

**INDUSTRIAL
RELATIONS
RESEARCH
ASSOCIATION**

**PROCEEDINGS OF THE
SIXTEENTH
ANNUAL
MEETING**

**Boston, Massachusetts
December 27-28, 1963**

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EDITED BY GERALD G. SOMERS

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PREFACE

The Sixteenth Annual Meeting in Boston continued the Association's emphasis on basic research and on current developments in industrial relations. In the former category, the joint session with the American Economic Association dealt with the functioning of the labor market, long a concern of IRRA members. The discussions on comparative international studies and on the unionization of white-collar workers provided notable additions to the meetings and publications devoted to these topics by the Association in recent years.

In an appraisal of current problems and developments, the Boston sessions included reports and analyses on new approaches to collective bargaining and on new techniques in management development. In collective bargaining, appraisals of the West Coast Longshore Agreement and the Kaiser Steel Long Range Committee were presented by union and management spokesmen closely associated with these innovations. The discussions of management development included evaluation of laboratory education and sensitivity training.

Two additional sessions, also concerned with current developments, were related to the new collective bargaining and management approaches. A discussion on the relationship of intellectuals to the labor movement was presented by union, government and university representatives; and personnel research associates of the I.B.M. Corporation presented results of research projects on organization theory and management action.

In his Presidential Address, William Foote Whyte provided an appropriate integrative discussion on research methodology in industrial relations.

Not fully reflected in these *Proceedings* is an innovation in program format and procedures adopted at the Boston meetings. Except for the joint session with A.E.A., the speakers presented their remarks briefly and informally; and formal discussants were omitted in favor of a general discussion among the speakers and members of the audience. The reaction of members to this new approach was favorable, and it is likely to be continued in future meetings.

We are greatly indebted to the speakers for their preparation and prompt submission of papers for these *Proceedings*, and to Professor Whyte and the following members of the local arrangements committee for their efficient organization and handling of the program: Leslie E. Woods, Chairman; J. Thomas Cathcart, J. David Fine, Morris Horowitz, Wendell Macdonald, Paul Mulkern, A. Howard Myers, Louis H. Orzack, Shirley Radlo, Robert Walsh.

The Editor is also grateful to Mrs. Elizabeth Gulesserian for her able assistance in preparing the papers for publication.

GERALD G. SOMERS, *Editor*

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Part I

PRESIDENTIAL ADDRESS

TOWARD AN INTEGRATED APPROACH FOR RESEARCH IN ORGANIZATIONAL BEHAVIOR

WILLIAM FOOTE WHYTE

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I shall approach this task of building an integrated approach for research in organizational behavior from the angle of research methodology. I take this to be the operating end of the problem: the methods we use to do our research determine the types of data we gather and thus also to some extent the substantive conclusions we reach and the theories we build. Unless we understand the impact of research methods upon theory, we cannot hope to achieve much progress toward an integrated body of knowledge and theory in our field.

I therefore propose to examine the potentialities and limitations and possible interrelations of certain research methods commonly used in industrial relations. My treatment will not be exhaustive. I shall limit myself to interviewing and observation and the questionnaire survey. While these methods are most commonly used by anthropologists, psychologists, and sociologists, they are increasingly used by economists and political scientists.

Even within the fields sometimes known as the behavioral sciences, I shall not attempt to cover all of the methods in common use. I believe I can most usefully speak on the basis of my personal experience. For lack of this experience, I leave out of present consideration the methods of laboratory and field experimentation, even though they seem to me of great importance.

We all agree that the problem we study should determine the methods of research. That maxim is violated more often than it is observed. Our field is full of one-method-men. Either we limit ourselves to a problem that can be handled by our favorite method, or else we squeeze the problem into the framework of that method.

I first sought to argue this point several years ago in a talk I gave at Wayne State University.¹ At that time, I was in the position

¹“Needs and Opportunities for Industrial Relations Research,” *Essays on Industrial Relations Research-Problems and Prospects* (Institute of Labor and Industrial Relations, The University of Michigan—Wayne State University, 1961), 1-18.

of the proverbial man throwing stones from a glass house. While I was giving particular attention to the practices of my questionnaire-addicted brethren, I had to acknowledge that I was equally vulnerable to the same criticism. I had my own methodological approach of intensive interviewing and observation, which I used on any and all occasions.

