the Boston area and about banking and insurance is available from state and federal government sources and from various private financial services. Naturally, we have relied on these data to provide the general framework for further and more detailed research. Our detailed study has been based for the most part on information supplied by thirteen banks and insurance companies in the area and by 158 of their employees. The firms were selected to represent the banking, life insurance and non-life insurance industries and the various sizes of firms operating in these industries. Each of these firms supplied us with a list of their female, non-supervisory employees from which a small number, varying with size of firm, were drawn on a random number basis.

Each of the firms was asked for a wide range of factual information about its operations, particularly with respect to wage and employment matters. On the basis of this information a number of interviews were held with individuals in each of the firms in an effort to obtain judgments on policy questions and on the data we collected from them. While the information obtained from the firms varied considerably in both quality and quantity, it was sufficient in every case to be useful and, in some cases, was voluminous and most helpful.

Each of the employees was interviewed by a member of our research group under conditions of privacy and with the understanding that the responses would be treated as confidential. Most of the interviews took place at the respondent's home, but some were conducted at other convenient places such as an M.I.T. office or a downtown coffee shop. In the case of one firm, we used the company cafeteria. Judging from the quality of the interviews obtained there, the results were not biased because of the location of the interviews. Each employee was asked for considerable demographic and household information and for a fairly detailed work history. The interviews were

conducted informally, with interviewees encouraged to talk freely but in carefully specified areas.

In order to round out our picture of the situation, we also obtained information from a variety of additional sources. We talked with representatives from samples of private employment agencies, private clerical schools, public and parochial high schools and from the Massachusetts Employment Service. In each case, we were primarily interested in the scope of their activities and the ways in which they worked with employers and those seeking work.

SOME GENERAL COMMENTS ABOUT THE AREA UNDER STUDY

Our findings about the behavior of particular firms and workers and about how this market seems to work may be more readily presented and understood if preceded by some general comments about relevant wage and employment changes and about certain aspects of the banking and insurance industries.

First, the time period under review here, 1948-1956, was one of generally full employment for clerical workers in the Boston area, as in most other areas of the United States, though the situation in Boston eased perceptibly in 1949 and 1954. Reports on job openings listed by the State Employment Service, voluminous newspaper advertisements for clerical help, the testimony of employment managers, high school guidance counsellors and other observers, and data on employment and the number of commercial course graduates seeking work each year all confirm this general characterization of employment conditions. More particularly, this was a period of rising employment in the finance sector of the Bostan economy, reflecting the dominant theme of growth in demand for their services experienced by the great majority of firms, including eleven of the thirteen covered by our research. Estimates made by the Bureau of Labor Statistics show that employment in finance rose by a little over 10 percent between 1951 and 1956. This was a sharply greater rate of increase in employment than for the Boston area as a whole.[5]

This was also a period when wage rates were generally, though by no means uniformly rising throughout the economy. In many New England communities, adversely affected by conditions in the textile,

[5] Between 1950 and 1954, employment in Boston finance, insurance and real estate expanded by about 10%; in contrast, total non-farm employment rose only 2%, according to data in the *Monthly Bulletin*, Commonwealth of Massachusetts, Department of Labor and Industry, Division of Statistics, June, 1950, June 1952, and June, 1954.

shoe and other intensely competitive industries, the rate of increase was not so great as in other sections of the country. Nevertheless, the conditions outlined above suggest a rise in the rates for clerical labor.

Data compiled by the Bureau of Labor Statistics indicate clerical rates in the Boston area rose by about 55 percent between 1948 and 1956, a gain larger than for production workers in manufacturing.[6] The year by year contour was as follows:

TABLE II

Indexes and percents of increase[7] in standard weekly salaries of women office workers[8] in the finance, insurance and real estate division in Boston, Mass., January 1948 to September 1956.

Item	Jan. 1948	Jan. 1949	Jan. 1950	Mar. 1951	Apr. 1952	Mar. 1953	Mar. 1954	Apr. 1955	Sept. 1956
Indexes (1953-100)	77.1	80.9	84.0	90.0	95.3	100.0	104.9	107.8	119.2
	1948 to 1949	1949 to 1950	1950 to 1951	1951 to 1952	1952 to 1953	1953 to 1954	1954 to 1955	1955 to 1956	1956 to 1956
Percent of Increase	5.0	3.8	6.9	5.9	5.0	4.9	2.8	10.6	54.6

[6] Average weekly earnings of production workers in manufacturing in the Boston area rose only 25.8% between 1951 and 1956 compared to a 32.4% rise in the standard weekly salaries of women office workers in finance, insurance and real estate between the same years in the area. Over the entire period, 1948 to 1956, average weekly earnings of manufacturing production workers in Massachusetts rose 45.4%. The rise for women office workers in the Boston area for the same period was 54.6%. Production worker percentages were computed from data appearing in the *Monthly Labor Review.*

[7] In computing the indexes and percents of increase, the average weekly salaries for each of the selected occupations for each year were multiplied by the average of March 1953 and March 1954 employment in the job. These weighted earnings for individual occupations were then totaled to obtain an aggregate for each year. Finally, the ratio of the aggregate for a given year to the aggregate for the base period (March 1953) was computed and the result multiplied by the base year index (100) to get the index for the given year. There were changes in the minimum size of establishments covered between January 1950 and March 1951 (26 to 21) and between April 1952 and March 1953 (21 to 51) and no adjustment was made in the data to make average weekly earnings comparable for all periods. The use of constant employment weights, however, eliminates the effect of changes in the proportion of workers represented in each job included in the data.

[8] Based on the following selected jobs: Bookkeeping-machine operators, class B; Comptometer operators; file clerks, class A and class B; order clerks; payroll clerks; key-punch operators; office girls; secretaries; general stenographers; switchboard operators; switchboard operator-receptionists; tabulating-machine operators; general transcribing-machine operators; and typists, class A and class B. Data were not collected for secretaries, key-punch operators and tabulating-machine operators in 1948, 1949, and 1950, so data for these years are based on the 12 other jobs. Data for comparable jobs were used to make the link between 1950 and 1951.

Banking and insurance firms are essentially service-rendering rather than goods-producing in their functions. It is characteristic of these firms that, while wage costs are small in relation to the total amount of money handled, they are large in relation to the cost of the service rendered. Firms, in fact, use as one measure of their own effectiveness the relationship between total costs and labor costs; and some such ratio is often used by public examiners of various sorts. Thus, wage rates, as a central element in wage costs, are of far more than passing importance to banks and insurance companies.

Operating policies tend further to reflect the trustee-type responsibility exercised by these firms which handle large amounts of the public's money. Perforce, these organizations are touched throughout with the public interest and there is a long history of regulation by State and Federal Governments to remind management of its obligations. The impact of these public-interest and regulatory aspects of banking and insurance businesses on wage policy may be indirect and somewhat elusive, (even in part they may be convenient sources of rationalization), but the direction of pressures is clear, particularly for firms writing polities required by law as in the fields of workmen's compensation or automobile liability insurance. "Money held in trust must be handled conservatively; increases in costs must be justified in terms of public service rendered at the minimum possible cost," expresses the atmosphere within which many of the firms work out their wage policies.

Despite many broad similarities in their immediate environment and operating problems, firms in this sector also vary in important respects. Some are stock and others mutual companies; the public's stake in the efficiency of their operations varies; some are quite small in size and others are huge in the scale of their operations; the markets they serve vary in rate of growth, number of competitors and in other ways. These and other variations are reflected in their operations in the labor market and must be taken into account in our study.

In summary, we have here a buoyant market where wage rates have been rising and which is characterized on the demand side by firms touched with the public interest and accustomed to moving slowly and conservatively on matters affecting costs of operations.

SOME TENTATIVE FINDINGS FROM OUR RESEARCH

Our findings, indicated here, though hardly presented in any detail, fall into three categories: those related to (1) reactions of firms

to the conditions of labor supply; (2) the labor market behavior of female clerical employees of Boston banks and insurance companies, as represented in our sample, and the role of various market intermediaries; and (3) general observations emerging from our data.

(1) *The Firms.* The firms responded to a generally tight labor market not only in terms of explicit policy changes but in terms of a rather complete re-evaluation of their procedures and organization for performing the personnel function. With the exception of one or two of the smaller firms, the following changes were evident in all the firms studied: advent and expansion of personnel departments; relaxation of secrecy about wage and other personnel practices and cooperation on information-sharing with other companies; development of new methods of recruiting labor; and increased efforts to use non-wage appeals to clerical workers. One line of reaction, then, has been to increase what might be called buying effort and to adjust it qualitively to the tastes of the employees and potential employees of the firms.

The firms have also reacted, of course, with their wage policies; but here again the reaction has had several dimensions. Ten of the thirteen firms, including all the larger ones, have formalized their wage structures, in an effort to deal with internal inequities and to maintain control over the relationships among various job categories. Their most pressing problem, however, has been at the hiring and lower job levels, since turnover is great among the young females that comprise the bulk of their labor force. The firms all seem to have the same general policy—"pay whatever the market forces you to pay;" but this policy is implemented in a variety of ways. Some firms take what might be called an analytical approach, periodically surveying the rates paid by a designated group of firms and establishing their own rates accordingly. Such a procedure is typical of large employers who feel they must get "our share" of girls coming out of high school each spring. Since they cannot afford to lose out in what is now something of a yearly scramble, they feel that they must anticipate what other large employers of clerical labor will set as a hiring rate. Other firms in our sample took what might be called the specific-pressure approach to testing the market. In effect, what they said was, "Before we will raise our hiring rates, we must have proof from our own experience that our present rates are too low." Proof consisted of adverse experience with turnover and recruitment, complaints from supervisors about the quality of new hires, a concentration of

new hires at the top rather than farther down in their permissible hiring range and other such indicators.

Still another dimension of wage policy concerned the quality of new employees. The employers seemed uniformly convinced that, given a band of conceivable hiring rates where the top was about 110% of the bottom, the quality of the girls you could hire for the top rate would clearly be superior. Assuming this to be fact, employers pursued different quality strategies: some preferred to take their chances with lower quality for the bulk of new hires, in effect lowering their standards for an acceptable employee, redesigning some jobs and relying on special efforts to fill more demanding positions; others preferred to be at the top of the range, feeling that they gained more flexibility in making job assignments and more selectivity in promotion decisions.

At any rate, the over-all impression that emerges from our study of employer practices and policies is one of firms basically oriented to conditions in the local labor market. They have conscious policies of paying the price given by the market and, while strategies vary, they have worked out methods for making practice conform reasonably well with policy. In addition, firms have enlarged their potential labor supply by changing their policies toward hiring of older women, married women, certain ethnic groups and Negroes. To some degree, these firms have tapped a "secondary labor force"similar to that identified by Sobel and Wilcock in non-metropolitan labor markets.[9]

(2) *Employees and Market Intermediaries.* The female clerical workers who predominate in banking and insurance have a high rate of voluntary turnover partly because they are young and shift jobs frequently and partly because their attachment to the labor force is often short or sporadic. From the firm's point of view, this means a constant problem of recruitment; from that of the employees, it means their time perspective in a job is often short. Two aspects of this high volume of job-seeking and job-taking are of special interest to us here: the amount of information acquired by employees about job opportunities and the significance to them of the economic dimensions of their labor force activities.

First of all, it may be noted that almost half the jobs taken by our sample of workers were located through reasonably well-organized information pools: high-school guidance counsellors, public and pri-

[9] Sobel, Irvin and Richard C. Wilcock, "Labor Market Behavior in Small Towns", *Industrial and Labor Relations Review,* October 1955, pp. 54-76.

vate employment agencies, secretarial schools and newspaper advertisements. These sources, almost by their very nature, provide their users with the knowledge that there are alternatives, if alternatives exist. Further, especially when private agencies, secretarial schools and high-school guidance counsellors are involved, they provide job seekers with some standard of comparison, some norm of what should be expected in the way of weekly pay from a job at the time period in question. Beyond this level of knowledge, a significant minority of girls, somewhere in the neighborhood of 20 percent, knew about jobs other than the one they took and had at least a general idea of the economic dimensions of the job they took. To be sure, as has been even more the case in studies of worker behavior in industrial labor markets, the bulk of the workers here did not make anything remotely resembling a systematic exploration of the labor market. But in many instances, some market intermediary did that for them, and, in a substantial minority of instances, workers conducted some search on their own.

It is hazardous, we know, to comment with assurance on the reasons why people behave as they do in the labor market. Nevertheless, we feel that we have enough information of various sorts and from various sources to suggest some observations of a general nature.

First of all, it is apparent that the girls we interviewed place a high value on their working surroundings and on the status of the work they do and the organization they work for. Most of them seem to have consciously rejected factory work, selling (where many of them had had experience on part-time jobs), or even in some cases office work for a manufacturing concern. Thus, they have narrowed their range of job choice tremendously.

Within the assumptions of this preference structure, however, economic incentives appear to play a significant role. Guidance counsellors, employment managers and others who deal with girls in the process of job choice are uniformly convinced that this is so. According to our employee interviews, about 20 percent of those shifting jobs lined up another before leaving the one where currently employed and, in over two-thirds of the job shifts for which we got data on salary comparisons, the job shifter increased her salary. And a substantial minority, again about 20 to 25 percent, emphasized salary and general financial considerations as they discussed with us such subjects as their reasons for entry to the labor force, their reasons for

leaving and taking specific jobs, and their notions of what made for a good or a bad job.

All in all, then, the picture that emerges from our examination of the supply side of this labor market is one of a high volume of job seeking, where at least a significant minority of workers have the knowledge and economic incentives in a reasonably tight labor market to punish those firms whose salaries are below average and reward those whose hiring rates are on the high side. Market intermediaries play an important role in this market, as contrasted with industrial or factory labor markets. They serve as a pool of knowledge and they tend to channel the better girls to the better openings. Thus they add an element of economic rationality to the market.

General Observations. We have two concluding observations to make about this particular labor market and one of a more general nature about the field of labor market research and theory. First of all, it seems clear to us that this is a situation where price does respond to supply and demand forces in the *local* area. We can identify here the expansion of demand for clerical labor in the Boston area and by specific banks and insurance companies coupled with a relatively inelastic supply of labor to the market as generating the pressures that led to observed changes in local wage rates.

Second, this appears to be a situation where wage rates are flexible with respect to changing labor market conditions. The high volume of turnover for particular firms and consequent importance of the hiring rate, the orientation of firms toward paying no more than is called for by the supply situation, and the lack of any contractual obligation to a specified rate for new employees, mean to us that rates in this market are not so rigid as in the case of industrial labor markets where collective bargaining is the transmission system for economic forces.

Finally, we want to repeat a point made earlier in this paper. It seems important to us in the field of wage research to orient our efforts more than we have to differentiating among situations. Orme Phelps has suggested the importance of making distinctions if we aspire to make our research relevant to the whole labor force rather than simply to manufacturing or to unionized situations.[10] We want, then, to call your attention to the contrasts provided by this white-collar labor market, as well as more directly to the content of our findings.

[10] Orme Phelps, "A Structural Model of the U. S. Labor Market," *Industrial and Labor Relations Review,* April, 1957, pp. 402-423.

LABOR MARKET FACTORS AND SKILL DIFFERENTIALS IN WAGE RATES

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Although this is only a report of research in progress rather than a final definitive statement, it does constitute a vehicle for the elaboration of several objectives. These are as follows:

1. The primary purpose of this paper is tentatively to identify factors significantly influencing skill differentials in time and space.
2. Hypotheses bearing upon whether skill differentials should be measured in absolute or relative terms are investigated and summarized.
3. This study reinforces the developing tendency to focus attention on the metropolitan area as the unit of analysis.
4. The use of a methodological approach using multiple regression techniques is illustrated.

I

This study uses the metropolitan region as the basic unit of analysis. A metropolitan region consists of (1) the metropolis—usually a large central city, (2) the surrounding belt of suburbs, and (3) that rural hinterland which has a high degree of interrelationship with the economic functions carried on at the center. Metropolitan regions in this sense complement the old concept of a region based on certain uniform aspects of a given spatial extent of land.[1]

Metropolitan regions as economic units have an economic structure which is characterized by the production of goods and services for the indigenous population, and for export to other metropolitan regions. This production is accomplished with capital, raw materials, managerial skills, and labor inputs, some of which are imported from other regions. The economy of a metropolitan region may therefore

[1] For a more intensive and rigorous development of problems involving the hierarchy of regional concepts, see Walter Isard, *Location and Space-Economy*, (New York: Technology Press and John Wiley and Sons, Inc., 1956), especially pp. 1-76, 126-40.

be viewed as a complete economy, not unlike the economy of a small nation. Such an economy is not closed, for its dependence on other metropolitan economies and the rest of the world expresses itself in the imports and exports of goods and services and the complementary flows of payments.

One of the most important factor markets in such a metropolitan economy is the market for wage workers. This market is particularly appropriate for analysis because the boundaries of the market approximate the limit of the metropolitan region. This contrasts with the market for, say, professional workers, which may be intermetropolitan in scope; and also with the market for babysitters, which is frequently confined to a small neighborhood area. The metropolitan labor market is linked with the rest of the metropolitan economy by a complex system of economic and institutional relationships. Likewise the metropolitan economy has a correspondingly complex set of relationships with the rest of the national economy.

The advantages of using the metropolitan region as a unit of analysis in this study are several:

(1) As already mentioned, the conceptual limits of the local labor market for wage workers approximate the geographical boundaries of the metropolitan region;

(2) The degree of urbanization varies less than for larger geographical units as states and broad cultural regions; in effect, we are analyzing economic units that are comparable with regard to urban structure.

(3) The limitations of using major central cities whose limits bound political units rather than economically homogeneous areas are overcome;

(4) Comprehensive community-wide wage surveys are increasingly becoming available for metropolitan areas;

(5) Other statistical measurements, originating from census sources, and available for standard metropolitan areas (SMA's) can be made congruent.

In this study, 39 labor market surveys made by BLS in 1951-52 provide the framework of wage data. Comparability of wage data between areas has been enhanced by the use of occupationally standardized wage rate averages. In addition, estimates of the degree of unionization in each area are derived from the same sources. These data and other measurements of SMA characteristics from the 1950 Census are detailed in the appended table.

The analysis that follows is preliminary in several senses. First of all, the number of labor markets for which BLS has made community wage surveys has increased to nearly fifty. This will enable the comprehensive study of which this is a part to be extended to a larger sample of areas. Second, a substantial group of these SMA's has been surveyed more than once, so that a more dynamic analysis is becoming possible. It is anticipated that labor market models integrating spatial cross-section data and time-oriented data are feasible and will be developed.

II

A preliminary requirement of this analysis is the determination of the appropriate concept of the skill differential. Specifically, should the differential be measured in absolute terms or in relative terms, and if relative, relative to what?

Criteria for the resolution of this methodological dilemma are not easily rationalized. The variety of approaches used in contemporary research on wage structures is indicative of a continuing failure to come to grips with the problem. Dunlop has documented his uneasiness in using relative skill differentials, noting the dependency of the differential on the level of the base used.[2] Reynolds used ratios computed by dividing the lowest wage rate by the highest wage rate as skill differentials.[3] These ratios are uniformly less than unity. He consistently used relative differentials in other studies involving occupational differentials.[4] Reder, following the example of BLS, used ratios of skilled to unskilled wage rates, resulting in values greater than unity.[5] Ross argues that "basically, the problem is insoluble because neither measure is satisfactory for all purposes." [6]

One of the elementary distinctions relevant to the use of absolute versus relative skill differentials is the differing nature of time trend data and cross-section data. With rare exceptions, money wages have

[2] "Discussion," *Proceedings* of the Sixth Annual Meeting, Industrial Relations Research Association, Washington, D. C., December 28-30, 1953, pp. 80-82.

[3] Lloyd G. Reynolds, *The Structure of Labor Markets,* (New York: Harper and Bros., 1951), p. 195.

[4] Lloyd G. Reynolds, "The Impact of Collective Bargaining on the Wage Structure of the United States," in John T. Dunlop (ed.) *The Theory of Wage Determination,* (London: Macmillan and Co., Ltd., 1957), p. 199.

[5] M. W. Reder, "The Theory of Occupational Wage Differentials," *American Economic Review,* XLV, (December 1955), pp. 833-52.

[6] Arthur M. Ross, "The External Wage Structure," in George W. Taylor and Frank C. Pierson, (eds.), *New Concepts in Wage Determination,* (New York: McGraw-Hill Book Co., 1957). p. 181.

fluctuated over time, and the longer the period examined, the more important has become the translation of money wages to real wages. Some kind of adjustment correcting for these changes is appropriate, although the particular method of adjustment needs to be closely reasoned.

For cross-section data, the problem of the *numeraire* is less important even though it is not completely absent even when the comparisons are to be made within the same monetary system. The differences attributable to the "money veil" are small, and do not account for much of the variation which is analyzed in this study.[7] Therefore, absolute differentials rather than relative differentials are treated as the basic analytical concept in this study.

The use of absolute differentials is additionally justified by a comparison of the relationships existing between area wage levels and each type of differential. A scatter diagram with relative skill differentials plotted against area wage levels shows that the points arrange themselves along a negatively sloped slightly curved line. The association of relative differentials and the levels of area wage rates is clearly apparent in these data. When *absolute* differentials are plotted against area wage level, the points are scattered around a line that is horizontal, indicating independence of the wage level. The case for absolute skill differentials is consistent with the principle that research metholodogy and data transformations should be neutral in their effects on the analysis.

III

As an introduction to the methodology used in this study which will facilitate the comprehension of the subsequent findings, consider the following regression equation:[8]

(1) $$W = 49.36 + .54Z_1 + 1.00Z_2 + .28Z_3 + .21Z_4$$

W = The SMA wage level in cents per hour

Z_1 = The percent of wage workers covered by union contract in the SMA

[7] Reynolds points out that differences in living costs among regions of the United States are quite small, advantages in one item tending to be offset by disadvantages on others. "The Impact of Collective Bargaining," *op. cit.*, p. 218.

[8] The coefficient of multiple determination (R^2_w) = .80; the coefficients are values are zero. The direction of causality is not determined by the statistical relationship.

Z_2 = The log SMA population (relative size)[9]

Z_3 = The percent of SMA employment in durable goods manufacturing

Z_4 = The ratio of per capita rural income to per capita urban income in the metropolitan region.

The coefficients of the variables in this equation are estimates of the parameters computed by the least squares criterion. These coefficients may be directly interpreted as the increase in SMA wage level associated with a one unit increase in the variable involved. Specifically, an increase of slightly more than one-half cent in the SMA wage level is associated with a one point increase in the percent of unionization; about one-quarter cent increase in the SMA wage level is associated with one point increase in the percent of employment in durable goods; and so forth.

A crude economic interpretation of the above equation in terms relevant to the concept of the metropolitan region mentioned before might run as follows:

Demand for labor in the metropolitan labor market is a function of the metropolitan population, reflecting indigenous consumption, and of the proportion of durable goods manufacturing, reflecting primarily the exports from the area, and secondarily the industrial structure of the metropolitan region.

Supply of labor is a function of the potential mobility of the rural labor force located in the peripheral area surrounding the metropolis. This potential mobility is roughly measured by the rural-urban income ratio.

The aggregate demand schedule for labor in the region is subject to many imperfections, frictional elements, and uncertainties. As a result, there is a wide dispersion of plant wage levels and a wide variety of wage policies of individual firms. The greater the degree of unionization, the narrower the wage dispersion and the less diverse are the wage policies. The lower end of the wage distribution

[9] The transformation of the SMA size variable into logarithms is corroborated in a more comprehensive study of community size. Duncan and Reiss report, ". . . the regression of (many) characteristic(s) on size of community is roughly linear in the logarithm of the independent variable. . . There is no characteristic examined for which the regression is even approximately linear in the absolute value of the size of community. . ." Otis D. Duncan and Albert J. Reiss, Jr., *Social Characteristics of Urban and Rural Communities, 1950* (New York: John Wiley and Sons, Inc., 1956), p. 40.

is pushed upward and the average tends to a higher level as collectively-bargained wage settlements are more pervasive in the area.

It will be recognized that the model developed here provides measurements of some of the labor market relationships consistent with Professor Reynolds' hypotheses regarding the structure of local labor markets.[10] The confluence of the theoretical stream of ideas emanating from Reynolds, and the river of statistics collected by BLS on a community basis and by the Bureau of the Census for Standard Metropolitan Areas (SMA's) constitutes a most fortunate synthesis of theory and data.

Applying the same kind of methodology to the skilled and unskilled wage levels in metropolitan labor markets produces the following equations:[11]

$$(2) \quad S = 114.57 + .46Z_1 + 1.16Z_2 + .04Z_3 + .00Z_4$$

$$(3) \quad U = 37.15 + .47Z_1 + .72Z_2 + .40Z_3 + .30Z_4$$

$$(4) \quad S\text{-}U = 77.42 - .01Z_1 + .44Z_2 - .36Z_3 - .30Z_4$$

S = The SMA skilled wage level in cents per hour

U = The SMA unskilled wage level in cents per hour

$Z_{1,2,3,4}$ as defined in the previous model

In equations (2) and (3), the explanatory variables previously introduced have been used in association with the skilled wage level and the unskilled wage level. Unequal values of the parameters reflect the differing structural importance of the independent variables in explaining the skilled and unskilled wage levels. For example, practically all the explainable variation in the skilled wage level is attributable to variation in the degree of unionization and in SMA size. Practically no effect is associated with variations in industrial structure nor with differences in potential mobility as measured by the rural-urban income ratio.

The unskilled wage level, on the other hand, is subject to contrasting influences. The wage effects attributable to differences in industrial composition and rural-urban income ratios are substantially larger than for the skilled wage level. Unionization has about

[10] Reynolds, *Structure of Labor Markets*, pp. 207-229.

[11] $R_S^2 = .63$; and Z_3 and Z_4 not significant; $R_U^2 = .80$; all coefficients significant at .05 level.

the same effect on both skill levels, and SMA size contributes less to the unskilled wage level than it does to the skilled level.

It is these differing structural elements that bear upon the primary problem of this study. Absolute wage differentials can be calculated by the direct subtraction of equation (3) from (2). The difference equation (4) describes the structural influences that bear upon absolute skill differentials. Most significantly, equation (4) suggests that skill differentials are simultaneously subject to widening and to narrowing influences. Absolute skill differentials will widen or narrow as changes occur in the composition of variables used in these models. This multi-variable, interacting balance of forces explaining occupational differentials seems to offer a substantial improvement over bold inferences based on judgmental parallelisms. It should be reiterated that inclusion of additional explanatory variables in this model is anticipated. In addition, the integration of these variables into more complete systems is also a goal of this study.

Skill differentials widen as the size of the SMA increases. The wage effect of increased SMA size is much greater for skilled workers than for the unskilled. Differences of about 25 percent in SMA size widen the skill differential by almost a half a cent. Because the range of SMA populations varies from less than a quarter of a million to almost seven million, the total effect of this range of SMA sizes accounts for about seven cents of expansion in the skill differential. The actual sizes of the coefficients of this variable are also of analytical significance. The coefficient of the skilled wage equation is 1.16, about sixty percent higher than .72, that of the unskilled equation. Because the skilled wage level is roughly this same ratio above the unskilled, this relationship signifies that wage effects of SMA size are proportional to the level of the occupational wage rates involved. For the same change in SMA size, the skilled wage level will change about 60 percent more than the unskilled wage level. Thus, the absolute skill differential widens proportionately, and relative skill differentials will be roughly constant for SMA's of differing sizes.

In contrast to the widening effect of SMA size variations, skill differentials narrow as the industrial structure of the regional economy includes more durable goods manufacturing. This narrowing is primarily the effect of significant upward adjustments in the unskilled wage level in association with increased proportions of durable goods manufacturing, rather than the result of correlated adjustments in both wage levels.

An additional variable that accounts for a narrowing of skill differentials is the rural-urban income ratio. This variable also contributes to the narrowing primarily by raising the unskilled wage level. It has no effect on the skilled wage level.

Finally, the effect of varying degrees of unionization on skill differentials is neutral. Variations in the proportion of unionized workers change the levels of both skilled and unskilled wage rates by the same absolute amount; the differential effect is nil. This confirms for this model and for spatial relationships of the occupational structure what has frequently been observed for aggregate structural relationships over time.[12]

What is the significance of the size of the SMA as an explanatory variable in these models? Why do wages rates increase as the SMA population increases? Also why does the skill differential widen as SMA size is enhanced?

The number representing the population of a large metropolitan center explains very little; SMA size is merely an index of other metropolitan attributes which are the real variables behind the numerical relationship. Actually, the size of economic units is one of the relatively unexplored variables in economic analysis. One obvious economic manifestation of community size is the extent of the market. Large communities can support highly specialized services and are linked with other markets to a greater degree than smaller communities. Efficiencies of marketing and of transportation develop from the higher level of agglomeration. Access to specialized labor is another manifestation of economic efficiency in larger SMA's.