I can now report to you that I have moved out of the glass house. This move may encourage me to talk with greater arrogance, but I hope it will also provide me with a deeper understanding of the possibilities and limitations of certain research methods.

The move out of the glass house occurred during the 14 months I spent in Peru where I carried out two rather ambitious questionnaire surveys. One of these involved a study of worker-management relations in Lima Light and Power Company² (in comparison with a well studied U.S. utility). The other involved a survey of the attitudes and values of high school boys in areas that theories consider to be related to economic development.³

Before I allow myself to be carried away with these new-found techniques, I should add that I did not become an expert overnight and indeed am still far from that expert category. Whatever success I have had with the questionnaire has been due primarily to the close working relationships I was able to have with Rose Goldsen on the Values Study and with Lawrence K. Williams first on the Lima Light and Power Company survey, and now also on the Values Study. Under their expert guidance, I have learned to appreciate the instrument more and to understand it better.

Before I consider possibilities and limitations, let me define the methods under discussion.

By the *questionnaire survey*, I refer to a schedule of fixed questions or statements that are presented to informants in a fixed sequence. Most, if not all, of the questions offer fixed alternatives for responses. The questionnaire may be administered on a group basis, with informants reading the items and checking their responses. It may also be administered orally with the research man reading each item to the informant and checking his response.

²W. F. Whyte and Lawrence K. Williams, "Supervisory Leadership: An International Comparison," International Management Congress, 1963, (New York State School of Industrial and Labor Relations, Reprint Series, Number 143).

³"Culture, Industrial Relations, and Economic Development: the Case of Peru," *Industrial and Labor Relations Review*, Volume 16, July, 1963, 583-594.

Observation should need no definition here. The *interviewing* method I shall discuss is much less structured than the questionnaire, but it is a serious error to refer to it as the "non-directive interview," as is often done. A genuinely non-directive interview may be useful in psycho-therapy, but research requires securing comparable data from a series of informants. This does not happen when each informant determines the course of his own interview. The research interview requires the interviewer to maintain some degree of control, but the keystone of success is *flexibility*. The interviewer varies the phrasing, content, and sequence of his questions or statements according to the personality of the informant, the physical and social situation of the interview, the relationship between the two of them, and the type of information being sought.⁴

I shall present each of these two approaches in its "pure" form. I recognize that a given method is sometimes used in conjunction with some admixture of other methods, but the limitations of each method and the possibilities of a more creative approach to methodology can be seen more clearly if we deal with pure forms first.

INTERVIEWING AND OBSERVATION: POSSIBILITIES

The methods of interviewing and observation are particularly suitable for studies of sequences of events and of interpersonal relations. They give us answers to the question posed by anthropologist Eliot D. Chapple: "Who did what, with whom, when and where?" From the record of particular activities and personal interactions, we can draw inferences of a general nature regarding social processes.

One of the great strengths of interviewing and observation is that they provide a detailed picture of how life is lived in the work situation and of how a given industrial relations institution actually functions. It is hard to imagine how we would go about describing to students the industrial environment and the human problems we find there if we were not able to draw upon the interviewing and observational data provided us by such people as Melville Dalton, Donald Roy, Leonard Sayles, George Strauss, Chris Argyris, Charles Walker, Robert Guest, Peter Blau, and Ann Douglas. From their

⁴For a more detailed exposition of the nature of this interview and an analysis of the interviewing process, see my chapter on "Interviewing in Field Research," in R. N. Adams and J. J. Preiss, editors, *Human Organization Research*, Homewood, Illinois, (The Dorsey Press, Inc., 1960).

work we have built up our picture of worker reactions to incentive systems, informal relations and power struggles within management and between management and union, managerial leadership patterns, the human problems of the local union, human relations within a government agency, the relation of workers and supervisors to technology and technological change, and the process of mediation. If we go back to the main point of origin of our field, the Western Electric study, we must recognize that, while an experiment was meant to yield the main conclusions of that study, actually the work of Roethlisberger and Dickson⁵ provided a rich body of observational data concerning the nature of work groups, the formations of norms of behavior in the work place, and worker-management relations.