A related hypothesis involves the increasing proportions of tertiary pursuits in larger centers. Service, administrative, and distributive activities compete for increasing proportions of clerical and service workers as SMA size increases.[13] The proportions of workers available for unskilled and semi-skilled labor are subject to alternative occupational opportunities. In contrast, the proportion of skilled workers does not appear to be related to SMA size. Differentials in demand for differing levels of skill as SMA size changes may account for the variations in skill differentials.

[12] See, for example, C. Kerr, "Wage Relationships—The Comparative Impact of Market and Power Forces," in Dunlop, *op. cit.*, p. 179.

[13] See Duncan and Reiss, *op. cit.*, pp. 95-102, for evidence of the relationship between occupation and size of place.

Despite the congestion and social costs associated with large urban centers, the very existence of these metropolitan areas is an expression of their economic efficiency. The metropolis is an efficient economic unit and large metropolitan centers are most efficient. These external economies of scale translate themselves into lower costs and generate limited forms of monopolistic power based on the locational advantages of large metropolitan areas.

These significant hypotheses are among several on the research agenda of this study which will be subjected to more intensive examination and analysis. However, a definite point of view pervades the interpretation of SMA size and its influence on skill differentials. This relationship, it is felt, reflects a pattern of fundamental changes in industrial structure which takes place as the metropolitan economy develops.

The association of changes in skill differentials with differences in the proportion of durable goods manufacturing also generates interesting hypotheses. Let us boldly assume that the proportion of durable goods employment in the metropolitan region is a crude index of the propensity to export. Regions with high export propensities generate larger inflows of payments, which, when distributed through the metropolitan factor payment mechanism, raise the average economic well-being in some sense. The significant hypothesis suggested by this study of differentials is that the effect is accomplished by raising the lower skill and income levels.

A similar effect can be noted with regard to the rural-urban income ratio. As per capita rural income increases in relation to per capita urban income in the metropolitan region, the lower skill and income levels adjust upward. That this reflects actual and potential mobility to the metropolitan labor market is a reasonable conjecture. It corroborates empirical studies of geographical mobility which show that moves of relatively short distance predominate.[14] It is consistent with the aggregative pattern of population readjustment which is depleting the rural population and augmenting the urban population.

The effect of unionization on the pattern of skill differentials is neutral. Union wage policies bear primarily upon the wage level and have the effect of maintaining absolute skill differentials.

To integrate the forces tentatively identified here into a more comprehensive economic framework is the ultimate objective of this research.

[14] *Ibid.*, p. 85.

STATISTICAL DATA

Standard Metropolitan Area	Area Wage Level W	Skilled Wage Level S	Unskilled Wage Level U	Absolute Skill Differential S-U	Degree of Unioniza-tion Z_1	Log 1950 SMA Size Z_2	Propor. of Empl. in Dur. Goods Z_3	Rural-Urban Income Ratio Z_4
Boston	137	176	115	61	70	34	13	84
Hartford	133	170	113	57	66	26	25	87
Providence	127	161	111	50	50	29	21	92
Worcester	133	168	116	52	47	24	27	101
Albany-Schenectady-Troy	139	182	116	66	81	27	20	78
Allentown-Bethlehem-Easton	133	174	111	63	77	26	25	90
Buffalo	147	189	123	66	85	30	26	79
Newark-Jersey City	153	195	128	67	86	33	25	83
New York	149	189	122	67	85	39	9	93
Philadelphia	137	182	111	71	75	34	14	103
Pittsburgh	151	189	122	67	91	33	32	68
Scranton	125	166	98	68	60	24	7	83
Trenton	142	180	118	62	75	24	24	83
Atlanta	112	166	90	76	39	28	8	38
Birmingham	116	170	86	84	64	28	20	52
Houston	125	191	90	101	45	29	9	54
Jacksonville	104	172	77	95	35	25	5	58
Memphis	107	161	83	78	51	27	9	38
New Orleans	103	151	73	78	50	28	5	56
Norfolk-Portsmouth	112	168	89	79	59	28	11	74
Oklahoma City	112	151	88	63	35	25	5	48
Richmond	113	170	89	81	58	25	4	52
Chicago	157	202	130	72	70	36	14	92
Cincinnati	139	180	110	70	74	30	19	62
Cleveland	147	189	120	69	88	32	29	76
Columbus	136	178	110	68	55	27	16	91
Detroit	165	210	138	72	91	35	40	64
Indianapolis	139	183	115	68	70	27	20	90
Kansas City	140	187	111	76	80	29	11	53
Louisville	136	191	106	85	66	28	15	43
Milwaukee	151	193	125	68	80	29	28	92
Minneapolis-St. Paul	143	187	118	69	85	31	13	65
St. Louis	143	191	115	76	85	32	17	68
Denver	128	174	105	69	62	28	6	100
Los Angeles	157	200	126	74	72	36	15	88
Phoenix	131	183	104	79	66	25	4	85
Salt Lake City	131	174	107	67	47	24	7	78
San Francisco-Oakland	168	210	139	71	97	34	10	83
Seattle	158	197	132	65	97	29	14	80

CHARACTERISTICS OF LABOR SUPPLIES IN SUBURBAN AREAS

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I

This is an interim report on a study sponsored by the Federal Reserve Bank of Boston, which is concerned with differences in the types of labor supply available to firms in downtown and suburban locations of the Boston Metropolitan area. Interest in this comparison of labor supply characteristics arises out of a development that has been occurring in many metropolitan areas of the United States, namely the migration of firms from intown to suburban sites. The primary cause of this decentralization movement, in Boston as well as in other areas,[1] seems to be the need for additional plant space for the growing firm. High overhead costs downtown, inadequacies of highway and street facilities for the movement of goods and workers, and lack of parking space are some of the well-known irritants of intown congestion that have pushed out the expanding firm. At the same time, the development of throughways and belt highways has opened up tracts of undeveloped land in the suburbs large enough for construction of one-story plants and adequate parking facilities.

In the Boston area, state Route 128 has already been termed the classic example of how a limited access highway can stimulate industrial development in suburban areas. This route, a circumferential highway around Metropolitan Boston, has been in part relocated and rebuilt since 1951 as a limited-access highway. Within a relatively few years, a large capital investment in new plants, including several planned, "garden-type" industrial centers, has been attracted to the highway. By the winter of 1956, it is estimated that 82 firms had established plants on or near the highway;[2] since then, even others have planned new construction. Labor requirements of these new firms have not been officially totalled, but were probably upwards of 15,000.

Although these new locations are within the Boston Metropolitan

[1] See U. S. Department of Commerce, *Area Development Bulletin,* June-July, 1957, III, p. 5.

[2] Data taken from map prepared by the Associated Industries of Massachusetts and Massachusetts Department of Commerce, *Industrial Development along Massachusetts Route 128,* June 1955, with additions to December, 1956.

area and can presumably draw upon the entire area's labor supply, the question is whether labor supplies by sex, experience, and skill are as readily available at one site as another, or whether certain types of labor are more or less geographically localized within the larger metropolitan area.[3] If the latter were true, the new Route 128 firms would discover that the new commuting patterns required by their location gave rise to problems of labor recruitment different than those at downtown locations. Differences in commuting costs and time, differences in commuting facilities, such as use of automobile instead of subway, and even differences in availability of eating and shopping facilities at the new sites in comparison with the old would affect the relative availability of labor.

To test this hypothesis, my procedure was to visit some 20 to 30 firms that have moved from a downtown location to Route 128, selecting those firms that would give a cross section of the various industries, of the different sizes of firms, and of the different subareas along the highway. From these firms I sought two types of information. One was the firm's own experience in recruitment of labor by broad skill classifications at the new site in contrast to the old. This information could be obtained from the personnel manager's own appraisal of his firm's experience and also from the firm's turnover data, particularly the rate of quits, or voluntary separations, at the two locations.

The second approach was to find out the extent of loss of workers, if any, during the transfer of the labor force from the old site to the new. A comparison of those who quit during the relocation with those who transferred with the firm would give some objective evidence of the type of worker that found it difficult to commute to the Route 128 area, or that preferred the downtown to the suburban work location. As I will show later, it is not always possible to obtain this type of information. If there are enough cases, it will be possible to make a test of the type of personnel policies best designed to hold labor to the firm.

This procedure does not, of course, yield a comprehensive analy-

[3] The United States Employment Service defines a labor market area as that area in which workers commute to and from work. This approach has been questioned by various writers. See Lloyd Reynolds, *The Structure of Labor Markets,* New York, 1951, pp. 41-42, in which he emphasizes the specific labor market of each firm. See also William Goldner, "Special and Locational Aspects of Metropolitan Labor Markets," *American Economic Review,* March 1955, XLV, pp. 114 ff., in which he develops the concept of normal preference area with respect to a worker's locational preferences.

sis either of the labor market of Route 128, or of the commuting patterns of workers at these firms.[4] The procedure can indicate, however, the extent to which a given labor market, in the sense used by the United States Employment Service, is in fact determined by commuting costs, or, to state it somewhat differently, those factors, including commuting costs, that influence a worker's decision in the selection of work location. Commuting costs are interpreted liberally[5] to include not only out-of-pocket costs, but also travelling time, waiting time, number of transfers from one type of facility to another, as well as investment outlays required for private automobile.[6]

II

Although the study is not yet complete, several tentative conclusions and procedural problems with regard to the differences in relative availability of labor at downtown and suburban sites, may be presented. A summary of the observations of personnel managers interviewed indicates a general, but not universal, conclusion that a location near higher-income suburbs definitely eases recruitment of engineering, professional and administrative staff, but neither helps nor hinders recruitment of skilled labor. Complaints of recruiting difficulty at the new location were expressed for clerical, unskilled, maintenance, and particularly seasonal workers, in these higher-income suburbs.

The most serious of the recruitment problems was that of unskilled male labor, especially when hired on a seasonal basis. This points up the lack of an unskilled, and particularly of a casual, labor market in the suburbs. For lower-paid workers living in apartment or other residential areas within or near the central city, commuting costs seemed to be a major obstacle to employment along Route 128. It should be explained that low-cost subway transportation is not available from Boston to Route 128, that bus service is

[4] For a recent, brief review of studies of commuting patterns, see James H. Thompson, "Commuting Patterns of Manufacturing Employees," *Industrial and Labor Relations Review*, October 1956, X, pp. 70-80.

[5] This follows the usual interpretation of commuting costs. See Leonard P. Adams and Thomas W. Mackesey, *Commuting Patterns of Industrial Workers*, Ithaca, 1955, p. 28.

[6] Even weather is a factor. One firm reported its largest number of relocation quits in November and December, even though the firm had moved the preceding summer. The personnel director said that during the fall these workers had enjoyed their drive to work into the country. But when the leaves began to fall, their thoughts turned to the possible hazards of winter driving and they sought other jobs closer home.

time-consuming and not designed to service the area, and that commuting trains which cross the highway at a few points are relatively expensive and inconvenient. To illustrate the problem of unskilled labor, the experience of one firm is of interest. At a downtown location, this firm could recruit quickly an extra hundred workers during its rush season in the fall with a "Help Wanted" sign in the window. At its Route 128 site it could not recruit half that number even when it paid a cash bonus to its own workers for every new person brought in.

Shortages of clerical, and in some cases female semi-skilled production workers, were not serious, since firms discovered that a change in hiring specifications, particularly in the use of older women, and in a few cases the part-time employee, could produce satisfactory results. Nearness to residential areas where job openings may attract into the labor force housewives whose children are in school has been considered by some personnel managers one of the gains of their new location. For many types of production and clerical jobs, these older women were considered as efficient as the younger women, yet less subject to absenteeism and lses likely to leave the labor force.

Route 128 firms located near lower-income suburbs, or near communities with significant amounts of unemployment, seemed to have fewer labor supply problems of the type mentioned above. This leads to the conclusion that the recruitment possibilities for a specific firm are conditioned by the size and characteristics of the labor force of nearby towns and cities, the extent of competition from other plants near the particular location, and the relationship to feeder highways. Although Route 128 has greatly enhanced the flow of labor around the rim of the metropolitan area of Boston, it has not created, at least as yet, a circumferential labor market.

III

The second method of appraising the differences between the downtown and suburban labor markets, namely, the analysis of voluntary separations during the period of transfer of personnel from one site to another, also supports the importance of commuting costs as a labor supply factor. Before examining some of the still tentative conclusions from this analysis, it should be pointed out that it is not as simple as it might seem to discover how many workers quit because of the firm's relocation. In a relatively small firm, the personnel manager might know the particular circumstances surrounding the

quits of workers. Larger firms may have a reasonably satisfactory system of exit interviews. But there are other firms with no information. Even in the case of a firm with exit interviews, the data may not be a reliable guide to the cause of voluntary separations. In view of the fact that a combination of factors is usually involved in the worker's decision to quit, the problem of pinpointing every quit due to relocation may be insolvable. For example, a worker who had been planning to quit for some other reason, may use the relocation as an excuse to quit and become eligible to draw unemployment compensation.

Another difficulty in determining the number of workers who quit because of relocation is that once the fact is known that a firm will move, some workers may leave several months prior to the date of relocation to seek another job. Other workers may try out the new location for commuting convenience before making a final decision to remain with the firm or not. The ideal data for analysis would be a file of exit interviews that indicate the causes of voluntary separations, supported by the personnel director's knowledge of each case, for a period beginning before the date of announcement of the firm's decision to move to at least a year after the move is completed. Where this data is unavailable, another test is to compare the monthly quit rates of the relocation period with some quit rate pattern taken as normal, and to assume that any excess reflects relocation quits. This approach may be misleading, however, unless the data are interpreted carefully, since a wide variety of other factors can affect quit rates. May I say at this point that I believe accurate turnover data can be most useful as a research tool in labor market analysis, but there is a definite need for a reworking of the concepts traditionally employed in the past.

The data I have obtained so far show that the relative number of relocation quits varies greatly from one firm to another. While one firm may not lose a single worker because of its relocation, another might lose nearly one-fourth of its labor force in a relatively few months, in addition to its normal number of voluntary separations. When a high rate of loss cuts into the experienced, long-service group of workers, one can well understand why, during a relocation, the hair of the personnel director may turn a little greyer.

What reasons can be advanced to explain the difference in the impact of relocation on a firm's success in holding its labor force? From the data so far collected, three factors seem most important in

this connection. One is the extent to which the new location increases the commuting costs of its labor force—the greater the increase in commuting burden the greater the rate of commuting quits. This means that a firm planning to relocate within a metropolitan area should consider the effect of a new site on the commuting patterns of its workers, or else be prepared to engage in a major recruitment campaign for replacement of relocation quits.

The second factor is the type of labor employed by the firm. The impact of increased commuting costs on relocation quits seems to vary inversely with the worker's level of income. The analysis of turnover data and exit interviews shows, for example, the higher relative incidence of relocation quits among the semi-skilled and unskilled than among the skilled labor force, and among women in comparison with men.[7] The relative infrequency of relocation quits among administrative or professional workers probably reflects shortened commuting distances for this type of employee, who is more likely to reside in the suburban areas.

A third factor consists of those policies of the firm that influence the worker's attachment to the company. These policies may be classified under two general heads. One includes the basic employment policies as related to wages, working conditions, fringe benefits and various rights. I will not say much about this type of policy except that the firm giving its workers a more than normal financial stake in their jobs—for example, through profit sharing—is most likely to minimize relocation quits, to say nothing of quits generally.

The second group consists of those attempts by firms to offset directly or indirectly increased commuting costs of workers at the new site. Two common methods of doing this are by assisting in formation of car pool arrangements for the firm's labor force, and by chartering direct bus service from some central downtown point. Of these two methods, the first seems likely to continue as a permanent fixture of the suburban firm, while the second seems to be successful only for a short period of time. Other forms of subsidies less frequently used are cash commuting allowances, low interest loans for purchase of automobiles, gasoline at wholesale prices, payment of transfer costs of purchase of new residence near the new firm. It is questionable how significant this group of policies has been. To some

[7] This indicates a narrower work preference area for lower-paid in comparison with higher-paid employees, an observation well supported by other studies. See Goldner, *op. cit.*, p. 124.

personnel managers, they are less important as a subsidy for commuting costs than they are in promoting good public relations.

IV

In summary, this study of the suburban labor market indicates that commuting costs, in the broad sense used above, do have an effect in reducing worker mobility within a large metropolitan area and may as a result give to a suburban area different labor supply characteristics than at downtown sites. Firms as well as urban and industrial planners concerned with industrial relocation would be well advised to recognize that a change in location may involve loss of experienced workers as well as create new difficulties in the recruitment of replacements and new personnel.

COMMENT

ADOLF STURMTHAL
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My brief comments will deal mainly with the general and theoretical conclusions that can be drawn from these three papers.

Professor Burtt's paper deals with an eminently practical problem. His findings tend to support Mr. Goldner's conclusions about the forces that make for growing metropolitan areas. Burtt also confirms the view that there is, on the supply side, at one given moment, not one unified labor market in a given area, but that it is of different sizes, primarily according to the skill level of the groups involved. It would be interesting to see to what extent forces exist that make for similar subdivisions on the demand side.

The paper by Shultz and associates has the great merit of drawing our attention away from the labor market of the manual worker to the increasingly important, and far less explored, problems of the white collar group. The theoretical problem to which they devote their attention is the old and bothersome one of the validity of general price theory in the field of wages.

Their conclusion seems to be that if we disregard the workers' preferences of a non-pecuniary nature, traditional price theory is valid. But that does not help us very much. It is, I believe, a fairly widely known fact, learned from introspection as much as from other sources including learned societies' meetings, that one of the reasons why people take jobs is that they wish to earn money. It is also equally accepted that, all other conditions remaining equal, most people prefer higher-paying jobs to lower-paying jobs. But this is where our trouble begins, rather than where it ends.

1. If non-pecuniary motives are important on the job market and their importance and evaluation vary from person to person, what are the objective characteristics of an equilibrium situation? How can we identify one, if we meet it?

2. We might see a person move from a higher-paying to a lower-paying job in order to achieve equilibrium. This is difficult to make compatible with traditional price theory if it is to be objectively verifiable, and not a mere tautology.

3. All we can predict under these circumstances is that *if* all other conditions are constant, a larger supply of labor to a firm or industry—not of course to the economy—may be forthcoming (apart from the

backward sloping part of the supply curve) when the rates of pay are increased. But how do we ascertain that all other conditions are constant from the point of view of a multitude of workers with varying evaluations of non-monetary rewards?

4. No given situation can be ruled out as incompatible with the theoretical propositions. There is always the possibility that the non-pecuniary satisfactions explain the apparent departure of actual behavior from the one theory leads us to expect.

The findings of the present papers do not seem to me to invalidate these doubts.

Mr. Goldner's paper reports on a very interesting and promising piece of research. My remarks will be in the nature of questions rather than of criticism. They come under two headings: methodology and conclusions.

As to methodology—are we entitled to expect relative permanency in the relationships established in the paper? Some remarks in the paper itself as well as theoretical considerations lead me to the belief that we cannot; thus the ratio of urban to rural income may lose its significance when the rural population surplus becomes negligible or if for other reasons the flow of that surplus into the cities is slowed down or stopped.

Furthermore, to what extent are the variables really independent from one another? To what extent does the element of durable goods' manufacturing contain the influence of active and combative unionism?

Finally, are two skill grades sufficient? In a recent study of Fred Harbison's the main problem was that of differing frequency distributions over the various grades of high skills in the two cases he compared.

As regards Mr. Goldner's conclusions:

1. He points to a frightening perspective—the continuous growth of metropolitan areas. What makes them so efficient? The problem is being discussed elsewhere, particularly with regard to Paris and, to a lesser extent, the London area. International comparative studies would seem to be very rewarding.

2. It is surprising that the effects of unionization should be the same for skilled and unskilled wages. To what extent is it unionization, to what extent full employment that is responsible?

3. Is the significance of durable goods production related to the rather rapid progress of productivity in durable goods manufacturing?

4. I am intrigued by the ultimate conclusions of the paper on the

successive stages in the evolution of absolute skill differentials. There is, as far as I can see, no supporting evidence for the hypothesis formulated in the paper. As it stands, it is lacking in elaboration and difficult to compare systematically with what appear at first sight different conclusions expressed by Mrs. Wootton, Professors Reynolds, Dunlop, and myself. We shall have to wait for Mr. Goldner's work to develop before we can examine this hypothesis with the care it deserves.

Part VIII

LEGISLATING DEMOCRACY IN UNIONS

LEGISLATING UNION DEMOCRACY

CLYDE SUMMERS
Yale University

"To protect the labor movement from any and all corrupt influences. . . . To safeguard the democratic character of the labor movement. . ." These are stated objectives of the A.F.L.—C.I.O. Six codes of ethical practices have sprung from these seminal clauses. At the same time the Senate Committee on Improper Practices has spread before the public vivid evidence that the record of union democracy is badly blotted. The Federation is dedicated to cleaning its own house. The Committee is insistent on giving a helping hand.

The hour is too late to debate whether the law should intervene in internal union affairs. The common law has long reached into unions to compel compliance with the constitution and also to enforce certain minimum standards of fairness and decency. Federal and state statutes already stand on the books reaching admission and expulsion rules, elections, financial affairs, and qualifications for union office. Whether we like it or not, further legislation is a foregone conclusion. The critical problem at the present is to establish the guide lines for that legislation in order that it may improve and strengthen democratic unionism to the benefit of the whole society. All that can be said here is mere prologue to that difficult task.

I

At the outset, certain underlying questions which reach deeply into our basic premises must be faced. How we answer them greatly affects how we legislate.

First, why do we seek to make unions democratic? In part this is because the labor movement itself demands that unions be democratic. In the words of the Ethical Practices Committee, "Freedom and democracy are essential attributes of our movement. Labor organizations lacking these attributes. . . . are unions in name only. Authoritarian control. . . . is contrary to the spirit, the tradition and the principles which should always guide and govern our movement." Our reasons, however, strike much deeper than this. They cut close to the center of our system of government.

Unions do double duty in our democratic structure. They provide a device, through collective bargaining, of protecting and promot-

ing the interest of workers with a minimum of governmental action. Free collective bargaining shortens the reach of central legal control in the economy by establishing a separate structure of industrial government—a kind of economic federalism. Unionism and collective bargaining reduce the need for regulating the terms and conditions of employment and thereby provide an alternative to suffocating statism. This, however, is but half the job, for unions are also instruments through which workers can gain a voice in determining their terms and conditions of employment. They extend the principle of self-government by carrying a measure of democracy into industrial government. If unions are to fulfill both of these functions they must be both independently strong and internally democratic.

The highest function of the law is to protect and foster the democratic process. When the law gives affirmative sanction to the right to organize and bargain collectively, it helps create institutions of government outside the state and thus protects against overreaching state control. When the law promotes union democracy, it injects into industry an element of self-government and thereby fosters an extension of the democratic process. Indeed, the law can not properly do otherwise, for a democracy can not create institutions and vest in them the power to govern without insisting that such power be exercised democratically.

From this premise, which is but an unprovable personal conviction, two general guides begin to evolve. One is that we defeat ourselves if unions are regulated in such detail that they become captives of the state. The other is that the standards of democracy which we seek in unions are analogous to those which we seek in other instruments of government.

The second question is, how do we measure whether unions have fallen short of these standards? The measurement is not merely in numbers or percentages. It is conceded by all that only a minority of unions discriminate against Negroes, ballot boxes are seldom stuffed, political opponents within the union are only occasionally expelled, rebellious locals are not always placed in receivership, and out of billions of union funds only a few million have been filched. The overwhelming majority of union leaders are completely honest and dedicated to improving the lot of their members, and are far more concerned with combatting apathy than curbing criticism.

However, oppressive and corrupt use of power does exist and is not confined to the Teamsters Union. In the Bakery Workers, for

example, Secretary Sims charged President Cross with misuse of union funds, including maintaining an expensive "lady organizer" on the union payrolls, purchase of cadillacs, and accepting gifts and loans from employers. The General Executive Board, a majority of whose salaries Cross controls, heard these charges, cleared Cross and summarily suspended Sims for making them. Recent revelations have uncovered misconduct in the United Textile Workers, Distillery Workers, and Allied Industrial Workers. In the past disturbing examples have occurred in the Building Service Employees, Hodcarriers, Iron Workers, Longshoremen, Operating Engineers and Stagehands. Even the Auto Workers, the Garment Workers and the Steel Workers have not been immune to such charges.

The relative number of such instances is small, but it is not insignificant. Nor is the number the full measure, any more than the visible portion of an iceberg measures its full size. Expulsion of one critic may silence a hundred others; suspending one local may be sufficient lesson for all; and rigging one election may discourage opposition in a dozen. More subtle but far more pernicious is that such practices encourage the members to look upon the union not as a democratic institution but as simply a business device to increase their paychecks. Cynicism destroys all sense of responsibility and futility replaces faith in democratic processes. Thus even single instances of oppression feed the apathy and hasten the hardening of the oligarchic arteries.

We are dealing here with the civil liberties of union members—free speech, fair trial, honest elections and equal treatment within the structure of industrial government. Even a single violation is a matter of public concern. We can not wait to act until violations become commonplace.

It is necessary to recognize that although there are no overt acts of oppression, the form of democracy may be but a thin shell covering a congealed oligarchy. Leadership, once elected, may become entrenched too deeply to be removed except by violent upheaval. The bureaucratic structure, created to make the union efficient and effective, tends to centralize power at the top, creates a one-party political organization, and monopolizes the union newspaper and other methods of communication within the union. The last election in the Steelworkers vividly illustrates the obstacles faced by an opposition in unseating the leader of a national union. In spite of the honesty and dedication of union leaders, these forces feed, and in turn feed upon,

the apathy of the members. Organized opposition withers and the democratic process wastes away.

It is self-evident that the law can deal most effectively with overt acts of oppression, and that these are the first order of business. However, we ought not discard the possibility that certain measures, legal or institutional, might have significant impact on the drift toward bureaucratic centralism in unions.

The third question is whether there is any base of common understanding or attitudes from which legislation can proceed. It is a traditional tenet of union faith that unions should run their own affairs. Outsiders are at best officious intermeddlers, mistrusted as potential spies or saboteurs. Any legal intervention is anathema. This attitude is in part a product of union nationalism,—an expression of organizational independence and sovereignty. It is reinforced by the compelling fear born of experience that intervention may be only a device to weaken the union and threaten its survival in collective bargaining. The leaders of the A.F.L.—C.I.O. openly admit that corrupt and undemocratic practices persist and that they lack power to eradicate the evils. However, the traditional union distrust of any regulation of internal affairs still prevails.

Counterbalancing this attitude is a growing one outside the unions, that the public has an interest in how unions conduct their affairs. Corruption and oppression in unions is no longer a private matter, for we have entrusted unions with public responsibilities. Union members must be guaranteed the elemental rights of citizenship in the union. The demand for legislation is spurred by a conviction that the A.F.L.—C.I.O. can not clean its own house alone. Al Hayes, Chairman of the Ethical Practices Committee, has himself said, "In a very real sense the expulsion of a wayward affiliate from the A.F.L.—C.I.O. does not solve the problem of unethical practices at all. It is a sort of handwashing ritual by which the great labor movement publicly absolves itself of any blame for the situation, a situation which continues to exist." Such handwashing does not satisfy. Too many feel that the dirty spots need scrubbing with strong soap.

A third attitude, less openly expressed, is that union abuses should be solved by reducing union power. The grudging acceptance of collective bargaining is but a veneer concealing deep hostility to unions. These people are less concerned with eliminating undemocratic practices than exploiting them to weaken unions as effective bargaining agents. Thus, Senator Goldwater, while denouncing the "unbridled,

uncontrolled power" of union leaders and advocating that the anti-trust laws should be applied to labor, congratulated Jimmy Hoffa for his union philosophy and wished him success in his conflcts with Walter Reuther.

Between these attitudes there is no real common ground. However, responsible union leaders now recognize that they can no longer insist on immunity from legal control. To do so would strengthen the appeal of extremists for crippling legislation. There is within reach a working compromise between conscientious union leaders and those whose genuine concern is to protect and foster union democracy. Legislation so conceived can not be successfully resisted by those whose hidden or subconscious goal is not to strengthen the democratic process but to weaken unions.

II

Let us turn now to the more difficult question, the core of the problem—what guides should we follow in developing such legislation? The purpose here is not to present any detailed proposals, but to suggest certain broad principles which we should follow.

The first and most fundamental guide line is that legislation on internal unions affairs should be completely segregated from legislation on union-management relations. We are concerned with the rights of union members in their union, not the right of the employer to be free from the union's economic force.

Proposals to prohibit organizational picketing, curtail secondary boycotts, or outlaw union security clauses must be excluded. They may at times contribute to a pattern of corruption or oppression, but they are primarily directed toward the process of collective bargaining and involve considerations far beyond the problems of union democracy.