While the importance of the contributions I have mentioned will be generally accepted, some might argue that the interviewing and observational approach, although necessary to fill in descriptive data regarding the nature of industrial life, is of steadily declining value now that this background has been filled in. Therefore it should give way to more rigorous "scientific" methods.

This point of view might be defensible, if we could assume an unchanging work environment so that, once we thoroughly understood the environment, we could move on to more systematic measurements of the reactions of individuals to that environment. In a rapidly changing civilization like ours, we can never assume that the environment of the work place is sufficiently well known, nor that its problems will remain constant. We hear it constantly said that automation is changing the nature of jobs and the nature of relations among workers and between workers and management, and among various levels and specialties of management. Unless we have systematic descriptions of these new and changing work environments, we shall be in the position of measuring the reactions of individuals with only a vague idea as to what it is they are reacting to.

INTERVIEWING AND OBSERVATION: LIMITATIONS

One of the limitations of these methods is suggested by the question: are you a story teller or are you a scientist? No one will deny that, with intensive interviewing and observation, you get "rich data" which make for interesting reading and stimulate many insights.

⁵ *Management and the Worker*, (Cambridge, Mass.; Harvard University Press, 1939).

We might say that this approach provides us with the sort of understanding of a particular situation that it is not possible to duplicate with other methods.

The problems arise when we seek to move beyond understanding into systematic comparisons and toward the statement of laws or uniformities. Some of the richness of a particular case must be pushed aside if we are to reach systematic statements that will hold from case to case.

This is not to say that it is impossible to quantify data gathered by these methods. If we interview a number of informants who have been involved in the same situation under study, we can draw certain general conclusions regarding quantities of interactions and activities at several different points in time. The checking and cross-checking of the retrospective statements of various informants yields only a rough approximation of the quantities we are trying to measure. This means that, if we are concerned with small changes, we cannot rely upon interviewing for this purpose. It is only where we are concerned with establishing that major changes have taken place that we can use interviewing for the establishment of quantities.

For finer and more valid measures, we can turn to observation. The work of Charles Walker, Robert Guest, and Arthur N. Turner with *The Foreman on the Assembly Line*⁶ shows us the possibilities of quantitative observational studies. If only we possessed comparable observation studies for foremen in other types of work situations, our knowledge of the supervisory process and of foremen-worker relations would be advanced far beyond its present position.

Interviewing can also give us data of a subjective nature, concern in the attitudes or sentiments and beliefs of informants. In fact, the personal interview can provide a good deal more depth in this area than it is possible to gain through the questionnaire. To counterbalance the values of the depth we must note two difficulties or limitations. In the first place, to gain the advantages of depth, we have to pursue a flexible approach as described earlier. This presents us with obvious difficulties when we try to make quantitative statements regarding the responses of a number of informants to non-identical stimuli. We also should recognize that the personal interview method is far more consuming of the researcher's time than is the questionnaire survey. The researcher may devote a whole hour to interviewing

⁶ (Cambridge, Mass.: Harvard University Press, 1956).

a single informant, whereas he can sometimes arrange to apply a rather lengthy questionnaire to 30 or 50 or more informants in the same length of time. Furthermore, this is not only a matter of efficiency in utilization of time. In some situations, sentiments or attitudes may change rather rapidly. If the researcher studies a department of 30 men and seeks to have an hour interview with each of them, taking into account problems of scheduling and of time for writing research notes, it may take two weeks to cover the whole department. He cannot then assume that his last informant was responding to the same situation as his first informant. Furthermore, he must recognize that past and future informants will be discussing their interviews during this period, with unknown effects upon future interviews.

Observation presents us with a still more severe time problem. While an informant in an interview may talk about events that took place days, weeks, months, or even years earlier, in an hour of observation time, the observer obviously can only observe what takes place in that hour. He must invest many hours in order to build up quantities of observational data that he can usefully analyze.