This segration of issues is of greatest practical importance. To intermingle the problems will stir the deepest fears in unions; cooperation in developing the law will dissolve; and antagonism will crystallize. The McClellan Committee has already jeopardized its usefulness. In February, in opening the investigation, Senator McClellan listed seven subjects for investigation—all directed toward internal union problems. President Meany offered and gave the Committee full cooperation. In July the Committee listed eleven areas of study. Three of the new areas were secondary boycotts, organizational picketing, and union political action. Whole-hearted cooperation is

now made impossible, and color is given to the smoke screen defense that the Committee is engaged in union busting.

A corollary to this first principle is that the employer should never be made a policeman of the union's internal affairs. Union members will close ranks behind the most dissolute and dictatorial leaders when the employer intervenes. For the opposition, employer aid is the kiss of death. Furthermore, employers do not make reliable policemen, for their objective is profitable production, not civil liberties. Section 304 of Taft-Hartley required joint administration of welfare funds in the naive belief that employers would protect against raiding or arbitrary denial of claims. Ten years of experience has shown that most employers exert no effective control, preferring to avoid unnecessary friction. There is no evidence that employers prefer democratic unions, but there is substantial evidence that at least some employers find it profitable to deal with racketeers and union leaders who need not consult their members.

The second major principle in legislating for union democracy is that legal intervention should be kept to a minimum. This is not so much a defining rule as a guiding attitude—the declaration of a central value. This follows from the basic premise that the power of the state should be kept confined. It is also dictated by the traditional distrust of unions of such regulation.

More concretely, this principle requires that we do the most we can through laws now in effect. More effective enforcement of laws against embezzlement, bribery, extortion, and racketeering might skim some of the worst scum from polluted unions. At this point it appears evident that it is not enough to prod the overworked police and prosecutors. New methods of enforcement need to be devised. Small modifications in existing laws might take large differences, without substantially increasing intervention. The filing requirements of Taft-Hartley might be given flesh and blood by requiring that financial reports be supported by a detailed audit, by imposing substantial penalties for false statements, and by providing some check on the accuracy of the statements.

This principle further requires that any additional legislation should attempt to isolate the specific points at which legal measures will best reach recurrent evils. For example establishing adequate protection of members' right to criticize their officers, and creating channels through which they can learn what the officers are doing, might reduce the necessity for regulating the officers themselves. The

approach suggested is the exact opposite of that of Representative Landrum, who heard the complaint of the Los Angeles Musicians that they were being compelled to contribute to the Musicians trust fund from which they received no benefit. He introduced a bill "to increase employee participation and control over collective bargaining." By terms of his bill he would require individual authorizations from each employee for contributions to health and welfare funds! This is to burn the barn in order to roast a few pigs.

The third guiding principle in developing legislation is that the law should encourage and strengthen the union movement's efforts to clean its own house.

The leaders of the A.F.L.—C.I.O. are genuinely resolved to use the utmost of their power and influence to purge the labor movement of misleaders and malpractices. The Longshoremen have been expelled, the Allied Industrial Workers, Laundry Workers and Distillery workers have been ordered to cleanup or get out, and the Teamsters have been served with charges. Beck, Dorfman, Naddeo, Cilento and others have been removed from positions of responsibility. Six ethical practices codes have created an extensive body of private legislation governing internal union affairs. No stone should be left unturned to discover or develop devices through which the law can help implement such self-regulation.

One method which offers substantial promise is to design legislation so as to postpone active legal intervention until the unions have had adequate opportunity to act. The jurisdictional dispute provision in Taft-Hartley requiring that the unions be given ten days in which to act on the dispute points the way. It vastly reduced the necessity for Board action and induced the unions to establish for the first time a workable device for settling such disputes internally. Legal action is a last resort, but its immediate prospect can provide a prodding reminder to the unions against complacent inaction or idle excuses.

The Federation's codes set forth in considerable detail the standards which it believes unions should maintain. These should be given the greatest weight in fixing the standards which the law should enforce.

The fourth principle is that the law is of limited worth without proper methods of enforcement. This is obvious, but some of its implications are not so obvious. There is no need here to elaborate on the problems of enforcing criminal sanctions. Alternative methods must be examined with care for booby traps. For example, Minnesota passed

a Labor Union Democracy Act which regulated union elections and required unions to give financial reports to their members. To enforce this, the statute provided that the state conciliation commissioner, if he believes a union has failed to comply, should certify that fact to the Governor who can then either appoint a referee to investigate or order the matter closed. The task of initiating proceedings against a union is thus put upon a man whose public duty requires him to maintain a friendly and confidential relationship with unions. The ultimate sanction is apparently to deprive the union of protection under the state labor relations act—a sanction that would scarcely frighten Mr. Brennan of Minneapolis Teamsters.

The Taft-Hartley filing requirements are enforced only by denying the non-complying union access to the Board. This gives the members no remedy but enables the employer to play policeman by refusing to bargain with the union. It contaminates the collective bargaining process with internal union problems, with little gain either to collective bargaining or union democracy.

Legislating union democracy is at best difficult, for there are no simple formulas. However, we can greatly increase the likelihood of getting sensible legislation if we keep steadily in mind these four guiding principles. First, keep separate the problems of internal union affairs from the problems of collective bargaining. Second, keep legal intervention to a minimum. Third, encourage and implement union self-regulation. Fourth, make the method of enforcement appropriate for the good sought.

III

These broad principles give us a sense of direction, but they do not get us through the thicket. There is a confusing array of paths open, many leading to dead ends, some with treacherous pitfalls, and none without thorns. I have no map, know of none, and suspect that none has yet been even roughly sketched. All that can be done here is to suggest four paths which seem worthy of exploration.

The first possible path which might get us past the underbrush is to take profit making out of union leadership. The Senate Committee hearings have graphically revealed how union officers can exploit their position for personal gain. Treasuries can be plundered to buy homes, cadillacs, race horses, and even "lady organizers." Union funds are "borrowed" without interest or security, and with no due date except that fixed by the danger of discovery. If the treasury is

bare or guarded, other sources are available. Vice President Kralstein of the Bakery Workers cooked up a testimonial dinner in his honor and solicited contributions from both members and employers. Grateful for favors past and future, they contributed over $60,000. It has been testified that Beck's son made $19,000 selling toy trucks to Teamster's locals and Hoffa's wife shared profits of $125,000 from contracts made with trucking firms with which Hoffa negotiated contracts.

The immediate vice in these transactions is that it converts the union officer from a democratic leader into the operator of a business enterprise. His personal interests are placed in conflict with his union responsibilities. The ultimate vice is that the ease of exploitation attracts ruthless pirates like Johnny Dio whose sole objective is plunder and whose methods destroy every semblance of democracy.

Does this not suggest one direction in which the law might move—to seek to make more difficult the exploitation of union office for financial gain? This may require more explicit legal statement of the fiduciary position of union officers. It may involve establishing minimum accounting standards, or requiring detailed financial reports. These and all posible methods of insuring financial honesty should be fully explored to determine their potential usefulness.

In defining the standards of financial integrity, should we not seriously consider making the law conform to the standards set forth by the Ethical Practices Committee? Code IV states, "In a sense, a trade union official holds a position comparable to that of a public servant. Like a public servant, he has a high fiduciary duty not only to serve the members of his union honestly and faithfully but also to avoid personal economic interests which may conflict or appear to conflict with the full performance of his responsibility to those whom he serves." Ought we not weigh the possibility of enacting a conflict of interest statute which will enforce the standards there prescribed?

If we have such a statute need we stop with criminal prosecution? Could we not also compel the culprits to disgorge the loot? Should not those who knowingly participated in the transactions be held equally responsible?

A second possible path which may prove promising is insuring that union members be adequately informed of what is being done in their name. A member of the Operating Engineers was expelled because he asked for information about welfare funds. Two officers of the United Textile Workers used $57,000 of union funds to buy

themselves homes and hid it under the heading of organizing expense. Members have been denied copies of their collective agreements or union constitutions and misinformed about executive board actions. These are only the most gross examples of defeating the democratic process by keeping the members in ignorance. Might it not prove fruitful to devote earnest attention at this point? What values may be gained in filing requirements, in compelling furnishing reports to members, or in protecting members' rights to inspect union records? Are other more effective devices available?

Even though disclosure rules such as filing requirements may seem waste motion, we may underestimate their usefulness. When rumors fly or charges are made concerning a particular union, the file may provide leads or valuable information. Brewster's misuse of Teamsters funds was discovered, at least in part, through the financial report filed under Taft-Hartley. Even more important, such reports may help the unions to police themselves by making possible criticism within the union or providing evidence for disciplinary action by the Federation.

A third possible path, which is closely connected to the first two, is protecting members in their right to criticize union officers and union policies. The fate of Secretary Sims of the Bakery Workers is symptomatic. One of the customary weapons of corrupt or dictatorial leaders is the silencing of their critics and the dismantling of all organized opposition. The methods may vary from threats of physical violence to placing local unions in receivership. If the freedom to criticize is impaired, then union democracy is impossible. On the other hand, if criticism flows freely then the members themselves have some chance to challenge abuse of power and clean out corruption.

This is undoubtedly a most difficult and sensitive point for any legislation, but ought we not study every conceivable aspect to determine whether and how the right to criticize can be protected without destroying union discipline? Should we use the leverage of legal intervention to induce the union movement to establish a system of appeal boards patterned after those in the Auto Workers and Upholsterers Union? Should we consider defining legislatively union members' civil rights and minimum procedural standards which the courts could enforce? If we can adequately protect freedom of speech within the union, might we be able to avoid the necessity for much other regulation?

The fourth possible path which might be explored is aiding the

unions to obtain evidence of wrongdoing within the movement. One of the reasons given by the A.F.L.—C.I.O. Executive Council for its failure to take earlier action was that it lacked the power to subpoena witnesses. Rumors of corruption floated about, newspaper and magazine stories charged malpractices, but tested evidence was lacking. The Senate Committee has served as broker, providing the Federation with evidence on which it can act. This, however, is an unsatisfactory episodic stopgap. Inquiries into the business activities of Big Helen and Small Helen, chasing a bouncing local union charter, and stories of wiring grand jury witnesses for sound may make excellent television screen play, but it contributes little to union democracy or to enabling labor to clean its own house. Ought we consider the possibility of creating some continuing structure less tinged by the temptations for publicity and political capital which could serve the function of providing evidence which the unions need to police themselves? Would it be feasible to establish some public commission or agency which could act as watch-dog and make investigations where necessary?

These four potential paths, which are not mutually exclusive, are presented not as solutions but as possible starting points. They may one or all prove to be dead ends, but we need to explore and examine thoroughly. There may be other paths even more promising, and some new ones may open which we are unable to see. The purpose here is only to try to make some beginning in the hopes of stimulating serious thought and constructive suggestions.

CONCLUSION

"Legislating Union Democracy"—the title bears the seeds of its own undoing. No one understands better than a lawyer the limitations of the law in solving social problems. We can not compel union members to attend union meetings or cast wise ballots. We can not decree that union leaders shall be selfless servants without the love of power and prestige. We can not with words wipe out our social cannibals. If we expect the law to bring into being a model union democracy, we are doomed to disappointment. If we attempt to reach so far we shall destroy more than we create.

Although the law has limitation, it need not be an exercise in futility. We can create structures and procedures which will reduce the temptations and opportunities for selfish men to satisfy their greed. We can establish devices to identify the social cannibals so that they

may be cast out. We can create channels through which union members can gain some facts which will enable them to vote more wisely.

The most that the law can do is to aid those forces within the labor movement which seek to build and protect honest and democratic unions, to give shields and swords to those who would overthrow corruption and authoritarianism, to assure workers that the desire for democracy shall not be wholly frustrated.

We have a public interest in union democracy, for we seek through unions to give added breadth to the democratic process. The unions have recognized this special responsibility. The law should do what it can to help achieve this high purpose.

Part IX

CURRENT INTRA-UNION RESEARCH

INTRODUCTION

SOLOMON BARKIN
Panel Chairman

The papers which are to be read fall into four main categories. The first provides an outline of current thinking on new directions in intra-union research. The second includes the papers to be read by Mary Herrick, Walter M. Allen and Jack Barbash on the types of services offered by the research departments in the form of materials for use by union officials. The third group, represented by J. B. S. Hardman's paper, presents cautions on methods of research into intra-union problems. The fourth category includes the remaining three papers which report on trade union research designed to survey current experience or to lay the basis for new techniques or policies. Roy Helfgott reports on the experience with the integration of a new ethnic group in a garment union local. This report will be of wide interest to other unions faced with similar problems. Sylvia B. Gottlieb reports on the initiation of a project by the CWA to provide the union with information on the comparative economic and labor relations policies of public and private telephone systems. Finally, George Perkel reports on an initial staff study by the TWUA to appraise the causes of representation election defeat. Following this study, the union started on a more extensive use of sociological techniques to improve its organizing procedures.

It is hoped that these studies will be suggestive of new lines of inquiry and stimulate research enterprise within the trade union movement.

THE TRADE UNION CRISIS AND INTRA-UNION RESEARCH

SOLOMON BARKIN
Textile Workers Union of America

This session is a unique event in the history of the trade union movement. Professional research personnel are assembled here to learn of the specific research activities being pursued by their colleagues. They usually have described trade union research as primarily, if not exclusively, engaged in providing descriptive rather than analytical materials. The newer specialists on the research staffs, dealing

with engineering, pension and welfare problems, have an additional function of transmitting a new competency to the operating staff rather than arrogating any special area of responsibility. The researchers' tasks have been to buttress the organization and the policy and help in its elaboration and implementation.

In the present crisis, research has a broader function to perform, beyond that of furnishing the trade union movement with factual, statistical reports on matters of importance in negotiations or representations to the public. It must seek to render an accounting of the state of unionism and workers in the United States and assess the need for new or revised policies and procedures. Are new philosophies and objectives necessary? There is a need for broad study of the entire movement to help it understand and meet the new challenges.

In undertaking this larger responsibility, the trade union research personnel have the responsibility first, to promote and interest their principals in searching for the answers through research; second, to initiate such projects no matter how modestly; and third, to awaken the interest of the academic research people in the trade union movement and the workers, serving as a liaison between them and the labor movement to ensure that the results are well received.

Trade Unions Lack Awareness of the Uses of Research

It is not difficult to ascertain the reasons for the absence of significant original research beyond the compilation of data for use by the trade union movement. The leadership has not truly recognized the existence of basic deficiencies or problems in its operations, accomplishments or relations with its membership, the public and other institutions. There has been widespread satisfaction with the course of progress, although considerable discomfort exists at such phenomena as the leveling out of the rate of union growth, the increased strength of the right-to-work movement, and the misconduct of individual officers. Only as these chinks in the armor became more obvious and serious have a number of national leaders begun to look to more profound inquiries to redeem the movement and to launch it on a new era of growth and greater prestige.

Until recently, trade union leaders believed that their philosophy and course of conduct were well laid out for them. Their primary goal was to organize workers and to overcome the opposition of repressive employers who exploited workers and deprived them of the basic rights of citizenship in industry. Once unions were formed, the pur-

pose was to negotiate ever-rising wage levels and an expanding series of benefits. Union organization would provide the power with which to balance the employer's might and assure ultimate equity.

In an economic society in which management insisted upon control over price and production policies, unions could not assume any over-all responsibilities for economic policy. A policy of "economic statesmanship" could not be pursued solely by one party to the economic bargain. Only in industries or labor markets with complete understanding between trade unions and management have the unions evinced real concern over the impact of its demands. But, in this era of industrial giantism, these have been the exceptional cases. There could, therefore, be little incentive or even justification for broad, precise, coordinated wage policy.

Under the influence of the New Deal's philosophy, union leaders accepted its major political tenets. The federal government should prescribe a universal minimum of welfare benefits and set a floor on labor standards. The trade union movement fought for the enactment of the Employment Act of 1946 and subsequently protected vigilantly the Council of Economic Advisers as an operating unit within the executive branch of the government. The federal government, it believes with the New Dealers, should create and maintain conditions necessary for economic growth and stability and the eradication of economic maladies. The trade union movement has provided the political support rather than the intellectual leadership in the fight for the necessary legislative and administrative action.

The politically elected leaders of the democratic trade unions have assumed that they are endowed with the powers and gifts necessary to fulfill their responsibilities in the conduct of collective bargaining, lead the organization and its members, and direct the operations of the union. Recruited from the constituency, they were presumed to know its feelings and desires. Their election to leadership positions was equivalent to an endorsement of their insights, capacity and eloquence. Having worked in the industry, they considered themselves to have the necessary familiarity with it, or the ability to master its technical problems and evolve the required policies.

With the growth of union influence, these executive officers also broadened their areas of influence. They express labor's interest and participate on behalf of it in many community and national organizations and take positions on public issues. These attitudes they have

evolved from experience, from obvious self-interest, or from the prevailing attitudes among their political associates.

The gap between the various tiers of authority has increased most markedly. The older techniques of assembling members in mass meetings, strikes, and the intense battles have almost disappeared. Contacts are dispersed in the multitude of small meetings over grievances, in the annual negotiations, or the sparsely attended meetings.

Symptomatic of this distance between union leaders and the membership is the difficulty found in organizing the unorganized. Some are deterred by employer repression and the lack of protection for organization provided by the Taft-Hartley Act. There are, however, large groups of workers and employees who are not responding to pleas for organization. The old faith, still maintained by many leaders, that workers will organize if they are protected in their efforts to do so is not so well-founded today.

Much less time and energy needs to be given now to the training and education of the membership and the lower levels of officialdom, although constant appeals are being made for more educational efforts. Routines for grievance handling are well-established, operating under understandings evolved with management. Stewards tend to know their job rights and discharge their responsibilities with general competence. Workers' expectations have been channelized into annual wage and benefit changes or the negotiations for them, and focused during the year primarily, if not exclusively, on shop problems. Individual-member participation in the union's operations has been reduced. The economic clashes occur in the pattern-setting units, and the remainder of the union movement is likely to follow suit with a minimum of conflict or adjustment. The leaders in the non-pattern-making areas follow these models in their own demands and negotiations.

Competition between unions has been greatly moderated by the no-raid pacts and jurisdictional agreements and, finally, by the merger of the AFL and CIO. Many organizations have grown large, with locals spread over the entire country and in almost every state of the union. Their jurisdictions have been liberally interpreted so that they include very diverse operations, but they maintain the previous organizational structure.

The tendencies toward centralization of authority in the hands of the chief executive officers have increased immeasurably. In a large number of organizations, the same men have held their positions for

ten or more years and become well-entrenched within their respective organizations. But few changes have been made to balance these trends to assure greater membership and local control.

Some problems of trade union leadership were dramatized by the codes promulgated by the AFL-CIO and the hearings on individual misconduct publicized by the Senate committee. The older, messianic, idealistic drives and the dedication to help fellow workers in their efforts to improve their conditions have receded. Therefore, where once the leaders were guided by their personal moral code, which kindled the fire of revolt to the organization of unions, now formal prescriptions of conduct are necessary.

The general attitude of complacency and self-satisfaction is being challenged by the onrush of events. Questions are being raised concerning policy, procedures, organizational structure, membership rights, and a multitude of other issues. Answers must be found. They will not come from other groups; they must be found by the present trade union leadership.

Outside groups do not know the problems of the union movement. Moreover, the ascendancy of the big business economy has absorbed intellectual and artistic talents in commercial endeavors. Even the university professors who might normally be interested in unions and workers are professionally preoccupied with industrial problems. The new conservatism has attracted the creative energies of many thinkers. With the ebb of the philosophy of political liberalism and its accent on improvements in our economic life, the trade union movement must develop its own, truly rounded, philosophic point of reference. No other group is likely to provide it.

Research in This New Crisis

Research provides a useful tool for the development of the new policies, philosophies, structures and procedures better suited to current needs. The trade union movement is better prepared at this time to harness this resource, because it has relinquished much of the older fear of "intellectuals" which it inherited from the era when the politically oriented trade unionists were so dubbed by the "pure and simple" variety. Many professional persons are now employed in the union movement, and the leaders have learned to deal with them and to recognize the value of their special competencies.

In this new stage, research is more than fact-collection. It is concerned primarily with study for the purpose of diagnosis and prog-

nosis. It can be useful to the policy-maker in the understanding and analysis of his problems, the evaluation of alternative action programs, and the selection of both the policy and the methods for its implementation. The issues it may deal with may be varied, but its analysis must always be penetrating if it is to be of value. The issues will, of necessity, be suggested by the leadership, but the research men cannot be so limited. They must have the right to pursue their own areas of interest. The methods of investigation will vary greatly as time proceeds.

The trade union research men have a particularly vital role to play in this unfolding of research. They must, in the first place, awaken the leader's interest in the value of research. Often this may be accomplished through smaller investigations and research projects conducted by the staff man himself. Such initial reports can open the union leader's eyes to the promise offered by this approach to the understanding of issues. Ultimately, however, the challenge is to attract the academic personnel, with their knowledge, experience and patience for study, to this field of inquiry. Their application to trade union problems must be encouraged. It is the obligation of the staff research man to contact these scientists and present them with problems which will intrigue them. There is then the responsibility of finding the finances and providing access to the materials for such studies. During the course of the investigation, the staff research man can help the academic investigator by assisting in the definition of issues, in gaining quicker insights, and protecting him from misconceptions and errors of fact. But the value of these investigations will be lost if the investigator is not permitted the freedom to study in his own way and make his own mistakes. Such inquiries will grow in usefulness as their numbers increase. Staff research people, therefore, have the obligation to urge patience with the investigation, recognizing that the early findings will be modest. Their value and profundity will grow with the accumulation of knowledge about different situations and behavior.

The areas for such investigations are broad. They involve the extension of our understanding of the worker, his life, culture and behavior; the economy, the business system and the enterprise; the plant and the job; the worker as an employee, a union member and citizen; the collective bargaining processes and structures; the operation of the union; the relationship of members to their leaders and vice versa, as well as that of the leaders among themselves; the insti-

tutional problems within the union; and the power struggles within the economy.

The results of such studies will provide the trade union movement with materials for its self-evaluation and for the initiation of changes to increase its effectiveness. Its goals will then be definable in terms more suited to the current environment and aspirations. Its activities can then be strengthened in the areas most essential for its success and most desired by its members. The revitalization of the movement will better enable its undertaking of the task of organization of the unorganized and coping with its opponents.

Research is a tool for gaining a keener knowledge of the present and for preparing oneself for the future. It is a means for making more deliberate and studied choices of policies and selecting the programs and techniques best suited to fulfill the institution's purposes. The trade union movement, at this stage, must invite scientists to aid it in the understanding, analysis and evaluation of every phase of its activities and each of its goals in order to be better able to discharge the important trust for which the workers created it.

RESEARCH IN THE PROBLEMS OF ORGANIZED TEACHERS

MARY HERRICK
American Federation of Teachers

Any kind of research in the field of education is a highly complicated matter. The number of people involved in the process of public education is enormous. In 1956-1957, there were 30,000,000 elementary and secondary school children in public schools, with assorted parents, legislators, school boards and tax payers directly concerned in their success, as well as teachers. Moreover, the control of public education is divided among 62,000 local school districts and 48 states, and the responsibility for its financial support dispersed among federal, state, county, city and local school governments. Research in the problems of organized teachers covers the whole field of problems of public education, with particular attention to the changes taking place in metropolitan areas. In these areas live more than two-thirds of the children in the United States today. In 71 per cent of the cities over 100,000, including the deep South, and in 82 per cent of the cities over 200,000, there are locals of the American Federation of Teachers.

Scope of AFT Research

The American Federation of Teachers is concerned with three areas of research. The first comprises problems arising from the philosophy of education which is the heart of the teacher union movement. The second deals with the changes necessary in present educational practices to put practice in line with philosophy. The third develops the techniques by which local and state federations of teachers may accomplish these changes.

Clearly no research department can ride off in all these directions at once. Priorities on major research projects are set by the executive council of the American Federation of Teachers, acting upon the recommendations of a council committee on research, and of a convention committee on research. A major project may also arise from emergency requests of locals during the year.

Since local situations vary widely, the immediate problems of a local of organized teachers will also vary widely. Half of the time of the Research Department is spent on special aid to locals for whose

problems general information will not suffice. For instance, in 1957 the local at Oak Ridge, Tennessee, faced the removal of federal financial support for a salary schedule based on national standards, and inclusion within the Tennessee school system, with one of the lowest state salary systems. Data on Federal law on "Federally impacted school areas," on Tennessee state school law, and on salaries in cities of comparable size and buying power throughout the United States were furnished by the Research Department, including the basis of solution of the same problem at Los Alamos, New Mexico. The local was able not only to keep its 1956 salary scale, but to negotiate an increase, justified on training and experience. Locals ask for special studies on curriculum changes, methods of aiding maladjusted children and exceptional children of all kinds, and other teaching problems, as well as on the economic problems of teachers.

Primary Research

Much of the research of the American Federation of Teachers is primary research from original sources. For several years the Federation has published an annual survey of teachers' salaries collected from school districts with population of 10,000 or over. The 1956-1957 study includes complete data on salaries from 94 per cent of the districts of 100,000 or more population and from 71 per cent of the districts of 10,000 or more. This is the only such study made in the United States and is purchased by libraries and other reference agencies the country over. The 1956-1957 study included a summary of minimum wage laws for teachers in the 48 states, which was not available from any other source. A similar study of college salaries was made in 1955, and will be made again in this current year. Superintendents also furnish data on state and local limitations on bond issues for school buildings in their respective districts. More than half of the districts answering had used more than half their legal bonding power, and one-fifth had exhausted it. The implications of this data for federal aid for school buildings are clear.

Other original data made available to locals of the American Federation of Teachers and to the general public within the last two years are as follows:

1) the extent of fringe benefits for teachers,
2) the inter-relation of O.A.S.I. and teachers' pensions,
3) the oaths required of teachers in the 48 states,
4) tenure laws in the 48 states,

5) the methods of administering vocational education in the 48 states,
6) public health state laws regulating lunch hours,
7) the length of the school day at various age levels in large cities,
8) provision for payment for extracurricular activities in secondary schools,
9) the history and practice of "merit rating" as a base for teachers' salaries.

Collections of state laws, publications of and correspondence with 48 state departments of education, and the U. S. Office of Education are the general sources of this information.

Another original source is the research done by our local unions on their own problems. The study on *Discipline, What For and How?* to be published at the end of this month, uses facts and recommendations from locals in more than a hundred cities, several of which are quoted in the study. For instance, the educational page of the *New York Times* of August 18, 1957, cites with praise the detailed recommendations on this complex problem, of the New York Teachers Guild, Local 2 of the American Federation of Teachers. The total study was thoroughly discussed by three convention committees two weeks ago at the 1957 national convention and is the consensus of experience and study of several thousand teachers from Boston to Los Angeles.

Plans for next year's work include a major study of the tax resources of the 48 states and the money needed to provide education at the same level of expenditure for the increased enrollment of the schools in those states, as well as a survey of salaries at all levels. The questionnaire on elementary and secondary salaries for September 1957 has already been sent to more than 1300 supertintendents of schools. The locals are cooperating in a study on actual overcrowding and estimates of classrooms needed in the metropolitan areas.

Secondary Research

Some of the material issued by the Research Department of the American Federation of Teachers is from secondary sources. A pamphlet on *Higher Education, Problems and Prospects, 1957-1970,* in the hands of the printer, summarizes available projections from public and private sources of the problems of staffing and financing which will face colleges and universities as the birth rate wave

reaches them in 1960 and thereafter. A similar study on *The Teacher Shortage* and methods suggested for meeting it, is in mimeographed form and will be ready for circulation in October. The basic data are that of the U. S. Office of Education, but reports from foundations and other private agencies are included. Proposals for meeting the shortage are discussed in the light of the educational policies of the American Federation of Teachers. Specifically, experiments in the use of untrained teachers' aides, merit rating as a base for salaries, and the substitution of mass education by television for direct instruction and guidance by trained teachers are described in detail. Sources advocating these expedients and reports by teachers who have observed or participated in these experiments are cited. These studies are useful for negotiation by locals as these issues arise in their districts or states.

Research of the American Federation of Teachers in the techniques of successful operation of locals involves several staff members. One department, for instance, is concerned with publicity and public relations, and a Teacher Union Press Association provides a channel for communication of experiments in this area. The Research Department furnishes information on and copies of collective bargaining agreements signed by locals and school boards, and suggestions for grievance procedures and steps in negotiation, outlined in the *Manual for Locals.* The convention asked for a study of types of research which a local teachers' union should engage in. This study is to include sources of data for tax rates and other financial resources of a school district, sources of information on state school laws, steps in working out a salary proposal, and suggestions for negotiation. The Research Department also keeps up-to-date a compilation of *Policies of the American Federation of Teachers,* as adopted at conventions. This *Policies* statement includes positions on professional as well as on economic problems of teachers.

Uses of AFT Research

No research is of value unless it is used. The material prepared by the American Federation of Teachers is used in several quite different ways. The 24 State Federations of Teachers use it in preparing their legislative programs and in presentation to their legislatures. Data on public health laws on lunch hours helped overcome the objections of Illinois school boards to a state law that every teacher in Illinois in 1957, be allowed to have an uninterrupted 30-

minute lunch hour. Representatives of school boards claimed that no program could be set up which would allow teachers to be free of constant supervision of children for seven hours straight. The studies on OASI and minimum salaries were also used in legislative campaigns. In Indiana, Louisiana and Florida, where state laws on merit rating as a salary basis were considered in 1957, AFT material helped defeat the legislation. Locals in Jacksonville and Miami circulated every member of the Florida legislature with the study on *Merit Rating—A Dangerous Mirage.*

All of the publications are used in negotiations with local school boards. Materials on major problems of educational theory, such as data on *Discipline,* are circulated to civic agencies interested in schools as well as to school board members and administrators.

All research done by the American Federation of Teachers is based upon its fundamental educational philosophy. This philosophy can be stated simply, and is given lip service almost everywhere now. Every child has an equal right to opportunity for self-development, without regard to race, religion or economic status. Children learn best from warm, understanding trained adults, not merely through rigid drill in facts. The citizens of the next generation must be self-reliant, self-directed, participating, responsible members of our society, not robots. No school system can reach its maximum service to children unless the professional experience of its teachers is used in formulating educational policy. If teaching is to be a profession, the *teachers* must be treated as professional workers, not merely the *administrators.* Children will not have their best chance at education until teaching is fully recognized as a profession, in salary, working conditions and public status. Support of powerful groups of citizens is essential to accomplish this result. The most powerful influence in behalf of public education in the United States in one hundred years of history has been the organized labor movement. Teachers as professional workers share in the program of organized labor to improve the economic status of all citizens as well as the opportunities offered all citizens by public education.

A SURVEY OF THE EXTENT OF UNIONIZATION OF DAILY NEWSPAPER PRESSROOMS BY THE I.P.P. & A.U. OF N.A.

WALTER M. ALLEN
International Printing Pressmen and Assistants' Union of North America

I, of course, cannot speak for all labor unions, but the kind of research which we usually do accents the *search* syllable of the word research. The problem is normally quite limited in scope, and the usefulness of the research report is in direct relation to the speed with which it can be prepared.

Immediate answers are needed to ever new and changing problems, but our Union officials ordinarily pause long enough before establishing a new program or policy, to at least examine all available evidence that can be obtained quickly. In most cases our information is acquired from within the union, because most of our problems are intra-union ones.

We have learned to anticipate many of our needs and to build our information files, our periodical subscriptions, and our library around these known needs. Only occasionally are we able to indulge in long-range research projects, and we're not entirely convinced that such studies are given any more weight by the Union's policy makers than are the bench-mark studies which we do regularly.

The Service Bureau, which is the Research Department of the International Printing Pressmen and Assistants Union of North America, is called upon occasionally to make investigations of problems which may be troubling the President or Board of Directors. In recent months the President has been interested in obtaining figures which show how well the Pressmen's Union has done its job of organizing the Craft members in the commercial printing and newspaper publishing plants in the United States and Canada, as well as other groups in the Paper Products and Printing Specialties branches of the Union's jurisdiction. To date this investigation has necessitated three surveys, the most simple of which will be described here.

The operation of newspaper printing presses has long been recognized as being work for skilled craftsmen. Except for the early years of the Printing Pressmen Locals' withdrawal from the Typographical Union and subsequent formation of their own International Union (1889), there has been little serious competition with the Pressmen

for the collective bargaining jurisdiction of the newspaper pressrooms. This remains true today, except in smaller plants in which pressmen and stereotypers sometimes form a single crew. In determining the extent of union organization of these pressrooms, therefore, we had no problem except that of finding which of the various newspaper plants were not covered by Pressmen contracts. We did not need to determine whether some other Union may have bargaining rights in plants where the Pressmen did not.

To obtain our rough data we were fortunate in being able to turn to two very reliable sources of information. The first source was the *1957 Editor & Publisher International Year Book,* compiled by the publishers of *Editor & Publisher* magazine, the major trade journal of the newspaper industry. The Year Book lists every English-language daily newspaper in the United States and Canada. Other pertinent information listed with each newspaper is its circulation and the size population of the city.

The second major source of information consisted of the listings of union contracts in the files of our own Service Bureau. These gave the names of all newspapers with which our Local Unions had written agreements and a few with which we had a record of verbal agreements.

Our first step was the obvious one of checking the Editor & Publishers' list of all daily newspapers against our own list of Union pressrooms. We next compiled a list of newspapers with which we had no union contracts.

We then proceeded to refine the basic data. Since size of city usually determines the circulation, which in turn determines the size of the pressroom and probable number of pressmen involved, we placed our data in six major population divisions. For example, we listed the total number of newspapers in cities of over 1,000,000 population with the number under contract and number not under contract. Later we obtained the percentage of organization in that division.

The most conspicuous figures in regard to non-union plants in our tables were those for the newspapers in cities of less than 25,000 population. It was immediately apparent that the smaller daily newspapers were only slightly organized. The other figure which startled us was the large number of daily newspapers which existed in these small-sized cities. In the United States we found that about 60% of all daily newspapers were in cities of less than 25,000 population.

Our survey showed that less than 10% of these papers' pressrooms were operating under Pressmen's Union contracts.

We could have concluded our survey at this point, having found the number of newspaper plants which were unorganized and having listed such plants. Our empirical knowledge of newspaper plants, however, told us of the vast difference between the size of small-city newspaper pressroom and the number of potential members involved, compared to the pressroom and number of pressmen involved of a major-sized city newspaper. Equal weight, therefore, should not be given the Pressmen's failure to organize the pressroom of the Los Angeles *Times-Mirror* with that of the Albert Lea, Minnesota, *Tribune*. We turned then to circulation figures for further information upon which we could judge our success or failure in our organizing efforts.

Circulation figures revealed the plus side of the IPP&AU's organizing performance. We soon learned, for instance, that although these small-sized newspapers of the cities of less than 25,000 population added up to 60% of all U. S. dailies, their combined pressrooms produced less than 13% of the total U. S. circulation. When we looked at circulation figures for the newspapers in cities of over 25,000 population, we found that better than 90% of this circulation was produced in pressrooms working under our Union's contracts. On the basis of circulation figures we were able to show that better than 80% of all the circulation of the U. S. dailies is produced by our Union members. We were able to obtain similar figures for our Canadian jurisdiction.

Based upon the data supplied in the survey which we have described, a final report, including several giving various analyses of a kind familiar to the newspaper industry, was prepared and submitted to the Union's President. The President was also supplied with a list of the non-union newspapers in cities of over 25,000 population. This list was somewhat larger, too, than anticipated prior to the survey.

The results of the survey were put to immediate use. The President instructed the Service Bureau to prepare a questionnaire regarding the non-union newspapers which was to be sent to the nearest Local Union and to the International Representatives who resided in the area. Based upon the replies to these inquiries the President will be in a position to know whether or not to assign Representatives to attempt to organize these situations or to take other action. Also, the President made use of the results of our survey in his speeches before

the West Coast Conferences of the Union which met a few days after we submitted our report. The President reported later that a good purpose was served in alerting Local Unions to their failure to organize a large number of the smaller dailies. Conference delegates were amazed at this proof of oversight.

A further use was made of the survey material in preparing an Article for the Union's periodicals. The Article listed a number of the findings in pointing out the Union's current position in the organization of newspaper pressrooms. Also, as a result of our inquiries, we have discovered that a small number of newspapers which our records showed to be non-union were operating under verbal agreements with our Locals or the pressrooms were operated by our Union's members without collective bargaining over conditions.

This research study was not typical of most of our investigations, because our source data were far more complete than usual. Our results were conclusive and chance for error was small. Further, such a survey could be profitably repeated periodically and probably will be.

Some of the survey data follows.

The IPP & AU has had its greatest success in organizing the newspaper pressrooms of the larger cities. In United States cities of over 100,000 population, 90% of the newspapers are covered by our Local Union agreements. Further, these union newspapers produce 95% of the total circulation of these larger cities.

As would be expected, most of the unorganized pressrooms are in the cities of 25,000 or less population. The small number of pressmen in these plants has been a strong deterrent to organization. Many such plants have been organized, however, and we are confident that many of these smaller pressrooms are favorable to union organization, if approached properly.

If you tally all the U. S. daily newspapers together, small and large sized, the number of non-union papers is about 2 to every 1 that has been organized. On the other hand, when we add up the union-produced circulation of all daily newspapers we find that 80% of the total U. S. daily circulation was printed by our Union's pressmen. Further, if we look at the circulation of all daily newspapers printed in cities of over 25,000 population we find that approximately 90% of the U. S. circulation is printed by our pressmen.

A higher percentage of Canadian daily newspapers are under contract with the IPP & AU than is the case in the States. Slightly more than half are union—54.5%. Again there is a close ratio be-

tween size of city and degree of union organization. Smaller cities (less than 25,000 population) are least organized. Somewhat better success has been enjoyed in organizing smaller sized cities in Canada than in the United States, but slightly less success percentagewise among the larger cities.

There is not much difference in percentage of union-produced circulation in cities of over 25,000 population in Canada than U. S., 89% to U. S. 90%. Total union-produced Canadian circulation of all sized cities amounts to 84.5% of all dailies production, somewhat better than the 80% of the U. S. dailies.

TABLE A

*Extent of IPP&AU Organization of U. S. Daily Newspapers**
Number and Percentage Under Contract
with IPP&AU in Each Population Group

UNITED STATES

In cities with population of:	Total No. of Newspapers	No. in IPP & AU	No. not in IPP & AU	Percentage in IPP&AU
1. 1,000,000 or over	28	22	6	78.6
2. 500,001 to 1,000,000	41	39	2	95.1
3. 100,001 to 500,000	174	158	16	90.8
4. 50,001 to 100,000	174	135	39	77.6
5. 25,001 to 50,000	279	174	105	62.4
6. 25,000 and under	1045	96	949	9.2
TOTAL	1741	624	1117	35.8

CANADA

In cities with population of:	Total No. of Newspapers	No. in IPP & AU	No. not in IPP & AU	Percentage in IPP&AU
1. 1,000,000 or over	13	8	5	61.5
2. 500,001 to 1,000,000	....	....	....	.....
3. 100,001 to 500,000	17	14	3	82.4
4. 50,001 to 100,000	16	10	6	62.5
5. 25,001 to 50,000	18	12	6	66.7
6. 25,000 and under	35	10	25	28.6
TOTAL	99	54	45	54.5

* Morning and evening papers are each listed as one newspaper.
Wall Street Journal, etc. not counted as daily.
SOURCE: Contracts and information on file in the Service Bureau of the I. P. P. & A. U. of N. A.

TABLE B

Survey of Non-Union Daily Newspapers in United States and Canada

UNITED STATES		
Total Dailies	1741	
No. under IPP&AU Contract	624	
Percentage under IPP&AU Contract	35.8%	
Total Non-Union Dailies in *Cities over 25,000 Population*		168
Circulation of Non-Union Dailies in Cities over 25,000 Population		4,880,000
Percentage of Total Circulation		8.5%
Total Non-Union Dailies in *Cities under 25,000 Population*		949
Circulation of Non-Union Dailies in Cities under 25,000 Population, estimated		6,700,000
Percentage of Total Circulation		11.8%
Total Non-Union Dailies		1,117
Total Non-Union Daily Circulation		11,650,000
Percentage of Total Daily Circulation		20.3%
CANADA		
Total Dailies	99	
No. under IPP&AU Contract	54	
Percentage under IPP&AU Contract	54.5%	
Total Non-Union Dailies in *Cities over 25,000 Population*		20
Circulation of Non-Union Dailies in Cities over 25,000 Population		880,000
Percentage of Total Circulation		22%
Total Non-Union Dailies in *Cities under 25,000 Population*		25
Circulation of Non-Union Dailies in Cities under 25,000 Population		211,000
Percentage of Total Circulation		5.4%
Total Non-Union Dailies		45
Total Non-Union Daily Circulation		1,091,000
Percentage of Total Daily Circulation		27.4%

SOURCE: Contracts and information on file in the Service Bureau of the I. P. P. & A. U. of N. A.

RESEARCH ACTIVITIES IN THE INDUSTRIAL UNION DEPARTMENT

JACK BARBASH
Industrial Union Department, AFL-CIO

The first line of research activity in the Industrial Union Department has had to do with the basic functions of the IUD as a department in the AFL-CIO. The initial guideline for the IUD is to be found in the "Agreement for the Merger of the American Federation of Labor and the Congress of Industrial Organizations" which in Article 3(2) states: "There shall be established within the merged federation a Department to be known as the Council of Industrial Organizations. Such Department shall have the status of, and in general, be comparable to, the existing Departments of the American Federation of Labor. . . ." The AFL-CIO constitution resulting from the merger agreement goes on to list the IUD as one of the "departments" of the AFL-CIO.

Our first research task was therefore to find out as a basis for policy decision, what was specifically involved in a department "which would have the status of and in general be comparable to, the existing Departments. . . ." Aside from the documents and publications of the older Departments the paucity of analytical and historical research in this phase of union structure is rather striking. It is particularly striking in the light of the vital functions which the traditional departments, notably the Building and Construction Trades, Metal Trades and Railway Employees Departments, perform for their affiliates. Here is a research area that would repay systematic inquiry and would illuminate the structural adaptations which a labor movement has had to make to deal with its inter-union problems.

This is perhaps the point at which to clarify the ambiguous use of the term "department" in union usage. The Federation has two kinds of departments. One kind of department—research, education, legal, international affairs, social security, etc.—functions as a staff arm of the Federation directly responsible to the AFL-CIO president. The other kind of department—the kind that we are talking about here—Industrial Union Department, Building and Construction Trades Department, Metal Trades Department, Union Label and Service Trades Department, Railway Employees Department and the Maritime

Trades Department—is in an important sense a sub-federation within the parent federation. To be sure, each of these Departments derives its basic authority from the AFL-CIO and their policies must be in accord with the policies of the AFL-CIO. But within this broad charter these Departments elect their own officers, raise their own finances, have their own staffs independent of the parent federation.

In summary form we found out that the older trade departments have tried to carry out three kinds of basic objectives:

a. Protection of the jurisdictional interests of the affiliated unions.
b. Coordination and direction of interests of affiliated unions in organizing, collective bargaining, legislation and information.
c. Adjudication and mediation of jurisdictional conflict between affiliates.

In carrying out these objectives, the other trade departments have generally carried on the following activities:

1. Legislative activities and liaison with government agencies.
2. Organization and supervision of local councils.
3. Collective bargaining coordination and direction.
4. Coordination of organizing activities.
5. Settlement of jurisdictional disputes.
6. Maintaining relationships with other departments and with the federation.
7. Research.
8. Publications.
9. Public relations (mostly the Union Label and Service Trades Department).

Individual departments have emphasized some activities more than others. Legislation and liaison with government agencies is a high priority activity of all the departments. All of the traditional departments have also stressed the organization of local councils or their equivalent as a major activity. Jurisdiction is important in the Building and Construction Trades Department. Collective bargaining is important in the Railway Employees and the Metal Trades Departments.

The historic functions of the older trade departments could in point of fact offer little guidance in specific detail for the IUD, inasmuch as these are departments of craft unions and their common interests derive from the basic fact that these unions work together at a common site. By definition the industrial unions do not have a common work site as the essential element of relatedness.

The common ground occupied by the industrial unions takes a different form and can be summarized as follows:

1. Bargaining problems in respect to a common employer or industry.

2. Exchange of information on technical collective bargaining issues particularly relevant to industrial unions: for example, industrial engineering, supplementary unemployment benefits, health, welfare and pensions, and automation.

3. Representation of the interests of industrial unions on legislative and legal matters and in relationships with "craft" unions.

The Department has devised a number of committees and staff functions to give substance to these common interests. There are three types of committees: industry group committees made up of union representatives in a number of broad industrial categories; joint committees made up of unions with established collective bargaining relationships in a specific multiplant company or industry; technical committees made up of technicians in collective bargaining areas like guaranteed annual wage and supplementary unemployment benefits, industrial engineering and health, welfare and pensions, etc.

If the Industrial Union Department is to carry on what is essentially a clearing house for the industrial unions in the areas indicated, it must reach beyond the conventional research techniques mostly because much of the raw material of central concern is a matter of practice and is hardly ever written down.

Four types of research enterprises can be identified as arising out of the IUD's clearing house functions.

1. Comparative contract analysis. This is particularly relevant to the discussions of the joint committees. In connection with a meeting of a joint committee, say in U. S. Gypsum, or Avco Manufacturing or the paint industry, the research staff will make a fairly comprehensive comparative analysis of the contracts in force among IUD affiliates including health, welfare and pension provisions. In addition, the IUD will undertake to make some appraisal of the economic and technical developments in the company or industry under discussion. We have found that the initial task is to discover the unions with established bargaining relationships and then to get hold of the contracts and subject them to meaningful analysis.

2. Problem papers. In connection with the meetings of industry

group committees* the research staff prepares background papers as a basis for discussion among representatives of the affiliates involved in a particular committee. So that underway currently are memoranda on such issues as the administration of learner permits under the Fair Labor Standards Act, and collective bargaining contracts in public employment.

3. Technical Conferences. In such technical areas of collective bargaining as health, welfare and pensions, supplementary unemployment benefits, industrial engineering and automation, we have found that the stock of know-how available in documentary or written form is inadequate. Consequently, we have arranged conferences or seminars in the fields with participation limited to representatives designated by IUD affiliates. A stenographic record is taken and the transcript forms the basis for a union representatives' guide to the negotiation and administration of these technical collective bargaining areas. The main papers at these seminars are presented by staff specialists of IUD affiliates.

4. "Spot" Research. As anybody knows who has ever worked as a union research staffer, much, and perhaps the most valuable, of the work of the union research department is meeting specific requests for immediate use. The IUD research staff does a great deal of this. Most of the requests are for wage rate data in particular contracts. Within recent months the IUD research staff has handled requests from affiliates on such subjects as strike benefit practices, union ritual and obligation procedures, contract provisions and practice dealing with particular automation situations, cost analysis of health, welfare and pension benefits. Where necessary the technical skills of specialists on the staffs of affiliated unions are utilized as for example, in health, welfare and pensions. In addition, the research staff services the internal operations of the department on a wide variety of problems.

In conclusion several points need to be made in order to see IUD research activity in its proper perspective. The Industrial Union Department is not a research agency exclusively or even essentially. It utilizes a wide range of skills and services including legal, public re-

* Atomic, Chemical, Oil & Petroleum; Communications & Communications Equipment; Consumer Goods; Food and Beverages; Materials; Metal Working, Machine & Fabricating; Paper Printing & Publishing; Public Employment; Public Utilities; Transportation; White Collar Employment; Wholesale, Retail & Other Service Industries; Wood, Furniture & Related Products.

lations and legislative services. I have dealt with research exclusively here because that is what I was asked to talk about.

Second, and this is very important, the Industrial Union Department does not have a collective bargaining policy of its own. IUD functions are directed toward making it possible for affiliates to function more effectively under their own autonomously established collective bargaining programs by utilizing the resources of the whole labor movement.

INTRA-UNION RESEARCH THE AIM AND THE MEANS

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Not a research specialist, I confine my observations to the objecttive of research in intra-union relations rather than deal with the means and ways of doing research. Of course, aim and means are interrelated.

The general aim of research in intra-union relations is to disentangle the complex and apparently confusing web of union government to identify the inner springs which make the whole of unionism tick. This refers to officers and members alike. Three areas of intra-union relations are the researcher's concern:

(1) Relations between the union's high command and the peripheral officers, such as may be appointed by that high command and others who are elected.

(2) Relations of local administrative officers and officials (local secretaries, presidents, committee men, business agents, shop stewards, etc.) and the union members.

(3) Relations between the members of the union and the organization as a whole, the latter to imply the governing and administrative personnel, all that is identified by the members as *the union,* as a collective body, representing both power and authority, as distinct from the members as individuals in the union.

The term *relations* used in these paragraphs is really not the key word in thoroughgoing research: attitudes of each *side* toward the other would probably describe more accurately what the researcher seeks to find out. What the intra-union relations of the component parts of a union's power structure are can be read out of its constitution and by-laws. But that does not often reveal much. A constitution is not a record of life. It generally but reflects the relative strength, or power, of each constituent group in the combination which forms a lasting organization. It is, in substance, an agreement to coexist upon stipulated terms. What actually happens in the practice of coexistence is something else. A continuing process of accommodation follows in consequence of such changes in power co-relationships as develop. The constitution is taken care of by the union lawyers, generally helpful to those in power, or they would not be there.

It is not suggested that documentary research is not useful but that in a study of human attitudes, figures and data are not all that "it takes."

Out of another field of research comes to memory the classic example of the Sidney and Beatrice Webb Russian research venture. They went to Soviet Russia in the late 1920's, duly equipped with translators and other help, had the proper interviews with the proper men in positions of authority. Following that, the team settled down with the well known Webbish sedentary thoroughness to study all available legal documents down to the smallest village's constitutional scripts. They categorized and analyzed each paper and generalized about all. They returned from the explorative journey not only more unaware of what was actually doing in Russia than they were before they had made the on-the-ground study, but also enabled to circulate their lack of knowledge of actualities in a factual, documented, footnoted, scholarly-appearing book.

Intra-union relations, not unlike what that moody lady said about Oxford "is no longer the same, indeed it never was." But also true of labor is what is so often said about France: "the more it changes, the more it remains the same." Essential continuity and continuous change are the paramount facts of labor life. The student of intra-union relations will better not be baffled by what may appear to him inexplicably contradictory in statements, or in behavior, of labor men, whether of those at the peak of the union's pyramidal power structure, at its base, or at one of its many levels. The attitude to be taken in face of what comes from labor was well expressed by the late William M. Leiserson, a life-long mediator and arbitrator in labor management relations and in heart and mind a convinced pro-labor man: "When I hear statements of the contending sides I listen to what they are saying but try to figure out what they have on their minds." As regards what the contenders bargained about, as arbitrator or mediator, he would try to establish, out of the flow of words, the twilight zone of agreement where one side's *maximum of less* and the other side's *minimum of more* cross. The task of the researcher, as he hears the labor man articulate his views or attitudes, is to hit upon the line of demarcation between sales talk and telling talk.

Positions which labor men take are nearly always prompted by an admixture of defensive and aggressive motivations. This is pretty much their attitude when they bargain with "the party of the second

part" across the green table or from "the picket line"; and also when they carry on internal relations. The leader extolls the great strength of the union under his leadership, and he simultaneously emphasizes the danger from "the other side." He wants the maximum of the members' confidence in him, but he does not want them to be over-confident, to nurture expectancies which he may find difficult to realize. Even so, the members, in turn, would grant authority to the leader, but only enough to enable him to carry on the union's business efficiently, and not so much as might bind them over to the leaders for keeps.

Such is the logic of the intra-union relationship, and of course reality often produces diversions from standard intentions or decisions. Leadership personality, conditions and character of industry, background of the union and of the members, and environmental circumstances—each and all play parts in the shaping of the union process in a given industry, trade or service, or in a particular situation. By and large, however, double thought, not in any sense double talk or double dealing, is the essence in the intricate social entity which the union is. And such the union is not because of evil design by the members or leaders, but due to its structural peculiarities and the many and diverse functions which it is, of necessity, obliged to perform; to wit, those of an army, a church, a diplomatic corps, a trading post, a convoluted entity.

The researcher's task, the getting at the heart of the union matter, has become more difficult than ever in the current crisis of unionism, highlighted by the recent rackets-ethics war. The crisis, deep-reaching and many-sided, includes two sub-crises. One is a *crisis of organization.* The other is a *crisis of leadership.* Neither relates to the issues now before the public. Both reflect the impact of changes in the power structure of our society upon the union movement.

Within the *organizations* of unionism a conflict is in progress between what had developed historically as a combative setup and what tends to be a service setup under management's acceptance of unions as sort of sub-junior partners in the business with voice but no vote. Within the *leadership* of unionism there is likewise a divided mind as to what is the basic function and the modus operandi of high command: that of corporate leadership or democratic co-existence of leaders and members.

What this adds up to with reference to research is that the researcher can not now bank a great deal on the tools at his disposal:

interviews, attendance of limited numbers at small union meetings, summaries of the usual evidence derived from "samples." With close to 100,000 local unions afield, not many can be visited. What's more, while the local union meetings hold on to their statutory authority, the decisions involving basic matters, such as contractual terms and even internal power distribution, are being made, in fact if not too formally, in the work places, at plant meetings, and in the face-to-face opinion exchanges by members while at work or during lunch recesses. The "shop society" is an important factor in union life: there eventual public opinion is privately expressed and informally made.

Interviewing along standardized lines at that stratum of intra-union life is practically out of the question. Yet it is there where the researcher has his work laid out for him. That involves seeking out people, forming acquaintanceship with them, having conversations on vital union issues without pretence and make-believe. It is doubtful whether that would yield models and tables, but the researcher might get a feel of the thing. It is at that level of study of unions and unionists where the researcher may gain an understanding of what was earlier indicated as the third area of research: what the people at the base of the power pyramid think of the union as a whole.

Seeking to unravel the intricate first area—interrelations between peak and levels of the pyramid via interviews—in depth or in shallow —is practically futile, unless where a frank, uninhibited conversation of people who know and trust each other be the case. Union officers' communication is primarily aimed at publicity and public relations ends. Exceptions may be encountered where there is an intra-union fight for power. Then some things may come to the surface. At that, no war leader exposes his data in advance of battle; and subsequent to battle interpretations are offered, not the actual truth. Obviously, the measuring of leader thinking on intra-union relations by arithmetical summations or other manipulations cannot be of particularly great validity.

Present research practices in the second area, that of local officers' attitudes toward members and vice versa, have produced useful material. At least some of the officers on the local level talk without an eye on public relations. But the yield is too limited to justify broad conclusions.

In sum, there is a long and hard way ahead of research. Perhaps there is solace in that for the sad fact that the available theories of the labor movement are so utterly "theoretic."

PUERTO RICAN INTEGRATION IN A GARMENT UNION LOCAL

ROY B. HELFGOTT
New York Metropolitan Region Study

This study was undertaken for the Research Division of the New School for Social Research, on behalf of the New York State Commission Against Discrimination, as part of its *Discrimination and Low Income Study.* The writer, however, bears sole responsibility for its shortcomings.

From the viewpoint of New York City's economic future the facilitation of entrance of Puerto Ricans into its industry is of vital importance. Their subsequent integration into trade unions is of equal importance to the future of New York's labor movement, and this paper seeks to show the steps taken by one local of the International Ladies' Garment Workers' Union to accomplish that.

The study was conducted while the writer was Research Director of the New York Cloak Joint Board of the ILGWU, to which the local under observation is affiliated, and he received the local's complete cooperation, including access to its records, minutes of meetings, shop payrolls, and interviews with its officers, executive board members and employers with whom it is in contractual relations.

The following is a summary of the tentative findings.

Puerto Rican Entrance into the Skirt Industry

As a result of the post-war trend to informal dress and casual wear, the production of women's skirts rose from 1939's 13,000,000 to 83,000,000 in 1955.[1] New York City is the nation's leading skirt production center.

Booming business resulted in the need for thousands of new workers. New York's Negro population offered a domestic source of labor, but not sufficient to fill the demand, and a new immigrant group was needed. The only significant group coming into the country in the post-war period has been the Puerto Ricans, who, being American citizens, are not affected by restrictive immigration laws. Being citizens, they are technically in-migrants rather than immigrants, but as far as adjustment is concerned they face the same problems.[2]

[1] International Ladies' Garment Workers' Union, *Report and Record, Twenty-ninth Convention, May 1956*, pp. 73, 76, 77.

[2] Burma, John H., *Spanish-Speaking Groups in the United States* (Durham: Duke University Press, 1954), p. 177.

On the supply side, the expansion of the skirt industry provided jobs with decent earnings as compared to other semi-skilled employment available in New York City to Puerto Rican women. The lightness of the materials worked on and the skills and training required also played their part in drawing Latin Americans, mainly Puerto Ricans, into the skirt industry. The making of a skirt is a fairly simple operation, which an unskilled worker can learn very rapidly.

The crafts involved in the production of skirts are sewing machine operators, special machine operators, cleaners, cutters and pressers. The last two have always been jobs for men, and a few Puerto Rican men, though in much smaller numbers than Puerto Rican women in the other crafts, have begun entering the industry as pressers and cutters.

How Puerto Ricans Fare in the Skirt Industry

The skirt and sportswear industry has been well-organized for many decades. The International Ladies' Garment Workers' Union's Local 23, Skirtmakers, covers all production workers, except cutters and pressers, who belong to separate ILGWU craft locals. Almost all the Latin Americans perform the work of the crafts coming within the jurisdiction of Local 23, and today comprise about half its 8,000 members.

Examination of the payrolls of six popular price line shops found that there appeared to be no variation between the earnings of workers with Spanish-sounding surnames and other workers.

The shortage of labor prevents discrimination in employment against Puerto Ricans, but visits to various skirt shops disclosed that opinions regarding them vary considerably among manufacturers. Two interviews offering diametrically opposed views illustrate this:

> Firm A employs some seventy workers, eighty percent of whom are either Puerto Rican or Cuban. The employer is not satisfied with them, regarding them as too clannish, sloppy in their workmanship, and generally undependable, having a high rate of absenteeism and turnover. He hires them because there is no other help available, but frankly admitted that if others were available, he would cease hiring Puerto Ricans.
>
> Firm B employs about 350 workers, ninety percent of whom are Puerto Rican or Cuban. This employer was completely satisfied with their work, and when in need of additional workers, depends upon his present employees to bring in

their friends. He reported a good relationship with his Puerto Rican workers, and stated that he would continue to hire them even if other workers were to become available.

The latter employer, like many others in the skirt industry, was a Sephardic, Spanish-speaking Jew, and, although he denied that his ability to speak Spanish had any bearing upon his relationship with his workers, my observations indicated otherwise. The employer's ability to converse directly with his workers establishes a personal relationship which helps to build loyalty to the firm. The opinions of union officials substantiate this observation.

Neither firm could recall ethnic group conflicts, such as disputes concerning the proper division of work, among its employees. Will Herberg, in his study of ethnic group relations in the dress industry,[3] on the other hand, reported that the newcomers are made the objects of the stereotypes of "selfish," "lazy," "irresponsible," and "bad union people" by the oldtimers according to reports of business agents and examination of union grievance board cases.

Relationships in the skirt industry are not so strained as to make union officials conscious of them as a problem, and an examination of Local 23 grievance cases failed to turn up any involving ethnic conflict.

The absence of pronounced bad feeling between the skirt industry's older ethnic groups and the newcomers, and the lack of barriers to both vertical and horizontal shifts in jobs for Puerto Rican workers, may be ascribed, in the main, to the fact that they entered the industry at a time when it was expanding, which meant that they were not competing with others for scarce jobs and scarce bundles.

The attitude of the union leadership has also been important, for it has used its influence to attempt to integrate the Puerto Ricans into the local.

Local 23 Program for Puerto Rican Integration

Local 23, New York Skirtmakers, was chartered by the ILGWU in 1903.[4] The background of its membership and leadership was similar to that of the rest of the ILGWU: mainly Jewish immigrants from eastern Europe, whose ideological outlook was generally socialist, stressing internationalism and the interests of the entire working class.

[3] Herberg, Will, "The Old-Timers and the Newcomers, Ethnic Group Relations in a Needle Trades Union", *Journal of Social Issues,* Summer 1953.

[4] Lorwin, Lewis L., *The Women's Garment Workers* (New York: B. W. Heubsch, 1924), p. 110.

With the post-war expansion of the separate skirt industry, membership rose from 3,720 in 1944, to 8,036 by 1957.[5] At first the local faced no particular problem. The prior presence of a group of Sephardic Jews among its members gave it a Spanish-speaking business agent, who was able to communicate with the new members. In about 1948 it became aware of the fact that the large-scale entrance of Puerto Ricans and other Latin Americans into its ranks posed the special problems of communication and union-consciousness.

This awareness was intensified by the fact that it had to undergo a National Labor Relations Board election for a union shop in October 1948. Although it won that election by an overwhelming majority, it recognized that the changing ethnic composition of the local necessitated the formulation of a program to bind the newcomers to the union.

In the interest of strengthening membership bonds with the union, the local has augmented its staff with four Spanish-speaking business agents, all Sephardic Jews from the trade. In October 1949 the position of Educational Director was created, and a person fluent in Spanish was appointed.

An educational program was set up, a major feature of which was classes in English for Hispanics, which provide an opportunity for the local to stress good union membership, and for recent arrivals to become familiar with the English language and American customs.

A second feature is the annual spring dance, which is regarded as an institution through which to weld the membership into one solid group,[6] since it is the local's most popular activity as far as the Latin American members are concerned, and the one union event which a majority of them attend.

A third aspect of the program is the annual shop chairmen's weekend outing to Unity House, the ILGWU vacation resort, which helps to cement the ties between the Latin Americans and the other ethnic groups among the membership.

Local 23 also runs a counselling service, in the person of its educational director, to aid members with personal problems. Other educational activities include lectures, a library with books in Spanish and English, and the issuance of a booklet, in English, Spanish and Yid-

[5] Taken from the *Official Census of the ILGWU* for the particular years.
[6] Report of Louis Reiss, manager of Local 23, to union meeting, May 27, 1954.

dish, giving a comprehensive picture of benefits available from government and the union.[7]

Perhaps the most significant aspect of the local's program is the long-range one of attempting to develop a core of Latin American leadership.

Response to the Local 23 Program

The response of the Puerto Ricans to the program has been a fairly good one from the union's point of view, in that contact has been established with them and they have not become a source of discord within its ranks.

Their union activity doesn't measure up to that of the male oldtimers, but as compared to women of other ethnic backgrounds, except for the earlier Jewish immigrants, they aren't appreciably less active.

General attendance at membership meetings has been poor. The Latin Americans, as a group, are less prompt in payment of dues, but have responded well to appeals for voluntary contributions to finance labor political action, the Skirtmakers' 1956 Campaign Committee collecting an average of $1.25 per member.

A significant difference between today's Puerto Rican migration and that of the oldtimers is that the Jews had leadership, whereas the Puerto Rican community in New York has suffered from a lack of leadership,[8] part of which is due to the fact that those who become well-integrated into the greater society generally leave the Puerto Rican community.[9]

In the skirt industry one-third of the shops have Latin American chairmen. This is to be expected, since they are elected by the workers and many of the shops are predominantly Puerto Rican. Not all chairmen are elected spontaneously. Often there is no candidate for the post, and the business agent must seek out the worker with apparent leadership qualities and induce her to take the job. Once having served as chairlady, she usually begins to like the post.

The local's executive board of twenty-five rank-and-file members contain five Latin Americans: one each from South America, Cuba and Mexico, and two from Puerto Rico. There are also three Negroes, two Italians, one recent European immigrant, and three Spanish

[7] *Report and Record, Twenty-eighth Convention, ILGWU, 1953,* p. 87.

[8] Speech of Charles Abrams to the 1955 meeting of the Labor Advisory Committee on Puerto Rican Affairs.

[9] Mills, Senior and Goldsen, *The Puerto Rican Journey* (New York; Harper & Brothers, 1950), p. 106.

Jews on the executive board, while the other eleven are from the older eastern European Jewish immigration.

Of the Latin American board members, the one man was first elected in 1950, and the four women in 1953. All have been subsequently reelected. They had been shop chairmen and active in union affairs. The local leadership had observed their activity and suggested that they run for office. That there are not more Latin Americans on the executive board is not a sign of discrimination, but of the fact that all members are automatically returned to office, and new openings become available only as oldtimers retire or die.

A perusal of the minutes of the executive board showed that the Latin American members are quite active in local affairs, serve as delegates to other labor bodies, and have been utilized in helping to organize non-union shops in which Spanish-speaking workers predominate.

One active Puerto Rican member has started up the leadership ladder through attendance at the ILGWU Training Institute, for which she was awarded a $500 scholarship by Local 23.

Evaluation of the Integration

The impression that emerges is one of a fairly successful beginning to an integration of Latin American workers into the fabric of the New York skirt industry and Local 23.

The prime reason for their being made welcome was that the industry was expanding and they provided the major source of needed manpower.

Another factor helping toward integration has been that they are only one of a number of minority groups composing Local 23's membership, which also includes Negroes, Jews of eastern European origin, Spanish-speaking Jews from the Mediterranean area, Italians, and Chinese.

The mere fact that Local 23 has been concerned with integrating its Puerto Rican members is in itself a positive step, which has been in its own self-interest. It has understood that it had to establish contact with them if it were to keep the industry well-organized, maintain peace in the ranks, and prevent their falling prey to political foes of the present leadership. All these things have been accomplished.

Local 23 has not turned 4,000 Latin American workers into active union firebrands, but has begun to develop a core of secondary leaders from among them. This secondary leadership not only serves

to bind the Latin Americans to the union, but also to prevent a reversal of the process of integration, for no union leadership would be rash enough to stir up trouble with a group which supplied one-third of its shop chairmen and one-fifth of its executive board.

The successful integration process does not mean that all problems have been solved. We have seen that some employers would discriminate against Puerto Ricans were there to be a surplus, instead of a shortage, of labor. The Latin Americans also still must advance to more skilled jobs, but some of them have already done so.

In terms of union leadership, Latin Americans must break through into primary levels. The present secondary leadership is first learning the rudiments of trade unionism, and it wasn't thrown up by the Latin American members as their independent spokesman, but was sought out by the local's administration. The fact that the union does seek potential leaders, some of whom then become interested in full-time union careers, offers promise that they will advance into primary levels within the coming years.

Since Latin Americans are becoming an increasingly large segment of New York's industrial labor force, the Local 23 experience can be very important for all trade unions. Their integration can remove any threat to organized labor of their becoming a source of non-union competition.

Despite recent disclosures of Puerto Rican workers having been made the victims of "sweetheart" agreements between unscrupulous unions and employers, the interest displayed by many unions in the Labor Advisory Committee on Puerto Rican Affairs would offer hope that the successful integration experience of ILGWU Local 23 is being duplicated in other industries and unions.

COMMUNICATIONS WORKERS OF AMERICA TELEPHONE STUDY FELLOWSHIP PROGRAM

SYLVIA B. GOTTLIEB
Communications Workers of America

At approximately the beginning of 1957, McGill University and the University of Wisconsin officially accepted the Communications Workers of America's offer to establish fellowships within the universities' Departments of Economics for the purpose of promoting research on comparative economics and labor-management relations in private and government-owned telephone systems in the United States and Canada. This action culminated several years' work on the part of CWA in developing the basic research idea and in negotiating with various universities for the purpose of having such fellowships established.

Background Information

Perhaps a good point of departure in describing this program to you would be to highlight some of the background of the idea which gave rise to the establishment of these fellowships. From time to time during the development of the Communications Workers of America, interest has been expressed in government versus private ownership of telephone facilities. This interest was manifested at conventions, at various policy level meetings within the Union and in private conversations among CWA's membership and officials. Views were expressed that perhaps one of our basic difficulties in relations with telephone management was the mammoth, monopolistic *and* privately owned nature of the industry. Some opinions held that these difficulties might not exist, or at least might be reduced in magnitude, if telephone facilities were government-owned. I hasten to add that whenever these ideas or this conjecturing about government ownership of telephone facilities took place there were at least an equal number or more viewpoints expressed in favor of private ownership. Complementing this basic concern with ownership of telephone facilities in the United States, were the viewpoints expressed by some Canadian members of CWA who were, and are still, working in a government-owned telephone system. Much of our thinking and much of our

discussion, like so many worthwhile matters of concern, were based on unlimited interest but limited knowledge.

In view of this continuing interest in the relative merits of government and privately owned telephone systems, it was a logical development for CWA's Executive Board, in September 1955, to consider and finally adopt a resolution which, in effect, authorized the establishment of the CWA Telephone Study Committee and directed it "to make an objective study of public ownership of telephone facilities in the United States and Canada." The Committee is composed of CWA Vice President Crull, Chairman, a staff member, president of one of CWA's largest Locals, a rank and file member, our Canadian Special Representative and myself as Committee Assistant.

At the outset, CWA President Beirne directed the Union's Research Department to investigate the overall subject and to report to the Telephone Study Committee the kind of material already available, and to gather together as much information as possible to assist the Committee in its work. Although it was not specifically stated, this assignment implied that the Research Department of the Union would do the basic research, as well as collect studies already published and forward the data to the Study Committee. The Committee, in turn, would evaluate the facts and recommend Union policy on the matter. Several months' investigation indicated to the Research Department that here was a subject of formidable dimensions which could not be properly studied by the Department, simultaneous with carrying out the continuing and oft-time emergency functions of any trade union research department.

The Fellowship Idea Emerges

Various discussions with interested CWA officers, as well as individuals outside the Union, led to exploring the possibility of obtaining foundation grants or foundation financing of the study, so that it could be made by a private research group. This avenue was not very fruitful, and was abandoned after some months' investigation. A suggestion was then made that perhaps CWA could interest some university research group in the project. Frankly, it was not part of our intention at that point to subsidize the study. In fact, as I recall, the thought never occurred to us. Armed with our vast experience in negotiations, we were probably assuming that we could convince somebody else to underwrite the cost. During preliminary discussions with some universities, a suggestion was made that CWA attempt to

interest Bell System management in joint sponsorship. At about this time, we began to suspect that we would have to finance the study and it would be advantageous indeed if we could interest Bell System management in sharing, not only the sponsorship, but also the financing. Our interest in joint sponsorship was genuine. We realized that joint sponsorship could mean a better study. Obviously, the larger the endowment, the more intensive and extensive the study. Moreover, joint sponsorship might stimulate greater cooperation from those companies and other sources from whom we would have to be gathering basic data. Informal discussions were held with various policy levels within the Bell System. We were accorded a very cordial reception, much interest was expressed in what we were doing, but the final answer to our suggestion for joint sponsorship was "No." We noted with justifiable interest that shortly thereafter various telephone company magazines featured some very interesting articles, stressing the superiority of the American telephone industry when compared with systems in some countries which were not fortunate enough to enjoy "private" ownership.

Problems

One of the first problems we encountered as we undertook to carry out the Executive Board resolution, were unfavorable reactions among CWA members. A few members questioned, in letters and through other channels, the basic orientation of CWA's leadership. Concern was expressed regarding the ideological and intellectual commitments of the people who were fostering the study. A few members indicated that they didn't need a study to prove to them that private ownership was superior. They knew this from experience. Others indicated that they didn't like the idea of the study in the first place and we should be busily engaged in doing other things.

President Beirne acted immediately. He wrote an article for CWA's monthly newspaper explaining that his personal viewpoint was that private ownership of telephone facilities in the United States was a good and desirable thing, but that his opinion was based on beliefs rather than facts. He pointed out that he would like to learn whether or not his conclusions were sound and just what there is to the case of those people who argue in favor of public ownership. In addition, he remarked, in most countries of the world, telephone facilities, like water, postal service and other utility services, are government-owned. He further pointed out that the last broad research in

this field had been done back in 1910 and that certainly much could be gained from studying this problem, in view of subsequent developments and the current situation. There have been no serious or widespread objections since the original limited negative reaction.

The next hurdle to overcome was finding the right person or persons to make the study. We are not a wealthy union and when it became clear to us that we would have to finance the study, we looked around for a manner to get the best possible study done for the least amount of money. What better way is there than to engage the services of graduate research students? We began our search at Cornell because we knew that Cornell has a large industrial and labor relations school and a good Economics Department. Moreover, it is an East Coast university and union-university relations would be easier, since CWA's headquarters are in Washington, D.C. After consultation with Professor Milton Konvitz and Dean Catherwood, it was concluded that a $5,000 fellowship grant given to a student working for his Ph.D. degree, could get a fairly respectable job done. Unfortunately, however, many months passed, and no student at Cornell expressed an interest in becoming involved in this particular fellowship. At a meeting of CWA's Telephone Study Committee in June 1956, our Canadian Special Representative, Miss Elma Hannah, suggested that we begin some negotiations with McGill University, or some other Canadian school. Miss Hannah's position was that it might be easier to find a qualified and interested student at a Canadian university, since it was her understanding that fellowships were less lucrative and less available in Canada than in the United States. The Telephone Study Committee endorsed this suggestion. After considerable preliminary negotiation, a fellowship in the amount of $3,000 was accepted by McGill University at Montreal, for the purpose of making the economic portion of the study—that is, comparative telephone costs, profits, quality of service, government regulations, etc. The study is being done in the Economics Department by John O'Brien, a Ph.D. candidate, under the supervision of Professor J. C. Weldon and the Department Chairman, Dr. Donald B. Marsh.

When the fellowship was established at McGill, we decided to break the study up into two parts, primarily because of the vastness of the topic; Part I to deal with comparative economics, Part II with comparative labor-management relations. We gave some thought to having both parts done by Canadian universities, but we saw some very real advantages in having part of the study done in Canada and

part in the United States, since the study itself would cover both countries and it was our opinion that a better balance could be achieved by having the work done at both a Canadian and United States university. We sent out solicitation letters to two United States universities offering to establish an $1800 fellowship for the labor-management relations portion. Edwin Young, Chairman of the University of Wisconsin's Department of Economics, answered immediately. He had a top-notch student, J. Earl Williams, ready, willing and able to begin work on the comparative labor-management relations portion of the study.

Finally, in January 1957, after almost a year and a half of thinking, planning and negotiations, both fellowships were officially established and preliminary work began.

Union-University Cooperation

After we had personally interviewed and approved the fellowship students proposed by the two universities, we gave considerable thought to the nature of the relationship which would be established between the students, the universities and the Union. One of the first things we did, from the Union's standpoint, was to develop outlines covering both Part I and Part II of the contemplated study. We made very clear that the outlines were merely proposals to give the students the benefit of what we thought the studies might appropriately cover. We were attempting to define the broad scope rather than detailed directions. We made very clear that once research had begun, our suggested scope might prove invalid and that we had every confidence in the students that they would call this to our attention and we could confer on alternatives. We stressed our basic concern; namely, what are the relative merits of private versus government ownership of telephone system? We stated as forcefully as we knew how that we were primarily interested in facts and not in prejudices or prior misconceptions.

Immediately the two students were selected, we set about estabtablishing personal relations with them so that they could acquire a basic knowledge of the Union that was sponsoring their fellowship, and of the industry in which they would be pursuing research. To that end, they were added to the mailing list of all Union publications, various Union studies and background material were provided them and they were invited to attend CWA's Annual Convention. In addition, they were given introductions to and the names of people in the

immediate area of Madison, Wisconsin and Montreal, Canada so that they could have "on-the-spot" contacts.

A third procedure that was established was an interchange of correspondence. Letters from the Union to one student were drafted in duplicate and the carbon copy made available to the other. Similarly, all correspondence between the students and from the students to companies, government agencies, etc., was made available in carbon copy form to the Union.

In order for the Union to be aware of the progress being made by Mr. O'Brien and Mr. Williams, arrangements were made for quarterly reports. Suggestions for personal contacts and research direction have been made freely by the Union to the students and they have been graciously accepted as just that—suggestions. The Research Fellows are making their own personal contacts with companies, government agencies, and research sources. The Union is not attempting to provide entrée but merely to make available to them the names and addresses to the extent the Union has such information and with the purpose in mind only of saving time and effort. Beyond acting in a consultative capacity, we are not attempting to interject the Union between the students and the contacts they are making.

At CWA's recent convention in Kansas City, Missouri, both students were invited to make an informal report at a breakfast meeting with CWA President Beirne and the full membership of the Telephone Study Committee. It was extremely satisfying to see both students establish almost immediate rapport between themselves and the Union Committee. Their explanation of the problems they had so far encountered, the degree of accomplishment so far experienced and their basic orientation towards the study were explained in clear-cut, concise and friendly fashion. It was the unanimous opinion of all persons in attendance at that breakfast meeting, that we have an excellent study in the making and that with a normal amount of good luck we should end up with a really fine contribution in the field of analysis of the comparative merits of government versus privately owned telephone systems.

I feel almost apologetic that I cannot report to you any unpleasant or exasperating experiences or even some anecdotes relating negative aspects of our relations so far with the two universities involved. If nothing else, this paper would be enlivened by some such tales. Our experience has been almost 100% positive. The very worst that we can say is that universities, like the mills of the gods, grind slowly.

The time consumed at various administrative levels within the university for clearance of ideas was slightly discouraging on occasion. However, even in this area difficulties were not of major proportions.

During this summer, Mr. Williams embarked on a field trip into Canada and Mr. O'Brien is contemplating a similar trip into the States, sometime in the future. Transportation and out-of-pocket expenses for these two trips will be met by the Union.

There are several other problems with which CWA is currently concerned which require detailed and extensive surveys. Our experience, so far, with respect to the telephone study has been so excellent that it is not inconceivable that we will be pursuing the fellowship approach sometime again in the future.

We expect a final paper from both students by 1959. We will, of course, be in a better position at that time to fully evaluate our experience. I can conclude now by saying simply—so far so good.

A STUDY OF THE FAILURE OF INTRA-UNION COMMUNICATION IN AN ORGANIZING CAMPAIGN

GEORGE PERKEL
Textile Workers Union of America, AFL-CIO

Communication between workers and union organizers who are seeking to establish a local union in an unorganized plant is a complex process subject to numerous interferences. A recent investigation of a union organizational campaign at a southern textile mill revealed that this process can break down without the participants becoming aware of it. The consequences of such a breakdown are not difficult to predict; in the case under review, the result was the defeat of the union in a representation election.

Purpose of the Investigation

The Textile Workers Union of America conducted an organizational drive at a southern mill in 1956. It met with immediate success: in three months time, more than half of the production workers signed membership cards. The union petitioned for a National Labor Relations Board election and by the date of the election 63% of the eligible employees had signed union cards.

The employer opposed the union's efforts to organize the employees. However, the employer's tactics did not include the more flagrant means of intimidating workers and frustrating their efforts at self-organization; e.g., violence, discharge of pro-union workers, public threats to close the plant if the union won, pressure by community leaders, attacks against the union by preachers.

The union organizing staff met with a committee of workers representing all departments in the mill during the week preceding the election to assess the progress of the campaign. The group was unanimous in its opinion that a substantial majority of the workers would vote for the union. The union's regional director reviewed the situation with the staff and the committee of workers on the eve of the election and concurred in the general expectation of a decisive victory.

The result of the election was a defeat for the union, as it received in votes only two-thirds of the number of signed cards which it had before the election. This shocked the union's officers in view of the

lack of flagrant employer violations of workers' rights, and the unanimously favorable evaluation of the drive by responsible union officials as well as workers representing each department in the mill. The union's research department was directed to investigate in order to determine the reasons for the union's defeat.

Scope and Method of Study

Since the investigation was conducted after the event, it was perforce limited in scope. The union's regional director and the organizer in charge of the campaign were interviewed at length in order to develop a preliminary framework for the inquiry. No attempt was made to formulate hypotheses at this point; instead it was decided to pursue the investigation by interviewing as many of the workers as would be necessary to arrive at clearly established conclusions.

The interviews were conducted by the writer in a largely nondirective fashion, with questions designed to encourage the workers to reconstruct the course of the campaign as it had appeared to them. They were asked to describe their reactions to the various company and union appeals and to comment on any effects these appeals may have had among other workers.

Twenty-one persons were interviewed, with all but one department being represented among the interviewees. Interviews were conducted either at the union office or at the workers' homes, depending upon their availability. Fifteen of the interviews took place in the office and six at homes. Of the twenty-one interviews, eleven were with members of the union committee. The ten other interviewees were workers whom the union organizers or committee members suspected of having voted against the union; all of these workers had signed union membership cards.

Findings

The patterns of responses obtained in the interviews clearly indicated the following facts:

1. When the union started its activity it was welcomed by most of the workers. They did not need to be "sold"; they were eager to join. The responses of committeemen and the other workers were similar on this point.

2. Most of the workers who joined the union did so by mailing a signed membership card to the union office; cards had been attached to leaflets during the first month of the campaign.

3. Committee members reported that only a small minority of the workers who signed cards attended a union function during the campaign. They felt that surveillance of union meetings by company supervisors discouraged many workers from attending. The other workers interviewed avoided commenting on their reasons for not attending union meetings.

4. The two groups of interviewees differed markedly in their views on the extent of pro-union talk in the mill during the campaign. Committee members felt that such talk had been quite extensive but that it had quieted down in the week preceding the election. The other workers characterized the campaign as a quiet one throughout.

5. Supervisors operated as "anti-union organizers" in the mill. They contacted every worker whom they considered a potential recruit to the "no-union" cause; members of the union committee were generally avoided. A wide variety of approaches was used to create anti-union feeling, including disparagement of the union as being weak, interested solely in collecting dues; stimulating fear of the union as "outsiders," causing dissension, strikes, violence, loss of jobs; stirring up prejudice against the union for being against segregation, electing Negro stewards, promoting Negroes to supervision, etc. On the other hand, the company's name was associated with all that was good and powerful: it was the workers' benefactor, providing jobs, good pay, benefits; the company would not tolerate a union—it would shut down if necessary to get rid of the union, as had recently happened in another southern textile mill. In addition, supervisors used their position of authority to bestow favors and promise rewards to those who would vote against the union.

The descriptions of these supervisory activities by committeemen and the other workers interviewed were quite different. The former regarded the threats and promises as part of the company's propaganda; they assumed that the other workers would give it as little weight as they did. The other interviewees were guarded and noncommittal on effects which the supervisors' activities had had on themselves, but offered the opinion that other workers in the plant had been swayed by the supervisors' arguments.

6. The plant superintendent and the company's general manager made speeches to the workers in "captive audiences" at the plant twenty-four hours before the election. These speeches reinforced the pressures which had been applied by the supervisors during the preceding weeks. The status of the "big boss" was used to add weight to

the thinly veiled threats of the supervisors that many workers would lose their jobs if the union won the election. At the same time the image of the company as the worker's benefactor was emphasized.

Committee members placed little weight on the captive-audience speeches. They were regarded in the same light as the propaganda techniques used by the supervisors. The other interviewees referred to the speeches with great respect and freely offered the opinion that the captive-audience meeting had been decisive in determining the result of the election.

7. The union's regional director made a radio address shortly after the captive-audience meeting, designed to counteract the effect of the management talks. The tenor of the address was positive rather than defensive, with primary emphasis on the benefits which unionism had brought to workers in organized plants. Most of the committee members interviewed had heard the address and felt that it had effectively countered the captive-audience speeches. On the other hand, most of the other interviewees had not heard the radio speech; those who had, stated that they were favorably impressed but complained that it had not dealt with the threat of job loss if the plant became unionized.

Conclusion

The union committee was comprised of strongly pro-union workers representing the various departments. Their identity as committeemen was known to management and they were not subjected to the same pressures from supervision which had been applied to the other workers in their departments. Moreover their pro-union animus made them relatively impervious to management's appeals. Committeemen had to judge the effectiveness of the supervisors' anti-union campaign from the reactions of the other workers. However, those who had been dissuaded from voting for the union were generally averse to admitting it. A climate of opinion in favor of the union had been built up early in the campaign which made workers reluctant to admit their defection. Such workers avoided contact with committee members. Consequently, the latter did not appreciate the extent to which the supervisors' pressures had been effective in undermining pro-union sentiment in their departments.

The union staff relied primarily on committee members for information on union sentiment among the workers. Attendance at union meetings was not large enough to enable staff men to have con-

tact with the bulk of the work force. The staff concentrated its efforts on recruiting among the workers who had not signed union cards. As a result, the organizers were not aware of the defections which had taken place among those who had joined the union earlier in the campaign.

The captive-audience speeches by top management had markedly different effects on two groups. The workers who had been affected by the supervisors' anti-union propaganda were greatly impressed. The fear and respect in which the mill's top management men were held added potency to the promises and threats which their subordinates had made. However, the speeches had little or no effect on the group of strongly pro-union workers of which the union committee was a part; they regarded both the promises and threats as empty and they assumed that the other workers reacted in the same way. Consequently the committee's reports to the union staff on this subject reflected only the views of the committeemen.

Because the union staff was not fully informed on the impact of the top management speeches, the radio address by the union's regional director following the captive-audience meeting did not come to grips with the most significant issue raised by the management speeches, viz., the threat to the workers' jobs if the union won the election. The workers who had taken this threat seriously were therefore left with the impression that their jobs would indeed be jeopardized if they voted for the union.

The failure of communication between the majority of the workers at the subject plant and the union committee prevented the union's organizing staff from dealing with defections in its own ranks. The union staff's reliance on the committee for information about the effects of company and union actions on workers attitudes and beliefs, led to the adoption of faulty tactics during the campaign. In planning organizing drives, unions should take into account the fact that the reactions of persons serving as union committeemen are not necessarily representative of the reactions of the majority of the workers. Moreover, the pro-union bias inherent in committeemen's attitudes may interfere with their ability objectively to evaluate the position of other workers. Consequently it is essential for staff personnel to rely upon independent observations in arriving at an appraisal of worker reactions during the course of a campaign.

Part X

CURRENT STUDIES IN PERSONNEL ADMINISTRATION

THE HIGH-SCHOOL DROPOUT AS A SOURCE OF MANPOWER: A PRELIMINARY REPORT ON A STUDY IN UTICA, N. Y.

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This is a preliminary report on the results of one part of a study made in Utica, New York, of dropouts and of post-school work experiences of high-school graduates who did not continue with any formal educational program. The young people covered included those who left public and parochial high schools between September 1953 and September 1956. During this period there were 1255 graduates and 690 dropouts, a ratio of about 2 to 1. Information on the characteristics and work experiences of these young people was obtained first from school records and secondly by interviews with half of them.

Most of the records on the dropouts have been completed. The following summary of findings concerning those who dropped out is based on a spot check of the records, however, rather than on complete tabulations. Comparisons of the characteristics and experiences of young people in Utica with those in other areas will be possible later, since this is one of several local studies sponsored and financed by the U. S. Department of Labor.

Some of the questions which the study was designed to answer with respect to dropouts and the tentative findings are:

1. Are there many young people who leave high school before graduation who have the intellectual ability to complete the work for a diploma?

This is a difficult question to answer because the evidence of ability with respect to dropouts is limited, and the facts available are difficult to interpret. But the students in the Utica schools who reached the ninth grade (and most of the dropouts apparently did) all took the Otis gamma general intelligence test, and the scores made were obtained from school records. Most of the dropouts achieved a score of 85 to 100. A few, perhaps 2 to 3 percent, were below 85. On the other hand, about 4 to 5 percent had scores of 110 or over. The highest score was 112. These scores are subject to differences of interpretation, but the following rough guides are suggestive:

a) Individuals with scores below 90 found academic courses difficult and often were frank to admit that "adverse school experience"

was an important factor in their decision to quit. While many of the individuals in our study had scores below 90, the majority were higher. This suggests that lack of intellectual ability, while an important element in the decision of many young people to leave school early, is only one factor in the situation and perhaps not the most important one.

b) If a score of 110 or over is taken as evidence of ability to do college level work, then only 4-5 percent of these early school leavers were potential college graduates.

c) Whether or not more of these early leavers would have stayed in school if they had been offered a course more suited to their abilities is not clear. Most of those who dropped out were enrolled in the business and industrial courses.

d) The individuals who did not finish had, on the average, somewhat lower I.Q.'s than those who graduated, but mainly because there were some below 85. The range for graduates was 85-120, and all of them had scores of 85 or over. In most instances, the graduates and the dropouts do not seem to differ appreciably in general intellectual ability.

2. What are the principal reasons why young people leave high school before graduation?

It is difficult in many cases, for obvious reasons, to find out the whole story from brief conversation or from school records. Judging by the comments recorded, by far the most prevalent situation was a dislike for the school program, coupled with poor grades. Other types of explanations such as "need to earn money," "adverse home conditions," "poor health," and "marriage" accounted for no more than 25-30 percent of the cases. Much more insight into individual cases than can be obtained from a short interview, however, is required in order to understand the real reason for leaving school early. This point is well illustrated by the case of the young person with an I.Q. of 112 who wanted to become a civil engineer. While in high school his father left home, and the boy became discouraged. His grades went down below passing, although he started out with 80's and 90's. The reason for leaving in this case may well have been lack of attention.

3. What happened to these people after they left school?

Very few were unemployed when they were contacted this summer. A majority of the boys had enlisted in the military services either because they found work to their liking difficult to get or because they found military service attractive. (The opportunity to get vocational-

technical training while in the service by enlisting for 3 years or more apparently has a real appeal to boys.)

4. What was the attitude of parents toward their sons and daughters who wanted to leave high school early?

In most cases, the evidence indicates that parents urged them to stay in school. Further study will be needed to show whether parental interest reflected more than a general recognition of the desirability of having a high-school diploma.

5. At what age and stage of their careers do most of those who drop out actually leave school?

In the Utica area, 85-90 percent left before completing three years of high school, and over half of them finished only two years. Most of these early leavers were 16 or 17 years old at the time they dropped out. (In New York State the minimum age at which they can leave school is 16.) At this age, there were few jobs in manufacturing industries open to these young people.

These findings, while preliminary and limited to one area, raise some questions of general interest. First among these is a policy problem relating to the nature of school programs. Is it realistic to let young people with little ability for college preparatory or general academic courses take such programs? Quite a few of the dropouts in Utica were registered in these courses. Secondly, shouldn't there be more vocational and technical courses made available at the eighth or ninth grade level so that more potential technicians and skilled workers can obtain training before they arrive at the age when they are likely to leave school? A third question concerns military policies. At the present time, the military services are apparently providing at least some of the vocational training opportunities for those who enlist for several years. If most of these trained young men leave the services to take jobs in private industry, the federal government in effect is operating a major technical training program for industry. Is this the best way to get skilled manpower?

Other questions relate to management selection policies. Is a diploma from high school essential for factory production work? Aren't at least some of those who dropped out of school as well qualified for vocational-technical training and industrial jobs as many with diplomas, and shouldn't this point be more widely recognized by management?

THE IDENTIFICATION OF MANAGEMENT POTENTIAL

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University of Minnesota

Introduction

Development of a strong management team is a problem that has always faced growing organizations concerned with their future health. Increasing attention has been devoted to the development of managers during the past ten years as a number of factors have combined to produce a demand for qualified and experienced managers far in excess of the supply of such managers. Organizations are devoting a great deal of resources and time at present in experimentation with various aids for the improved development and utilization of scarce management abilities. The research program of the Management Development Laboratory at the Industrial Relations Center has been designed to assist in this development through the evaluation of alternative methods and the design of improved techniques for the development and utilization of managers.

Problem of Identification of Potential

The identification of management potential is a problem which is faced repeatedly in the development and utilization of managers. A successful program of management development involves the identification of management potential in the selection of personnel for development as managers, and the constant re-assessment of management potential and abilities for the guidance, placement, and assignment necessary for full development and utilization of this potential. Evaluation of various methods for the identification of management potential is one of the projects under study in the Laboratory.

There are a number of devices and techniques for the identification of management potential, most of them untested. We are attempting to test and evaluate several of these techniques in our studies of management potential. We are applying these techniques in the study of questions asked in the identification of management potential:

> Are there personal characteristics which distinguish the superior manager from less outstanding managers?
>
> Are there personal characteristics which distinguish among managers engaged in different types of work?

Answers to these questions are required in the evaluation of existing techniques for the identification of management trainees, in the selection of managers for development, and in the placement and development of management personnel.

Measures of Potential

Two types of measures of personal characteristics are employed in the IRC studies—personal history or experiences, and performance on selected psychological tests. These two general measures and the specific measures included under each were chosen after an intensive search of the literature concerning the nature of the manager's job and the personal requirements of managers.[1]

Personal History. Information about the individual's personal history and experiences is obtained through a specially constructed questionnaire similar to an application blank. Information sought in this questionnaire includes childhood influences, education and training, outside interests and hobbies, achievements and citations, and an employment history.

Psychological Tests. Four psychological tests were chosen for evaluation on the basis of the predicted relationship between the characteristic measured and manager performance, and on the basis of reported research with these tests. The test battery includes the Wonderlic Personnel Test (problem solving), the Empathy Test, Strong Vocational Interest Blank, and the California Psychological Inventory (personality). Approximately three hours is required for completion of the test battery under supervised conditions.

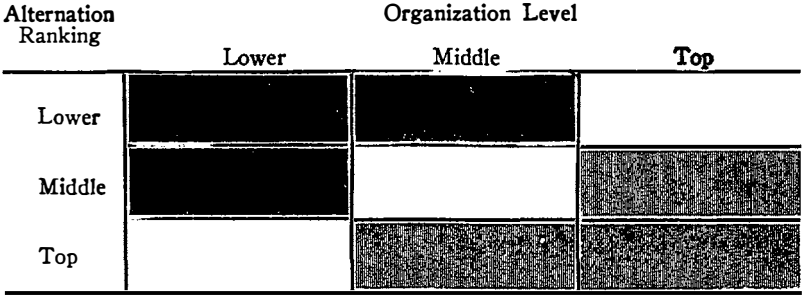
Criterion Measures

Two criteria are employed in these studies—(1) a measure of manager effectiveness or success regardless of job, and (2) a measure of the job or type of work performed by the manager without regard to his general success as a manager. The first criterion is used to distinguish between more effective and less effective managers, and the second criterion to distinguish among managers performing different types of work. Combined, the two criteria would provide a measure of effectiveness within a particular management job type.

(1) *Manager Effectiveness.* The criterion of manager effective-

[1] See Harland Fox and others, *Leadership and Executive Development, A Bibliography,* Industrial Relations Center Bulletin 14, Minneapolis: University of Minnesota Press, 1954.

ness is a composite criterion obtained from the combination of two separate criteria. The two elements of this criterion are (1) level of the individual manager's position within the management hierarchy of the organization, and (2) rankings of relative effectiveness of the manager. The hierarchy of management positions within each organization is divided into three levels—top, middle, and lower management—and the individual manager is assigned to the level in which his position falls. Members of top management are asked to complete an alternation ranking form for all managers in the organization indicating their relative effectiveness "as managers". Rankings of top management are then combined and divided into thirds and the individual manager is assigned to one of the groups on the basis of his relative rank in the combined ranking. The measures of organization level and ranking of effectiveness are then combined to provide a single



measure of manager success. Managers classed in the top group on one measure and either the top or middle group on the other measure constitute the high criterion group; managers classed in the lower group on one measure and either the lower or middle group on the other measure constitute the low criterion group; and the remaining managers constitute the middle criterion group.

(2) *Manager's Job.* The second major criterion employed in these studies distinguishes among managers performing essentially different types of work. Individual managers complete a checklist of management responsibilities indicating how their time is allocated among eight management functions, and the relative importance of each function within their individual positions. These time allocations and rankings of importance are then used in the establishment of management job types or classes; management positions with similar allocations of time and rankings of importance of the management functions

are grouped together in a single job type. The resulting job classes group together management positions with essentially the same pattern of activities regardless of the titles or organization levels of these positions.

Method of Analysis

The questions posed earlier for the identification of management potential are answered by comparison of measures of personal characteristics of managers in the different criterion groups. Top level managers are compared with low level managers, and managers performing one type of work are compared with managers performing another type of work. The number of managers involved to date has been too small to permit the comparison of top level and low level managers within one job type or to permit the comparison of managers classified according to a highly refined job criterion. Present analyses have employed the top, middle and low criterion groups without respect to job type, and a production, office and technical job grouping without respect to effectiveness.

Personal history measures have been analyzed in the development of a weighted application blank for the prediction of criterion scores.[2] Scoring weights for the prediction of the top level group of managers and the prediction of two of the three job groups have been developed (the number of managers in technical positions is too small for analysis). Psychological test results have been analyzed through comparison of mean scores of the different criterion groups, and through the establishment of score categories and weights for the prediction of criterion scores. Again, scoring weights have been developed for the prediction of the top level group of managers and for the prediction of production and office job groups.

Research Findings

Approximately 250 individual managers in six different Minnesota companies have participated in our studies of management potential during the past year. The companies are engaged in insurance, light and heavy manufacturing, trade, and production of electric power. The managers hold positions ranging from first-line foreman to company

[2] See Josephine Welch and others, *How to Develop a Weighted Application Blank,* Industrial Relations Center Research and Technical Report 11, Dubuque, Iowa: William C. Brown Company, 1952.

president. The findings presented here represent the results of this study.

Application of the scoring key to predict manager effectiveness from personal history items resulted in clealy distinguishing among managers classed in the top, middle and low criterion groups. Comparison of the distribution of scores of managers in each of the three criterion groups indicates that an arbitrary cutting score established at the 13th percentile of the top criterion group is higher than scores of 40% of the middle criterion group, and higher than scores of 65% of the low criterion group.

Application of the scoring weights for the prediction of manager effectiveness from psychological test scores accomplishes similar results. The score of the 21st percentile of the top criterion group is higher than scores received by 54% of the middle criterion group, and higher than scores received by 54% of the low criterion group.

Combining individual scores resulting from both personal history items and psychological test scores, an arbitrary cutting score at the 26th percentile of the top criterion group is higher than scores of 54% of the middle criterion group and higher than scores of 76% of the low criterion group.

Similar scoring keys were developed to distinguish among managers in production and office positions and applied with equal success. (Managers in technical positions were not included because of their small number.) As an example, score weights for personal history and psychological test results were combined in a key to predict assignments in production positions. The score of the 20th percentile of the managers in the production positions was higher than scores received by 84% of the managers in office positions.

Implications

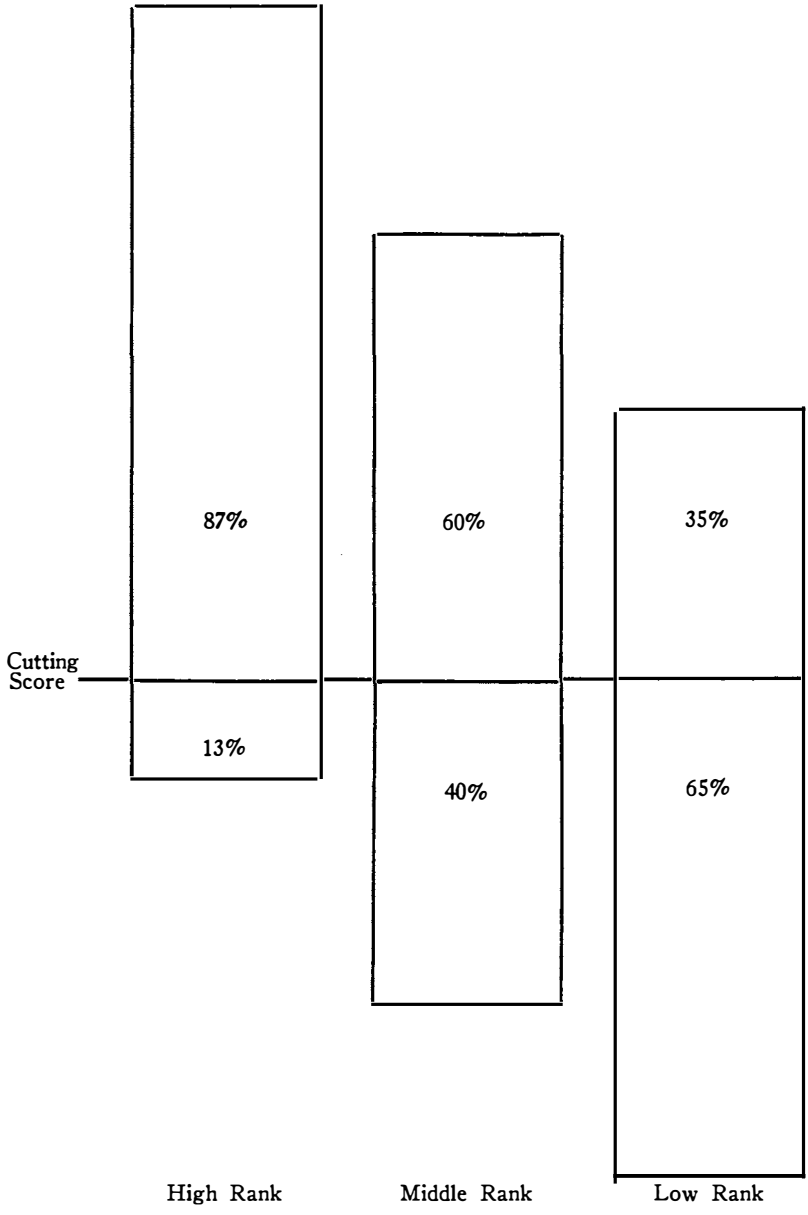
The results reported here are preliminary. The scoring weights and keys developed in this study to predict manager effectiveness and manager job type are now being applied in a cross-validation study involving a sample of managers employed in different companies. Preliminary results of this cross-validation study suggest that the weights and keys developed earlier will hold up with the new sample.

These results suggest that there are personal characteristics which

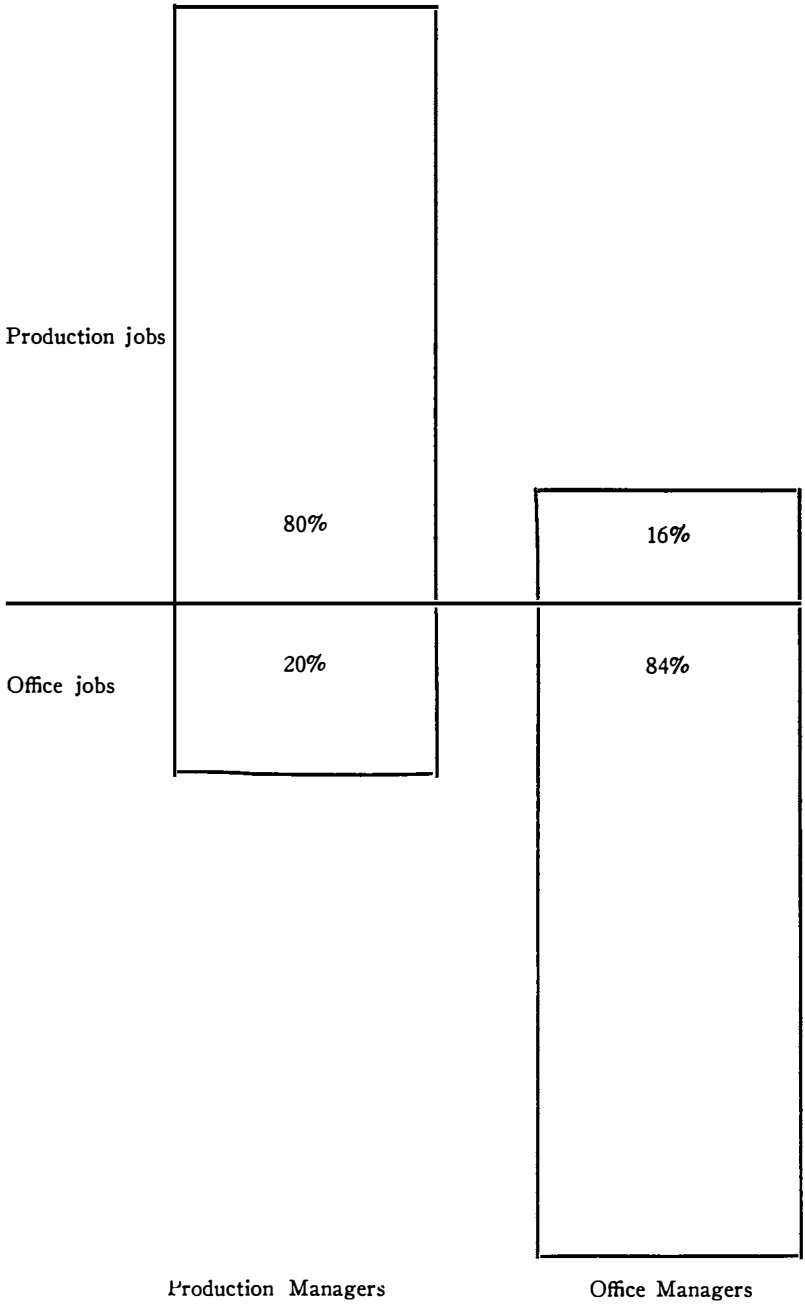
differentiate among managers of varying degrees of effectiveness and among managers engaged in different types of work. It has become apparent in this study, however, that various measures employed are not equally effective in the prediction of manager effectiveness or job type. Some of the measures show little relation to the criterion measures employed. Next steps in the analysis will involve the examination of relative effectiveness of the different instruments and development of an improved set of measures for the prediction of management potential.

Another caution always present in studies of this sort must be mentioned. While the measures employed in this study may be useful in the prediction of present manager effectiveness and type of work, they may tell us nothing about the manager of the future. A cross-sectional study such as this one is useful primarily in the identification of tools and techniques for inclusion in longitudinal studies of management potential.

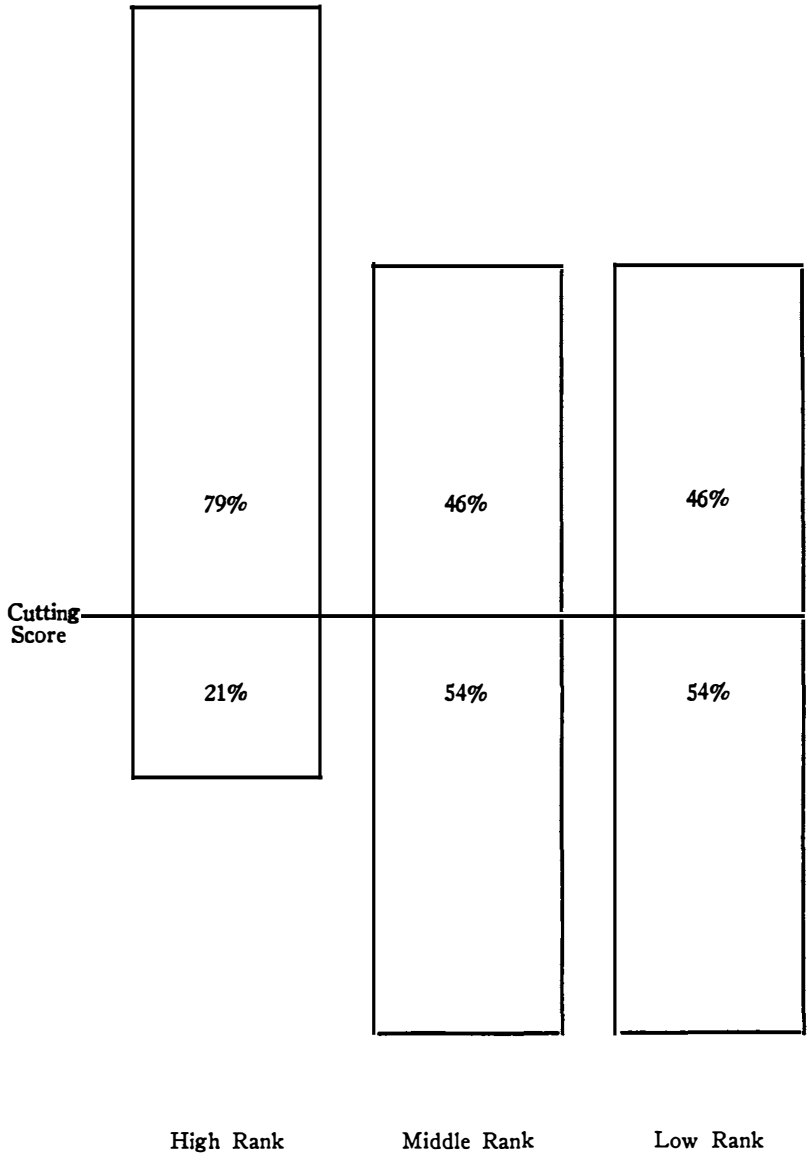
PREDICTION OF MANAGEMENT ABILITY BY WEIGHTED PERSONAL HISTORY ITEMS
(240 managers)



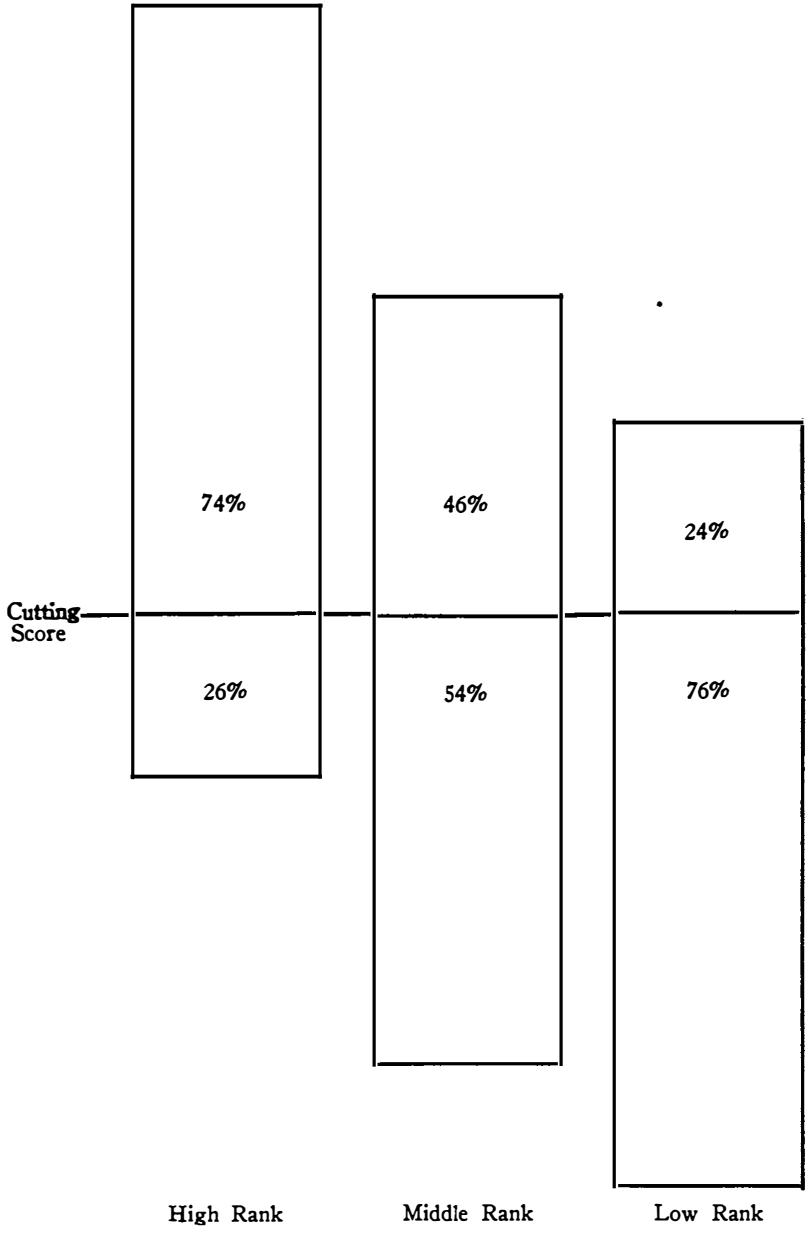
PREDICTION OF MANAGEMENT JOB ASSIGNMENT BY PERSONAL HISTORY AND PSYCHOLOGICAL TESTS
(228 managers)



PREDICTION OF MANAGEMENT ABILITY BY PSYCHOLOGICAL TESTS
(228 managers)



PREDICTION OF MANAGEMENT ABILITY BY PERSONAL HISTORY AND PSYCHOLOGICAL TESTS
(228 managers)



VALUE DIMENSIONS AND SITUATIONAL DIMENSIONS IN ORGANIZATIONAL BEHAVIOR

CARROLL L. SHARTLE
The Ohio State University

This paper outlines a framework for the study of human behavior in organizations with emphasis on value acts and situational variables. Variables are included which may have their origins in several disciplines.

It reflects the view that organizational and individual behavior can be better understood and more reliably predicted when promising concepts, variables, and methodology are drawn from several disciplines rather than from a single science.

This framework grew out of a series of seminars, over a two-year period, at The Ohio State University. The seminars reviewed many of the concepts and findings of the Ohio State Leadership Studies. These studies covered a 10-year period. Leader behavior and group behavior were studied in military, business, and educational organizations. The results have been reported in a number of monographs and other publications.[1] Most of the studies were concerned with describing individual and organizational behavior rather than evaluating it. The principal disciplines involved were economics, psychology, and sociology. In general, the studies followed a paradigm developed by the interdisciplinary group in which leader behavior was the central factor.[2]

In exploring human behavior from a wider perspective, it is necessary to have a certain commonality in regard to what is being studied. We shall use energy change as the basic activity that is being considered. Energy change in many situations can be perceived, it can be described, and it can be recorded. Furthermore, even though it is not perceived, described, or recorded, it can be inferred as having occurred or not occurred; it can be predicted as something that will or will not occur.

Energy change has wide applicability for both theory and empirical research. Kinetic energy, potential energy, and entropy concepts

[1] Available from author upon request.
[2] Morris, R. T., & Seeman, M. The problem of leadership: An interdisciplinary approach. *Amer. J. Sociol.*, 1950, *56*, 149-155.

may be used. Miller [3] in his theory develops system levels of the cell, organ, individual, group, and society.

Energy changes can be counted, and their extent and frequency can be estimated and measured in accordance with various standards. Energy changes are also called events. When the events are concerned with human beings, they may be called acts. Acts singly (or in multiple) are human performance or behavior. Organizations also can be described as acts, performance, and behavior. In this paper an organization is considered as an arrangement of related functions in which persons perform tasks that contribute to one or more common objectives.

In studying the behavior of persons in organizations, events with various reference points are considered. These include:

1. Individual behavior (acts of a particular person).
2. Organizational behavior (events occurring within the organization).
3. Environmental events (events outside the organization).
4. Interactions of 1, 2, and 3.

No clear and absolute differentiation can be made between these three categories of events. However, it is possible to deal more specifically with one category than with another. For example, the behavior of one person can be studied, but it must be realized that such behavior has a past or present relationship to events in an organization and outside of it. Likewise, events within or without organizations involve acts by individual persons. Also, an observed event is not an energy change in isolation, but it is an observed instance in a complex of many other events.

Thus the individual performs in an organization. He interacts with events within this organization. He also interacts with events outside the organization which also represent the enviroment of the organization. This environment might be a community, for example. Larger environments could be the state, the nation, and outside the nation.

Variables outside the organization can well be more significant than variables within the organization or variables concerning the individual person. A Navy study found this to be true. John Dailey[4]

[3] Miller, J. G. Toward a general theory for behavioral sciences. *Amer. Psychologist*, 1955, *10*, 513-531.

[4] Dailey, J. T. Non-introspective research on human motivation. Mimeographed report, Bureau of Naval Personnel, June 7, 1957.

reported that six measures of socio-economic factors relative to the community correlated .71 with recruitment yield.

A rise in living costs or new opportunities for employment in the outer environment may be important events in prediction. Also, we may attempt to predict events in an environment and fail because events within one or more of the other environmental areas were not included. For example, in 1949 the Bureau of Labor Statistics indicated that ". . . so many (engineers) will be graduated in the next few years that many graduates will be unable to get engineering jobs."

Acts

Human behavior, as mentioned earlier, can be described in terms of energy changes called *acts*. Acts may be described orally or in writing; they may be photographed, predicted, recorded, measured, and evaluated.

An act may be the reporting on another act. This is called a *reported act*. Two or more persons may state having seen John Jones enter a specific room at 10:00 o'clock in the morning. Such a reported act (from the standpoint of the reporter) is called a fact. It is simply relating the occurrence of an act or event. In this instance the person, the location, and the time were given.

Whether or not an event occurred is frequently unclear. One person may report it did occur, another may state that it did not. There are also problems of perception and language involved in reporting an event. The same event may be described differently by various observers. Also, instruments used in recording an event may show variations.

An act which is an evaluation of another act, a series of acts, or of an object may be called a *value act*. A person may perform value acts in written or oral form, such as in a questionnaire or an interview. He may report his evaluations in such personal criterion terms as good, poor, worthwhile, beautiful, correct, approved, disapproved, etc.

An observer may infer value acts of a person by observing him directly or by studying his recorded acts. Thus, an observer may report that an individual I_1 places a high value on hard work for its own sake, or that he thinks working for a large organization is better than working for a small one.

Value acts can be classified according to various scientific concepts. Groups of value acts may be scaled and called value dimensions. A combination of value dimensions is called a pattern. An individual may be described in terms of his value pattern. An organization, a

nation, or a culture may also be described quantitatively in terms of value patterns. The recent studies of Morris and Jones,[5] and of Carter [6] are illustrations.

An attitude is a value act. However, for this paper, the terms *value dimension* and *value pattern* are used to represent the more stable responses and attitude is considered as being at the less stable end of a continuum when a reliability measure is applied.

The subject matter areas for the study and classification of both *reported acts* and *value acts* are varied. They include:

1. *Historical.* Acts may be noted or inferred in a time setting from documents and other data. They may be classified, and they may be studied as hypothetical dimensions and patterns. Their derivations can be analyzed and their development related to other events and to concepts. The "frontier hypothesis" as an explanation of American values is an example. Methods of content analysis have also been developed.[7]
2. *Socioeconomic.* Acts may be described and grouped within the framework of sociological concepts, economic theory, class structure, stratification, utility theory, culture, group dimensions, organizational behavior, and the like. Kluckhohn,[8] for example, uses a social action theory and presents several dimensions of values including content, intent, generality, intensity, explicitness and extent. Hyman[9] mentions class differences in values, and Boulding[10] uses values in his theory of "Eiconics."
3. *Psychological.* Acts may be described and classified in terms of psychological concepts, such as ability, aptitude, interests, needs, personality, self, learning, leadership, goals, and motivation. There are many studies in this area. Dimensions of ability, aptitude, interests, and personality have been developed empiri-

[5] Morris, C., & Jones, L. V. Value scales and dimensions. *J. abnorm. soc. Psychol.*, 1955, *51*, 523-535.

[6] Carter, R. E., Jr. An experiment in value measurement. *Amer. Social. Rev.*, 1951, *21*, 156-163.

[7] White, R. K. *Value-analysis: The nature and use of the method.* Soc. for the Psychol. Stud. of Social Issues, 1951.

[8] Kluckhohn, C., *et al.* Values and value-orientations in the theory of action. In T. Parsons, & E. A. Shils (Eds.), *Toward a general theory of action.* Cambridge, Mass.: Harvard Univer. Press, 1952.

[9] Hyman, H. H. The value systems of different classes: A social psychological contribution to the analysis of stratification. In R. Bendix, & S. M. Lipset (Eds.), *Class, status, and power.* Glencoe, Ill.: Free Press, 1953, 426-442.

[10] Boulding, K. *The image.* Ann Arbor, Mich.: Univer. of Michigan Press, 1956.

cally. The Allport-Vernon-Lindzey study of values has been related to interests[11,12] and to perception.[13]

Acts as Predictors

It is well known that persons show individual differences in behavior in organizations. It is assumed that part of individual behavior can be accounted for by the more stable or more repetitious events that occur in the organization, For example, if the organization performs in a highly structured fashion, one would assume that, other things being equal, a person would perform in a fashion to conform to this organizational characteristic. It is also known that individual performance patterns exist.[14] Work habits are formed which tend to be repeated. Thus, there is some stability in both organizational behavior and individual behavior.

The situation

The difficulty in prediction comes, however, when the situation changes. No two days, no two problems, and no two issues are exactly alike. Events are continually occurring which change the picture and throw off the prediction. It is therefore necessary to study, describe, and classify various situations and develop a rationale that will include these new or changed situations.

A situation may be defined as a complex of events occurring at any given time. The events are thus components of the situation. No two situations are exactly alike. Two persons placed in the same physical environment, say an office, may agree on certain events that form the situation, and disagree on others. An observer may present a third picture, describing the situation that both persons are in. In predicting the behavior of a person, certain events in a situation may be useful, independent variables while others may have no significance in prediction.

[11] Getzels, J. W., & Guba, E. G. Interests and value patterns of Air Force officers. *Educ. psychol.* Measmt., 1956, *16,* 465-470.

[12] Sarbin, T. R., & Berdie, R. F. Relation of measured interests to the Allport-Vernon study of values. *J. appl. Psychol.,* 1940, *24,* 287-296. Reprinted in D. C. McClelland (Ed.), *Studies in motivation.* New York: Appleton-Century-Crofts, 1955, 89-101.

[13] Postman, L., Bruner, J. S., & McGinnies, E. Personal values as selective factors in perception. *J. abnorm. soc. Psychol.,* 1948, *43,* 142-154.

[14] Stogdill, R. M., Shartle, C. L., & Associates. *Patterns of administrative performance.* Columbus: Ohio State Univ., Bur. Business Res. Monogr. No. R-81, 1956.

Situations can be described and studied as dependent variables. The events which form them can be classified and the dimensions of situations can be developed. These may be shown in patterns and treated quantitatively in research.

Value patterns

One may assume that an individual will tend to perform acts that he considers worthwhile or more worthwhile than other acts that he could perform at a given time. He acts within his framework of values and modifies his behavior in the light of the situation at hand. For example, an administrator may hold a value that, other things being equal, bigness is a good and desirable thing. If asked if he would like his personnel budget increased, he would gladly accept. However, in this instance the situation in the organization is such that to accept would probably create a serious morale problem in his division. He values the personal job satisfaction of his staff highly and turns down the offer to increase the size of his unit.

Other measures

While it is assumed that value patterns and situational patterns are important in understanding and predicting behavior, it is likewise necessary to have measures of human skill, capacity, interest, and personality to aid in predicting the behavior of the individual person or the organization.

A model has been prepared. Independent antecedent variables ($I_{1,2----n}$) include:

1. Value patterns
2. Situational patterns
3. Measures of aptitude, knowledge, and skill
4. Measures of personality and interest
5. Measures of physical energy and capacity
6. Past individual and organizational performance

Dependent variables ($D_{1,2,3----n}$) include: Performance in the organization, including:

1. Decisions made
2. Ratings of performance
3. Measures of attitude change
4. Objective measures of performance
5. Tenure and mobility

6. Work patterns
7. Leader behavior dimensions
8. Sociometric ratings
9. Learning behavior

In predicting organizational behavior, I_1 might be the value pattern of the organization as represented by combined descriptions given by trained observers and by persons in the organization who are assumed to be well versed in its overall operation. I_2 could be the quantitative description of the situation confronting the organization including events both inside the organization and outside of it. Such events would be selected by trained observers who would hypothesize the events most likely to be significant in prediction. The dependent variables might include the decision made by the organization or a rating or measure of subsequent performance.

While predictions are indeed difficult, encouraging results in predicting individual work performance of persons in non-supervisory roles in military and civilian organizations can be found. For persons in supervisory or administrative roles the evidence is slight. Stogdill, Shartle, and Associates [15] made a study in predicting the behavior of naval officers by studying the situations to which they were being transferred. Some of the predictions were significant.

In studying value acts in organizational behavior a number of methods may be used. It is proposed that the organization should provide the framework for measuring individual values. In this method the subject will describe his ideal of organizational behavior. This method has the advantage of some degree of indirectness. It allows for the projection of personal values in a particular setting. Also, in the Ohio State Leadership Studies it appeared that there were fewer stereotype responses in describing group behavior than in describing self-behavior or the behavior of individual persons.

Another advantage in using the organization as the frame of reference is that in this method the value patterns of organizations can be indicated as well as those of the individuals in it. Both the desired and the actual value pattern of the organization can be measured in terms of the responses of its members and of outside observers. Also, a person may describe the ideal organization in which he might serve before he becomes affiliated with it. He may also describe what he

[15] Stogdill, R. M., Shartle, C. L., Scott, E. L., Coons, A. E., & Jaynes, W. E. *A predictive study of administrative work patterns. Columbus:* Ohio State Univer., Bur. Business Res. Monogr. No. R-85, 1956.

would expect to find if he did join and later he could describe the actual values of this organization as he perceives them.

In studying the behavior of small groups, value patterns for each member may be compared and predictions made concerning the behavior of each individual and of the group when confronted with a specific problem. Bipolar groups can be created and their behavior likewise studied. In one unpublished study at Ohio State, bipolar and unipolar groups were established on a single value scale relative to union-management functions. Predictions were made concerning the length of time to reach consensus. A significant relationship was found between actual and predicted time. In decision making the individual value patterns of participants can be arranged to form a part of the situational framework which should represent a significant factor in predicting the outcome.

In developing the measures for determining value patterns, a large number of statements describing organizational performance are being prepared. Source materials from several disciplines are utilized as well as data from industrial and military organizations.

Certain tentative dimensions of values have been considered. These are being restudied by the intedisciplinary project group and a revised act of dimensions hypothesized. Some of the tentative organizational value dimensions now include the following:

1. *Size:* It is hypothesized that a prevailing American value is that a bigger organization is a better one. Larger budgets are better than smaller ones, etc. However, it is likewise assumed that individuals vary and a continuum in the form of a dimension can be developed.
2. *Achievement:* It is better to accomplish, to get somewhere, to show progress.
3. *Rate:* It is better to be fast than slow. To reach a decision in one hour is better than to do it in two hours.
4. *Quality:* Higher quality is better than lower quality. It is better to give a high-quality service than a lesser one.
5. *Effort:* Effort for its own sake is good. It is good to try.
6. *Satisfaction:* It is better to be happy than unhappy. The happy ship is a better one. The play that ends happily is the better play.
7. *Efficiency:* The more efficient organization is a better one.
8. *Security:* It is better for an individual or an organization to be secure in its existence.

9. *Newness:* New ideas and things are better than older ones. The newer office, for example, is the better one.
10. *Changefulness:* Frequent changes are better than infrequent ones.
11. *Independence:* It is better to be self-sufficient and independent than dependent. To be able to go it alone, if necessary, is good.

These values have been expressed in positive terms but it is hypothesized that individual differences can be shown by proper item construction and scaling. The principal criterion for a value is its worth in predicting behavior.

Some of the specific items are as follows:

The organization expands at every opportunity.
The organization sees to it that every person in it works at top efficiency.
Keeping people happy is given more importance in the organization than almost anything else.
The organization will give a member a break even though it costs a lot of money.
The organization meets its objectives regardless of cost.
Getting things done quickly is strongly emphasized.

In describing an ideal organization, each item will be rated according to a criterion of value. A pilot study will be made to determine this criterion so that a sufficient range of value judgments can be developed. One such criterion list that may be tried is: Excellent thing to do; very good practice; no feeling about it; not a good thing to do; bad thing to do.

Present plans call for a large number of short statements rather than a smaller number of longer ones as was used, for example, by Morris and Jones.[16] For the present study, items will be selected according to the value concepts as proposed by representatives of several disciplines. Some items will fit more than one concept. Preliminary planning discussions indicate that economic utility concepts will utilize many of the same items as a selection based upon social status theory, or a need theory.

Items will include initially all possible significant aspects of organizational behavior including goals and objectives; past, present, and future planned behavior; and internal operational methods.

[16] *Op. cit.*, page 306.

Later plans call for measuring values of groups according to age, educational level, cultural patterns, personality characteristics, and other classifications; and to use the value dimensions with other measures in predicting individual and organizational behavior in a number of categories.

The dimensions of situations

The development of dimensions of situations is a difficult task, but there have been sufficient studies of organizations so that a large number of events can be listed and classified. The classifications can be used in describing a number of situations and the results analyzed to develop dimensions that are relatively unique.

It is believed that this work should proceed simultaneously with the development of value dimensions. The two aspects should reinforce each other and they should be coordinated to keep the concepts clear and avoid possible overlap.

The situations will include a wide range. An attempt will be made to cover future possible situations that may result from technological and social change. Developments in atomic energy and air power are examples. Engineers working on new developments have participated in some of the discussion of how situations may change in the future.

Some dimensions of situations have been hypothesized. They include:

1. *Distance:* What is the physical distance of *P* (the person whose behavior is being predicted) from the problem that will be acted upon? Is it a problem, for example, in his own office or one in a distant office? It is hypothesized that a decision given by *I*, involving a problem far away, will result in less consideration for the persons concerned than similar decisions in which the members involved are close at hand.
2. *Structure:* How structured is the situation in which *P* finds himself? It is hypothesized that performance in a highly structured organization (as rated by an observer) will conform more closely to the official organizational objectives than in a less structured situation.
3. *Stability:* How stable is the situation in which behavior is being predicted? It is assumed that prediction will be less likely in changing situations.
4. *Threat:* How threatening is the situation (as rated by an observer) to the person or the organization whose performance

is being predicted? It is hypothesized that in situations that are of considerable threat, performance is more likely to be one which will tend to minimize the threat.

5. *Newness:* How new is the situation to the person or to the organization? Has it been experienced before? A possible outcome would be that performance in a new situation is more difficult to predict and that it will tend to be more cautious and restrained than in familiar situations.
6. *Status:* How high in status is the individual in the setting in which he will perform? Higher status may result in greater personal independence of action in performance and will more closely resemble the value pattern than in lower status positions.
7. *Leadership Climate:* What are the dimensions of leadership climate (as described by an observer or by superiors) in which performance takes place? It is hypothesized that in a climate high in a particular dimension, initiating structure for example, performance is more likely to be high than low in the dimension.
8. *Value Climate:* What is the prevailing value climate in the situation? It is probable that behavior of an individual will tend to show positive relationships with the dominate group patterns in the setting in which performance takes place.
9. *Supply-Demand Ratio in the Occupational Field:* It is hypothesized that a low S-D ratio in the occupational area of which the individual is a member will be related to decisions more likely to favor the individual than the organization.
10. *Duration:* How long has the situation existed? Less likelihood of change is assumed to be related to previous duration.

These examples represent a very incomplete list of possibilities. Within each tentative dimension relevant statements of specific behavior will be prepared. These will be tried out later in "live situations" to determine empirically the uniqueness of the measures and their power to discriminate among situations reliably. Revisions will be made to improve the measures for later use in prediction studies.

MANAGEMENT'S RELATIONS WITH ENGINEERS AND SCIENTISTS

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During recent years, there has been an ever-increasing concern about the "shortage" of engineers and scientists in the United States. The problem areas are not limited to the supply of technically trained personnel but also include the areas of compensation, utilization, etc.

A survey of the literature in 1955 showed that considerable had been written and a great deal more had been said about the problems, yet fundamental works were lacking in many areas. In some instances, an individual would report on his experiences in an anecdotal manner, while others were willing to make popular, but unfounded, statements on hearsay and stereotypes that were supposed to exist. Some companies reported the results of intensive surveys within their particular company. The professional societies approached the problem via questionnaires and published volumes. In short, interest was high, attempts to solve the problems were being made.

It was against this background that the Bureau of Industrial Relations at the University of Michigan launched the project, "Management's Relations with Engineers and Scientists" in the summer of 1955.

The primary objectives of the study were: (1) To learn about the vocational needs, goals and motivations of engineers and scientists; (2) To learn about the major sources of job satisfaction and dissatisfaction among engineers and scientists; (3) To determine from such employees, their supervisors and company executives the most desirable and effective ways of managing engineers and scientists.

Design of Study

It was decided that the best method for attaining these objectives, in view of the time, finances and personnel available, was to conduct "depth" interviews with a limited number of people within a variety of companies. It was not felt that the most useful purpose would be served by merely reporting the present practices in a cross-section of industries. Instead the investigators selected companies that were well managed, that had considerable experience in managing engineers and/or scientists, and that employed a relatively large number of

engineers and/or scientists. It was hoped that from these "leaders" the methods that they had evolved could serve as guides for the smaller companies or companies that were just going through the growing pains of increased employment of technical personnel. The results of the selection of companies that were willing to cooperate, within the geographical limitations, and fulfilled the before mentioned criteria, were four companies in the chemical and allied products field, two in the auto and auto parts field, two in the electronics field and two in the public utilities field.

The samples of supervisors and non-supervisory engineers and scientists were selected by the members of the Bureau so as to approximate a cross-section of the *functional utilization* of engineering and scientific personnel within *each* company. It was felt that inasmuch as this was fundamentally a study of people (their attitudes, motivations, feelings, etc.) and their work, the selection by title or other means would not serve the best interest of the study.

"Depth" interviews, consisting of a series of open-end questions and check sheets appropriate for each of three levels in the organization, were designed and administered. The primary emphasis of the questions was to gain an expression of feeling, action, etc. and more importantly to give the interviewer the opportunity to explore the causal factors behind the responses; the *why* in addition to what or how. In each company three to six executive interviews were conducted with company executives including personnel and recruiting officers, approximately nine first-line supervisor interviews and approximately twenty-seven non-supervisory interviews. Times for the interviews were executive interview, one to two hours; supervisor interview, three to four hours; and non-supervisor, two to three hours. The total interviews conducted were approximately fifty executives, ninety supervisors, and two hundred seventy-five non-supervisors.

Findings

The study, "Management's Relations with Engineers and Scientists," conducted by the Bureau of Industrial Relations, is in the final stages of analysis and preliminary write-up for future publication and seminars to be conducted by the Bureau at the University of Michigan during 1957-58.

Before discussing the findings it is necessary to note that much of the material is based on the "perception" of the interviewees. It is the way that they "see" things or how they feel about them and it is on

this basis that they act. Their perceptions may or may not correspond to what the "real" situation is or what managements "see." Several examples will demonstrate the importance of perception and the confusion resulting from different perceptions. It may be assumed that everyone has a need for recognition, but an engineer or scientist may see different actions as satisfying this need. One engineer might "see" a raise as satisfying, another might see a title as recognition, while still another might see the purchase of a particular piece of equipment as a reward. Scientists might see presenting a paper at a professional society meeting as recognition, while to another being able to work in the lab on his off hours would be satisfying. With engineers and scientists, there is greater need to know what they individually perceive as satisfiers, if they are to be attracted and held.

One of the confusions frequently encountered is the one related to "basic research." Many managements see "basic research" as research lasting perhaps as long as one or two years (which is longer than many of the research projects they have run in the past) and resulting in a final product. To the new scientists with their academic orientation, they see "basic research" as five, ten, or even fifteen-year projects that would contribute to basic knowledge and if a product did result, it would be incidental. Such differences can be overcome, but the starting point has to be the awareness of the discrepancies and their causes.

In view of the limited time available, it is impossible to present views of all three levels (executives, first-line supervisors and non-supervisors) on all subjects, so the material to be presented has been limited to the non-supervisors' views on a number of crucial areas. They are (1) worker characteristics, (2) top management's administration, (3) job activities, (4) supervision, and (5) compensation. The factors discussed should be given serious consideration when policies and practices for technical work and workers are formulated or revised.

Worker Characteristics

The one word that best describes the engineer or scientist is "individual." This does not necessarily mean that the person is a rebel, trouble maker, or prima donna, although some may be and others may rebel when they are first introduced to the industrial harness after roaming the fields of the academic environment. It does mean that in general, the engineer or scientist, due to his personality, his schooling,

the particular labor market conditions, and the activities of professional societies, expects to be treated as an individual. His expectations are reinforced when he is told by industries that they need new ideas and that the individual's advancement is based upon his achievement or merit. While the desire to be treated as an individual is common to all, or many of us, there seems to be an increased need for individualized treatment among these employees. This does *not* mean "preferential" treatment (e.g. granting of special favors), but does mean such things as that they desire to have their abilities and skills considered in making job assignments, and to have their work gain them recognition as an individual.

The difference in worker characteristics is one primarily of degree, with the engineer or scientist exibiting more of certain characteristics, and less of others, than industry is familiar with and adjusted to. The engineer or scientist is more skeptical, has a greater need for proof, and questions why certain actions are taken. He is impatient with the administrative procedures and wants the opportunity to prove himself as soon as possible. He has a certain degree of intelligence and training which he desires to have utilized and extended. In short, he represents a challenge to management's present administrative policies and practices; but also he can aid management in developing more effective means of administration.

Top Management's Administration

One of the aims of the study was to determine the most effective methods of managing technical work and technical personnel. It is worth noting that even in these selected companies the non-supervisors' average ranking of this item was the lowest of seventeen items on a check sheet. The dissatisfaction can be accounted for on the basis of the critical attitude of technical personnel, their continual quest for better ways of doing things, their rebellion against routine and, last but not least, ineffective administration. Regardless of the causes, some of the specific dissatisfactions were (1) management's short range view of research and development, (2) management's failure to understand and keep in touch with the work, (3) management's failure to inform them of, or explain, their purposes and decisions, and (4) management's failure to give recognition to the person and/or his work. In all these areas, the engineers and scientists seem to want to be "in on the know," to have their work understood and recognized, and to be able to give it some direction. Other dissatisfactions were

directed more to the limitations imposed upon them which resulted in less than their best work. These included (1) working under pressure, deadlines, (2) unclear responsibility and authority, (3) insufficient support personnel, (4) poor supervision, and (5) administrative procedures.

The subsequent sections will present additional findings which will give added direction to increased utilization of technical personnel for the mutual satisfaction of the company and the engineers and scientists.

Job Activities

The engineer or scientist is unlike many of the "8 to 5" workers who put in their eight hours and turn off their thinking about the job when they punch out. Many of the engineers and scientists regard their profession as a "way of life" that permeates many of their waking hours. These technical people are very "job-oriented" and as a consequence, the job is a greater source of satisfaction or dissatisfaction than with many workers. They seem to have a sincere desire to do a good job. Actions which are seen as aids to successful performance are actively sought and actions which are seen as obstacles to successful performance and due recognition are actively fought. They seek new and challenging work on which they are given a large degree of freedom to manage their own work. Many, especially engineers, seek a visible result that they can point to as objective proof of their accomplishment. Fundamentally, there seems to be a strong urge to have their abilities and skills utilized and extended and to have a chance to prove themselves in the organization through their work.

Some dissatisfaction centers around the amount of what engineers and scientists regard as "non-engineering" or "non-scientific" work, but which managements frequently regard as essential parts of the job. The majority of the dissatisfied interviewees felt that a lesser trained person could perform these functions, and the engineers' and scientists' time could be spent more profitably, from the company's and the person's viewpoint. Report writing dissatisfaction was high and the reasons behind the dissatisfaction were varied: (1) a lack of skill in writing, (2) the "futility" of such reports, (3) the undue frequency of reports, and (4) a combination of the factors.

There seems to be some disagreement between managements and engineers as to how something should be done or the amount of engineering that should be done. The disagreement between scientists

and management is frequently on the initial direction that the research or development should take. Many of the divergences can be overcome by management's making its position clear, selecting the personnel who desire to abide by these "rules of the game" and rewarding the individuals who do perform as desired. Some managements might well make some adjustments to the needs and the goals of the engineers and scientists they employ.

The most feasible approach to making the job activities satisfying is via the proper selection, training and support of the supervisors, which will be discussed next.

Supervision

The role of the supervisor of engineers and scientists is a complicated one in that many managements seek only the rare combination of engineer-executive or scientist-supervisor, and the only way open for advancement is administration. Some companies are establishing so-called "dual hierarchies," one for administration and one for technical work, but the prestige and future of the latter has not been developed and accepted yet. While production supervisory techniques emphasize the group phenomena, there is a need for greater knowledge of the individual and methods of motivating and satisfying individuals if supervisors of engineers and scientists are to realize management's goal of new ideas, creativity, etc.

The functions of a supervisor that the non-supervisors considered most essential are (1) considers ideas on their merit, (2) assigns and delegates responsibility clearly, (3) encourages subordinates' judgment, (4) recognizes and cites to his superior good performance or contribution, and (5) obtains support from higher-ups for projects of unit. The pattern of essential functions varied with the functional utilization of the personnel. This, plus the lack of complete agreement of people within the same functional groups, stresses the futility of training all supervisors in the performance of the same functions or the selection of all supervisors on the same criteria. Some of the functions listed above and additional ones assigned by managements make for considerable conflict when a highly trained and technically oriented engineer or scientist is placed in an administrative role. He must increase the amount of non-engineering or non-scientific work that takes him from his own technical advancement, and now he must curb in his subordinates many of the aspects that he would like to pursue. Careful examination should be made of the present criteria for select-

ing technical supervisors, of the training given them, and of the functions required of them.

Compensation

The tangible rewards (e.g. salary and benefits) and the intangible rewards (e.g. recognition by associates and community) must be considered together if a true picture is to be gained. Dissatisfaction with salary is frequently voiced, or given as a cause for quitting, not necessarily because salaries are low, but because it is something that can be pointed to; it is tangible. There was some dissatisfaction as to the adequacy of pay, which was frequently based on the management's use of one standard in setting pay levels and the engineer or scientist using a different standard for comparison purposes (i.e. local vs. national averages). The criteria for evaluating and compensating engineering and scientific work drew some fire; managements stressing the marketable product aspect and engineers or scientists emphasizing a more technical or professional measure. In other situations, salary adjustment was used by the engineer or scientist, in lieu of an adequate appraisal system or developmental program, to measure his progress which was frequently less than he desired. If the tangible rewards, direct and indirect, are made sufficiently high, they may exert a strong holding power, but still not yield desired productivity due to the job activities assigned.

The intangible rewards are particularly important in a situation such as the present one, where the engineers and scientists are well paid by comparison to many occupations. There are few that are forced by financial necessity to seek employment elsewhere. The intangible aspects of the job hold many of the keys that have not been fully utilized. Many of the intangible rewards are made possible through the supervisor (see section on supervision). The most important intangible rewards sought were (1) challenge by the project, (2) opportunity to see ideas carried out, (3) a large degree of freedom to manage his own work, and (4) variety in the work. The importance of different intangible rewards varied with the functional utilization of the technical personnel.

Conclusions

The major conclusions that can be drawn from the interviews with 277 non-supervisory engineers and scientists in one phase of a

study conducted by the Bureau of Industrial Relations, University of Michigan, are that:

1. They consider themselves as "individuals" whose prime commodity is ideas and they seek treatment on that basis;
2. They tend to be dissatisfied with top management's administration of technical work which is due to differences in standards, a developed skeptical attitude;
3. They seek job activities which will utilize and extend their skills and abilities and which will afford them individual recognition;
4. They desire freedom from close supervision and greater consideration of the individual in job assignments;
5. They seek direct compensation (i.e. salary) that reflects their individual contribution and they feel that intangible rewards, such as challenge by the project, opportunity to see ideas carried out, and freedom and variety in their work, results in their best work for the company and greatest personal satisfaction.

VOCATIONAL INTERESTS OF TECHNICAL PERSONNEL

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Present demands for engineering, scientific and other technically trained manpower have outstripped current supplies. Because of this, problems of guiding larger numbers of persons into scientific training, and expansion of current training facilities have received widespread attention. An area which is probably of equal importance but which has received less attention is the problem of increasing the efficiency of utilization of *current* technical manpower resources.

Technical personnel undertake a wide variety of job duties. Persons with scientific training are performing jobs ranging from routine analysis and testing to top executive jobs. They also are employed in functions ranging from basic research to applied development to production and process engineering and even customer contact and selling. Since engineers and scientists are performing so many *different* duties, it seems reasonable to expect that effectiveness in these various functions will be related to important individual differences in patterns of abilities, interests, and personality traits.

The study which I should like to describe briefly is an attempt to determine whether or not individuals who are successfully performing different types of technical or scientific duties can be differentiated in terms of measured vocational interests. More specifically, we are attempting to develop special scoring keys on the Strong Vocational Interest Blank for four groups of engineers, (1) pure resarch engineers, (2) design and development engineers, (3) production engineers, and (4) sales or technical service engineers.

Impetus for this study came from the research performed by Webster, Winn and Oliver in 1950.[1] They administered the Strong Vocational Interest Blank to groups of sales engineers and research engineers. These two groups differed considerably in the expected direction on the Technical Science and Sales keys of the Strong test. It was also noted that research engineers who were rated as most successful scored higher on all but one key of groups I and II (Human and Technical Sciences) than did research engineers who were rated as less

[1] Webster, E. C., Winn, A., and Oliver, J. A., "Selection Tests for Engineers: Some Preliminary Findings," *Personnel Psychology*, 1951, *4*, 339-362.

successful. These findings suggest that measures of vocational interest can prove useful in engineering job placement and perhaps even in the prediction of different levels of engineering job effectiveness.

Successful completion of the study demanded that data be obtained over a fairly broad sampling of engineers and scientists (from both a geographic and industry standpoint). Further, it demanded that these engineers and scientists be carefully and accurately "slotted" into one of the four broad functional job categories mentioned previously. At the same time, then, that careful designation of job duties became of importance, sampling considerations precluded the possibility in many instances of either direct observation of jobs or extensive discussion with company or firm officials concerning the nature of various scientific and technical jobs being performed in their firms. What was needed was a short, easily administrated checklist of job duties which might be completed by each engineer or scientist participating in the study and which might offer, after the development of special scoring keys, an easy and accurate guide to the job designation of each participant.

A similar approach has been used by Saunders [2] in his development of a Key Group Data Form to be used by technical supervisors in describing the duties of their subordinates. Careful analysis of data supplied by Saunders suggested that the items of a Job Description Checklist should be short, simply worded, and that they should include easily recognized units of on-the-job behavior.

Lengthy job descriptions[3] of various engineering and scientific duties were studied and several items were written which appeared to be obviously slanted toward one of the functional classifications. For example:

> Developing a fund of basic research knowledge.
> Completing experimental or pilot projects.
> Simplifying production methods.
> Working with customers' representatives to suggest equipment and/or process modifications.

To these were added twelve of the most discriminating items from Saunders' Key Group Data Form. The final pool of items totaled twenty-four as shown in Figure 1. These items were presented, along

[2] Saunders, D. R., *Use of an Objective Method to Determine Engineering Job Families that Will Apply in Several Companies,* RB-54-26 ETS, Princeton, N. J., September, 1954.

[3] Webster, E. C., Winn, A., and Oliver, J. A., *op. cit.*

FIGURE 1

ENGINEERING JOB ACTIVITIES

Evaluating ideas.
Conducting negotiations.
Planning the best use of equipment and materials.
Investigating problems of a basic and fundamental nature which may not be undertaken for specific practical application.
Keeping informed about competitive products and activities.
Simplifying production methods.
Developing a working model of a new instrument or process.
Developing and testing useful hypotheses or generalizations.
Preparing initial specifications for equipment installation.
Completing experimental or pilot projects.
Performing liaison work with departments and personnel to maintain overall efficiency of process or equipment production.
Applying theoretical and empirical principles to develop an economically feasible instrument or process.
Developing a fund of basic research knowledge.
Evaluating performance of present materials, designs, methods, processes, products, equipment.
Selling ideas to people.
Planning best use of personnel.
Working with customers' representatives to suggest equipment and/or process modifications.
Originating technical ideas.
Controlling expenses.
Preparing and making technical recommendations and proposals.
Attending seminars, symposia, and colloquia to keep abreast of current developments.
Trouble shooting and/or meeting emergencies.
Setting up pilot projects to develop and test new process and equipment designs.
Writing technical articles, correspondence, instructions, manuals, patent disclosures, reports, specifications.

with directions for administration, in the form of a checklist to be answered by employed technical persons. Directions ask each engineer to rank the job duties in order of their degree of cruciality to successful performance of his job. An alternation ranking procedure was adopted.

Scoring keys for the Checklist have been developed and cross-validated by administering it to 417 engineers and scientists employed in two large Twin Cities firms. Validation of the Job Description Checklist required that information be obtained about the jobs being performed by the persons tested. It was possible to secure this information both through analysis of detailed job descriptions and by interviewing supervisors and department heads. Information from these sources was used to assign examinees to one of the four categories: Pure Research, Development, Production, and Sales or Technical

Service. Scoring keys were developed on the engineers from one firm and cross-validated on the engineers employed by the other.

The keys were used to score the Job Description Checklist responses of the independent groups which had been set aside for cross-validation purposes. Each engineer was assigned (by the Checklist) to the functional category for which he received the highest standardized score. The degree of agreement between actual job duties and the assignments derived from the Job Description Checklist is shown in the Table 1.

TABLE I

Accuracy of Placement Based on Job Description Checklist Assignments

		Actual Job Category			
		Research (N=18)	Development (N=20)	Production (N=50)	Sales (N=74)
Category based on JDC	Research	16	7		1
	Development	2	10	1	1
	Production	....	2	45	4
	Sales	....	1	4	68
Percent of Accurate Placements		89%	50%	90%	92%

It is evident from these results that assignments based on Job Description Checklist responses result in a large majority of accurate placements. Of the 172 cases, 139 or 86% of the placements based on scores derived from Checklist responses agree with placement based on more detailed analyses of jobs.

The Job Description Checklist has now been administered to over 1500 engineers and scientists employed in 16 firms. Table 2 shows median stanine score ranks given to each of the twenty-four job duties of the Checklist by engineers assigned to each of the four major functions. Examination of these results gives broader meaning to the responses of the Checklist and to the nature of the overlap among job functions. For example, the Pure Research Function is uniquely marked by duties requiring the application of the basic principles and skills of science. Development activity is characterized to a greater degree by the search for empirical knowledge which may help in translating a product or process from the laboratory to the production line. Production activity involves production line planning, liaison among persons and departments, and the modification and simplification of

TABLE 2

Median Stanine Scores Obtained by Engineers in Each of Four Functions

		Research (N 185)	Development (N 192)	Production (N 228)	Sales (N 200)
Research	Developing and testing useful hypotheses or generalizations	6.0	4.6	3.8	3.5
	Developing a fund of basic research knowledge	5.8	4.3	3.5	3.5
	Investigating problems of a basic and fundamental nature	5.2	3.5	3.3	2.7
Development	Applying theoretical and empirical principles to develop an economically feasible instrument or process	6.8	6.6	4.4	3.8
	Originating technical ideas	6.5	6.4	5.1	4.2
	Evaluating ideas	6.4	6.6	5.9	5.8
	Developing a working model of a new instrument or process	5.7	7.3	4.6	3.8
	Completing experimental or pilot projects	5.5	5.9	4.8	3.9
	Setting up pilot projects to develop and test new process and equipment designs	4.9	5.3	4.5	3.8
Production	Evaluating performance of present materials, designs, methods, products, equipment	5.0	6.1	6.8	4.9
	Planning the best use of equipment and materials	4.7	4.9	6.1	5.4
	Performing liaison work with departments and personnel to maintain overall efficiency of process or production	4.5	4.9	6.3	5.5
	Simplifying production methods	4.4	3.9	6.5	4.3
	Controlling expenses	3.7	3.6	5.1	4.5
Sales	Trouble shooting and/or meeting emergencies	4.3	5.1	6.4	5.9
	Selling ideas to people	5.2	4.9	6.2	8.1
	Working with customers, representatives	3.9	3.2	4.6	6.9
	Keeping informed about competitive products and activities	4.8	4.5	3.9	5.7
	Conducting negotiations	3.0	3.3	3.8	5.9
General	Planning best use of personnel	4.6	4.1	5.1	5.0
	Attending seminars, symposia, and colloquia to keep abreast of current developments	4.4	3.3	3.1	4.0
	Writing technical articles, reports, etc.	5.1	4.9	4.5	4.6
	Preparing initial specifications for equipment installation	3.9	4.5	4.5	5.0
	Preparing and making technical recommendations and proposals	5.5	5.4	5.2	5.8

methods. Finally, technical sales activity is characterized by selling, working with customers and their representatives, and other personal contact activities.

The major part of the present study, that concerning differences in measured vocational interests between individuals assigned to the four job groupings, is currently being completed. Using a sample of 806 successfully employed engineers (approximately 200 in each job grouping), scoring keys on the Strong Vocational Interest Blank have been developed to differentiate each job group from engineers in general. The number of responses on the Strong which were found to differentiate between each job group and engineers in general (at the .01 level) was 200 for Pure Research, 115 for Design and Development, 51 for Production, and 321 for Sales.

Table 3 shows the accuracy with which the above keys on the Strong were found to categorize individuals into the appropriate job groups. These results are currently being checked on a cross-validation sample of approximately 800 additional engineers. Dr. Marvin Dunnette from the Minnesota Mining and Manufacturing Company of St. Paul, who has worked very closely with us on this study, has applied scoring keys to a cross-validation sample of 85 engineers in his firm and reports an accuracy of 68% for this group.

It is expected that the special keys developed on the Strong for the engineering groups will substantially aid in effective counseling and guidance of students in engineering and science and in the efficient placement of technical applicants on appropriate industrial jobs.

TABLE 3

Accuracy of Placement Achieved in Validation Sample

		Actual Job Function				
		Research (N 185)	Development (N 192)	Production (N 230)	Sales (N 199)	Totals
Job Function Determined By SVIB Keys	Pure Research	96	18	13	15	142
	Development	37	111	54	20	222
	Production	30	34	116	28	208
	Sales	22	29	47	136	234
	Percent Accuracy	51.9%	57.8%	50.4%	68.3%	56.9%

Part XI

BUSINESS REPORTS

PROGRAM OF TENTH ANNUAL MEETING

New York, N.Y., September 5, 6 and 7, 1957
Park Sheraton Hotel

THURSDAY, SEPTEMBER 5

1:30 P.M.

INTRA-COMPANY RESEARCH IN INDUSTRIAL RELATIONS

Chairman: Leo Teplow, American Iron and Steel Institute

Research Reports:

(a) *Job Design for First-Line Supervisor's Job*
Joseph M. Bertotti and Quentin Ponder, General Electric Co.

(b) *Adequacy of an Employee Insurance Program*
Sander Wirpel, Inland Steel Co.

(c) *Electronic Data Processing for Industrial Relations Research*
Carl Rush, Standard Oil Co. (N. J.)

(d) *Barriers to Effective Two-Way Communication*
Frank W. Braden, Illinois Bell Telephone Co. and John T. Trutter, American Telephone and Telegraph

2:30 P.M. (Joint Session with APSA)

UNION AND MANAGEMENT TIES TO POLITICAL PARTIES

Chairman: Harold Enarson, Western Interstate Commission for Higher Education

Paper:

The Politics of the West Coast Teamsters and Truckers
Irving Bernstein, University of California

Discussion:

J. B. Gillingham, Dept. of Economics, University of Washington (Seattle)

Owen Stratton, Dept. of Political Science, Wellesley College

Paul Jacobs, staff member of Fund for the Republic and contributor to The Reporter Magazine

4:30 P.M.

MEMORIAL SESSION FOR THE LATE WILLIAM M. LEISERSON

Chairman: Jack Barbash, AFL-CIO

Speaker: Frank M. Kleiler, Executive Secretary, National Labor Relations Board

FRIDAY, SEPTEMBER 6

9:30 A.M.

CURRENT STUDIES OF ECONOMIC SECURITY

Chairman: Robert J. Lampman, University of Washington

Research Reports:

(a) *Adequacy of Medical Benefits in Collectively Bargained Health Insurance Plans*
Fred Slavick, State University of Iowa

(b) *Issues in Voluntary Health Insurance*
Odin W. Anderson, Health Information Foundation

(c) *The Federal Minimum Wage Program and the Puerto Rican Economy*
Karl O. Mann, Duquesne University

(d) *A Coordinated Approach to Low Incomes and Substandard Levels of Living*
Meredith B. Givens, State of New York Interdepartmental Committee on Low Incomes

(e) *The Relationship Between Public and Private Economic Security Plans*
Arthur D. Butler, University of Buffalo

9:30 A.M.

CURRENT STUDIES OF UNION STRUCTURE AND POLICY

Chairman: Edward Reighard, Stanford University and Stanford Research Institute

Research Reports:

(a) *The Relationship Between Structure and Policy in the Teamsters' Union*
Robert D. Leiter, The City College (New York)

(b) *The Development of the International Printing Pressmen and Assistants' Union*
Elizabeth F. Baker, Barnard College, Columbia University

(c) *Maritime Labor Economics as a Determinant of the Structures and Policies of Seamen's Unions*
Elmo P. Hohman, Northwestern University

(d) *Contemporary Structural Changes in Organized Labor*
Mark L. Kahn, Wayne State University

(e) *Union Techniques to Promote Union Democracy*
Don A. Seastone, Denver University

12:30 P.M.

LUNCHEON AND PRESIDENTIAL ADDRESS

Research Needs for the Second Decade
Dale Yoder, Industrial Relations Center, University of Minnesota

2:00 P.M.

CURRENT LABOR MARKET STUDIES

Chairman: Earl F. Cheit, Saint Louis University

Research Reports:

(a) *Wage Determination in a Non-Union Labor Market*
George P. Shultz, University of Chicago, and Irwin Herrnstadt and Elbridge S. Puckett, Massachusetts Institute of Technology

(b) *Regional Variations in Skilled Wage Differentials*
William Goldner, University of California (Berkeley)

(c) *Characteristics of Labor Supplies in Suburban Areas*
Everett J. Burtt, Jr., Boston University

Discussion:
Adolph Sturmthal (Roosevelt University)

2:30 P.M. (Joint Session with APSA)

LEGISLATING DEMOCRACY IN UNIONS

Chairman: R. W. Fleming, University of Illinois

Paper:

Legislating Democracy in Unions
Clyde Summers, Yale University

Discussion:

Philip Taft, Brown University
Merlyn Pitzele, Business Week Magazine

SATURDAY, SEPTEMBER 7

9:30 A.M.

CURRENT INTRA-UNION RESEARCH

Chairman: Solomon Barkin, Textile Workers Union of America

Research Reports:

(a) *The Trade Union Crisis and Intra-Union Research*
Solomon Barkin, Textile Workers Union of America

(b) *Research in Problems of Organized Teachers*
Mary Herrick, Research Director, American Federation of Teachers

(c) *A Survey of the Extent of Unionization of Daily Newspaper Pressrooms by the IPP & AU*
Walter M. Allen, Director, Service Bureau, International Printing Pressmen & Assistants' Union

(d) *Research Activities in the Industrial Union Department*
Jack Barbash, Research Director, AFL-CIO Industrial Union Dept.

(e) *Intra-Union Research—The Aim and the Means*
J. B. S. Hardman, Inter-Union Institute

(f) *Puerto Rican Integration in a Garment Union Local*
Roy Helfgott, Cloak Joint Board, ILGWU; staff member New York Metropolitan Region Study

(g) *Communication Workers of America Telephone Study Fellowship Program*
Sylvia B. Gottlieb, Research Director, Communications Workers of America

(h) *A Study of the Failure of Intra-Union Communication in an Organizing Campaign*
George Perkel, Senior Economist, Textile Workers Union of America

9:30 A.M.

CURRENT STUDIES IN PERSONNEL ADMINISTRATION

Chairman: Roger M. Bellows, Rutgers University

Research Reports:

(a) *Manpower Waste from Inadequate Guidance*
Leonard P. Adams, Cornell University

(b) *Vocational Interest Measurement for Engineering Personnel*
William England, University of Minnesota

(c) *Professional Productivity and Morale*
Lee Danielson, University of Michigan

(d) *Value Dimensions and Situational Dimensions in Organizational Behavior*
Carroll L. Shartle, Ohio State University

(e) *The Identification of Management Potential*
Thomas A. Mahoney, University of Minnesota

INDUSTRIAL RELATIONS RESEARCH ASSOCIATION

EXECUTIVE BOARD MEETING

New York City, September 5, 1957

The Executive Board met September 5, 1957, at 6:00 p.m. at the Park-Sheraton Hotel, New York City. Present were: Dale Yoder (presiding), Emily C. Brown, Otis Brubaker, Neil Chamberlain, Harry M. Douty, Murray Edelman, Robben W. Fleming, Howard Kaltenborn, Charles C. Killingsworth, Richard A. Lester, Jean T. McKelvey, Boris Shishkin, Arthur Stark, Saul Wallen, Harry Weiss, and Edwin Young. Also present were Lloyd Reynolds, chairman of the nominating committee, Benjamin Naumoff and Leo Teplow of the local arrangements committee, and Herbert Heneman, editor of the 1959 special volume.

The Secretary-Treasurer presented the membership and financial reports, which were approved and accepted.

Mr. Reynolds presented the nominating committee's report. Several names for each position were presented by the nominating committee as well as by members of the Board. The President called for discussion. It was moved and seconded that E. Wight Bakke be the nominee for President, and the motion carried unanimously.

The labor nominees presented were Peter Henle and David Kaplan.

The management nominees were Leo Teplow and Lee Belcher.

Nominees to fill the vacancies created by Wallen and Chamberlain going off the Board were: Daniel Bell, Irving Bernstein, Harold Enarson, and William Haber.

All nominations were approved.

The Secretary-Treasurer presented Reed Tripp's resignation as Editor. It was moved and seconded, that the Board express its appreciation to Reed Tripp for his service as Editor. Motion carried. Lester moved, seconded by Wallen, that the matter of appointing a new editor be left up to the President and the Secretary-Treasurer to work out. Motion carried.

The next matter taken up was that of the Research Committee. The Secretary-Treasurer outlined the new recommendation that a committee of three members be chosen each year, making a total of nine members, with staggered terms. McKelvey requested that the functions of the Research Committee be summarized. The Secretary-

Treasurer itemized as follows: (1) The Committee provides suggestions for each new research volume; (2) it has some responsibility for programs of meetings; (3) it has responsibility for stimulating new research. Wallen asked consideration of a suggestion that groups from certain geographic areas be considered.

The Board then turned to consideration of the 1958 volume. The Secretary-Treasurer read Harold Davey's report on the work of the Research Committee. Brubaker moved, motion seconded, that the report be accepted. The President suggested it be assumed that Davey's report be accepted. The President stated that one of the problems of the next volume is that it has to fit into untouched areas of other volumes. Herbert Heneman presented an outline of a proposed 1959 volume. Considerable discussion followed of what the 1959 volume would be. The President suggested that the Research Committee rather than the Board be made responsible for the special volumes. Killingsworth stated that this might intensify rather than solve the problem. Fleming proposed a compromise: That the Board originally decide overall, then turn its decision over to the Committee. The Secretary-Treasurer suggested that an Editorial Committee be a subcommittee of the Board, assisting the Board in its decision which it would turn over to the Research Committee. Discussed were the matters of wider participation and coordination of the whole. Fleming moved that a subcommittee of the Board be named to work with the Editorial Committee in setting up an outline of the volume. Seconded by McKelvey. Motion carried. The President named as members of the committee Chamberlain and Davey—the latter as consultant—Brubaker and Killingsworth, to work with Heneman (Chairman).

The next item of business was the Secretary-Treasurer's report on the Cornell offer. Under the scheme outlined by Dean Catherwood the Association would work with the *Review* as a publication of the School in cooperation with IRRA. The editorial board would be enlarged to include four representatives of the Association, possibly adding an Associate Editor to be selected by the Association. The regular members of the Association would receive the *Review* in partial return for payment of dues. If agreement were reached before the fall of 1958, the Association would pay five dollars for each member. Opportunity would be provided for publication of items of special interest to Association members. The Secretary-Treasurer described the proposal as impossible under the present financial setup.

Fleming asked about the possibility of Cornell doing a special is-

sue each year for the IRRA. Lester suggested comparison with the problems of the Southern Economic Association and the Southern Economic Journal. He said the Cornell journal has double the Association's membership; IRRA can't publish alone; the 1300 or 1400 people we could bring them would benefit them. Lester, commenting on Fleming's suggestion, pointed up the necessity of having an editorial board with authority. Edelman pointed out that three political science journals are published where the university subsidizes the journal but is not regarded as running it. Fleming suggested setting up a subcommittee to explore and report on all alternatives. It was stated that to meet the financial obligations involved in accepting Cornell's offer the Association would have to abolish the Proceedings. Chamberlain agreed that a subcommittee ought to be appointed. Brubaker said that if the proposal involved changes in dues, it should be submitted to the membership. Fleming's suggestion was put as a motion, seconded by Chamberlain. Lester proposed canvassing the membership on the value of the Proceedings and the annual volume in comparison with a quarterly. The motion was restated: A committee to be appointed to explore all possibilities, including (1) cooperating with the Cornell journal, (2) publication solely by the Association, (3) membership opinion; and report back at the spring meeting. Questions to the membership might be: (a) Their reactions to the present Proceedings-and-special-volume plan; (b) their ideas on a possible journal IRRA might sponsor; (c) their opinion on cooperation with Cornell. Shishkin stated that the membership should be fully informed if questioned. Motion carried.

The Secretary-Treasurer asked if it could be provided that the 1960 volume be a membership directory. It was so moved, seconded, and carried.

The Secretary-Treasurer asked for suggestions on what should be included in the directory.

The matter of distribution and payment for the catalog of current industrial relations research, prepared by the Industrial Relations Center of Minnesota, was discussed. Lester moved that the Association wait and see how many requests come in and if it seems feasible to distribute to all members. The suggestion was made that it could be mimeographed economically, using both sides of paper. Killingsworth moved that the Secretary-Treasurer be delegated to make the decision. Shishkin seconded the motion, with the amendment "in consultation with the President." The motion carried.

The Board voted to give official recognition to local chapters at Chicago and the University of Michigan.

Wallen reported a movement to organize a local chapter in Boston.

The matter of teaching institutes was taken up. Brubaker moved, McKelvey seconded, that the present practice be continued.

The Board was advised of an invitation from Arthur Ross to hold a meeting in Los Angeles.

The spring meeting plans were discussed, briefly. It was stated that Father Leo Brown and Irvin Sobel head the committee on local arrangements. The meeting will be in St. Louis at the Hotel Statler May 2 and 3.

The possibility was discussed of holding a meeting of the Executive Board in Philadelphia in December. The matter was left up to the discretion of the President.

There being no further business, the meeting adjourned, at 9:30 p.m.

GENERAL MEMBERSHIP MEETING

Friday, September 6, 1957, Park Sheraton Hotel

The Annual Business Meeting of the Association convened at 5:00 p.m. on Friday, September 6, 1957, Dale Yoder presiding.

The President opened the meeting by inviting questions and discussion from the floor. Mr. Chalmers called for comments on the timing of Association meetings in the future. The President said that this 1957 Annual Meeting was a one-shot experiment based on the vote in the recent membership poll, and that there were no plans beyond 1958, when the Annual Meeting would be in Chicago in December.

One of the members asked about the possibility of getting a journal instead of the "autocratic" Proceedings. The President reported on efforts made in the past few years to get the Cornell *Review* to become in some sense an IRRA journal. He reviewed the reasons why this is not feasible—costs, control, etc. Further negotiations with Cornell are possible. He reported action of the Executive Board in appointing a committee to converse with members on their wishes.

One of the members called for the agenda of the Executive Board meeting. The President went through it briefly, item by item.

Emily Brown asked for a review of what the forthcoming volumes

would be. The President replied that the Ten-Year Survey, under Neil Chamberlain's editorship, would be published by Harpers early in 1958. Besides the Proceedings of the Annual Meetings, the succeeding volumes will be one on Trends in Collective Bargaining (Harold Davey, editor) and the second volume of the Ten-Year Survey, to be followed by a Membership Directory in 1960.

Question from the floor: Who is handling the papers for this meeting? Ans.: The office of the secretary-treasurer in Madison, Wisconsin.

Question: How does attendance at this meeting compare with that at previous meetings? Ans.: 275 at this meeting compared with 300 or 400 at previous meetings.

Question: When joint meetings are held, how can more people from other groups be encouraged to attend the IRRA meetings? It was observed that IRRA members attended the joint sessions with the political scientists at the Henry Hudson Hotel, but the political scientists did not attend the IRRA sessions at the Park Sheraton in similar numbers. Considerable discussion followed without any definite proposals.

The President thanked the local arrangements committee for the fine meeting.

Mr. Teplow pointed out the value of having mimeographed copies of the papers available at the sessions.

Mr. Brubaker proposed a vote of thanks to the President for his part in the success of the meeting, and the vote was concurred in unanimously by the membership.

The meeting adjourned at 6:00 p.m.

KELLOG, HOUGHTON AND TAPLICK

CERTIFIED PUBLIC ACCOUNTANTS

Insurance Building
Madison 3, Wisconsin

January 29, 1958

Executive Board
Industrial Relations Research Association
Madison, Wisconsin

Gentlemen:

We have examined the financial records of the Industrial Research Association for the fiscal year ended November 30, 1957. Our report consists of this letter and the following exhibits:

Exhibit "A"—Statement of Cash Receipts and Disbursements for the Fiscal Year Ended November 30, 1957.

Exhibit "B"—Comparative Statement of Cash Receipts and Disbursements for the fiscal years ended November 30, 1956 and November 30, 1957.

Exhibit "C"—Bank Reconciliation as at November 30, 1957.

The available cash resources of the Association on November 30, 1957 totaled $13,209.59. This total consisted of a Net balance in the First National Bank, Madison, Wisconsin of $8,209.59 as shown in Exhibit "C" and a $5,000 investment in Certificate No. 3384 at the Home Savings and Loan Association. Confirmations of these balances were received directly from the respective depositories.

For the year ended November 30, 1957 cash receipts, less cash refunds totaled $12,316.72 and disbursements totaled $13,373.85. As shown in Exhibit "B" this represents an increase of Cash receipts of $461.25 and an increase of Cash disbursements of $710.60 when compared to receipts and disbursements for the previous year.

In our examination of the records of the Association, we footed cash receipts as recorded in the membership dues, sales, subscriptions and miscellaneous income journals, compared cash receipts with bank deposits, examined all available cancelled checks in support of cash disbursements and examined paid invoices on file. Bank deposits totaled $12,316.72 and Cash receipts as recorded in the various cash journals totaled $12,205.72, a difference of $111.00. This indicates that cash receipts totaling $111.00, although deposited, were not recorded in any of the receipt journals. This amount is included under miscellaneous receipts in Exhibits "A" and "B" since the proper classification of the items included is unknown. In the future to prove that all receipts are properly recorded, it is suggested that each bank deposit be reconciled to the respective cash income entries as recorded in the receipts journal.

We recommend that you consider the use of a columnar cash receipts Journal in which the receipts are entered daily, distributed by source, and summarized by deposit periods.

Except for the unidentified receipts discussed in a prior paragraph, it is our opinion that the accompanying statements of cash receipts and disbursements correctly reflect the cash activities of the Association for the fiscal year ended November 30, 1957 and the cash balances at the year end.

Respectfully submitted,
KELLOGG, HOUGHTON AND TAPLICK
Certified Public Accountants

INDUSTRIAL RELATIONS RESEARCH ASSOCIATION
Madison, Wisconsin

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
Fiscal Year Ended November 30, 1957

Cash Balance—December 1, 1956		$ 9,266.72
Cash Receipts:		
Membership Dues	$8,563.00	
Subscriptions	663.30	
Sales	1,125.79	
Mailing List	269.00	
Interest	162.50	
Royalties	257.09	
Miscellaneous	1,276.04	
Total Receipts		12,316.72
Total Cash		$21,583.44
Cash Disbursements:		
Secretarial Salaries	$1,884.89	
Withholding and Social Security Taxes	493.42	
Printing	560.09	
Postage	795.80	
Services	625.94	
Publications	8,086.93	
Supplies	63.93	
Travel, Conference, and Meeting Expenses	662.92	
Telephone and Telegraph	106.96	
Miscellaneous—Express Plates, etc.	92.97	
Total Disbursements		13.373.85
Cash Balance—November 30, 1957		$ 8,209.59

1958 Spring Meeting

St. Louis, Missouri; Hotel Statler; May 2 and 3

Program Committee: George Seltzer, chairman; Adolph O. Berger, Lyle Cooper, Milton Derber, David Dolnick, Roland Haughton, Herbert S. Parnes, Theodore V. Purcell S. J., Joel Seidman, Sander W. Wirpel

Local Arrangements Committee: Father Leo Brown, chairman; William Gomberg, Irvin Sobel, Stanley Young

1958 Annual Meeting

Chicago, Illinois; Conrad Hilton Hotel; December 28-30

Program Chairman: E. Wight Bakke

Local Arrangements Chairman: Sander W. Wirpel