We can sum up our conclusions regarding interviewing and observation in this way. For providing us with detailed descriptions of the situations we wish to study, these methods are indispensable. In a reasonably short time with these methods, we can gain an impressionistic picture of what is going on and of the general nature of the human problems involved. In the hands of a skilled clinician, this impressionistic picture may be exceedingly valuable in providing guidance for action decisions. As we seek to go beyond impressionistic pictures towards systematic scientific statements, we have seen that there are certain possibilities but also that they are extremely demanding in time. We have also encountered certain problems in assuring comparability of data across informants.

THE QUESTIONNAIRE SURVEY: POSSIBILITIES

The questionnaire survey is particularly suitable for studies of attitudes, values, beliefs, and perceptions of informants.

When once the diplomatic problems have been solved, the researcher can apply his questionnaire to large numbers of people in a short time. The application of the questionnaire is not of course all there is to the field work with this method. If anything useful is to result, a good deal of time has to be spent in constructing and

pretesting the instrument. The diplomatic problems of getting it into the field may also be formidable and time consuming. Nevertheless, we should recognize that the method offers great efficiency in the data gathering process.

The method also lends itself readily to quantification. Recent years have shown a great growth of statistical methods for the analysis of survey data. Development of data processing machines and computers has made it possible to analyze great volumes of data with enormous speed. Here again a word of caution should be inserted. A machine is still not a satisfactory substitute for the human brain. While it is now possible to correlate everything with everything else and see what comes out, this is not an efficient way of proceeding. In fact, some of my colleagues refer to this as the "gigo approach"—gigo standing for "garbage in, garbage out." Even with the computer, we have to have a good strategy of analysis or we will bury ourselves under our own figures. Nevertheless, we cannot deny the extraordinary possibilities for scientific research with a survey instrument that are provided us by modern knowledge of statistics and by modern data processing machines.

The third great strength of the questionnaire is the power it offers for comparative studies: comparisons among individuals, between groups, between organizations within our own culture, and even between organizations in different cultures. With the questionnaire, we can subject a large number of people to precisely the same set of objective stimuli, thus making possible an enormous range of comparisons. To be sure, we cannot assume, even in our own culture, that a given question means the same thing to all informants. While this is a complication, it can be considered a productive one for, as we compare responses of informants across various questions, we can learn much about what the questions mean to them and thus about the differing orientations towards life that they have.

In applying a given questionnaire across two cultures, whose people speak different languages, we have still more formidable problems of the meaning of our stimuli. The problem is partly one of translation, and it involves not only the translation of concepts, because we sometimes find that a concept that is clear and important to one culture will not be meaningful in another. Here again we can use an apparent obstacle as a powerful means of studying cultural differences. For example, in the comparative questionnaire survey of

a U.S. and Peruvian utility company, that I carried out in collaboration with Lawrence Williams,⁷ we found a reversal between the two cases in certain important characteristics of a supervisor regarded highly by his subordinates. In Peru, it was the close supervisor and one who exercised definite pressure for production who was most highly regarded—the direct opposite of the findings in this case in the United States and opposite to what we find in general in our country. This sort of finding seems important to us because it suggests that we must check all our propositions coming out of human relations research in the United States to see whether they are universally applicable or whether they depend upon the particular cultural setting.

Here we see a research method leading us to an area of crucial theoretical significance: the reexamination of all propositions that have arisen out of studies performed in only one culture. I do not doubt that we can one day arrive at universal propositions regarding organizational behavior, but such propositions will have to be stated in ways that take the culture into account.

Without the questionnaire survey instrument, with its precise point for point comparisons between informant responses in two cultures, this theoretical jump would not be possible. Furthermore, with the survey, we do not need to stop with noting these differences in responses. For example, our findings suggest that a Peruvian sees “close supervision” as meaning something rather different from what it means to the average U.S. worker. By analyzing the responses of our Peruvians to this particular item regarding close versus general supervision and by comparing that set of responses to the responses we find to other items, we can begin to explore the different orientations to industrial life that seem to be involved. Some of this analysis we are currently engaged in, with the questionnaire we used in the Peruvian utility. In new studies, we shall be able to go farther, for we shall be designing items that explore varying orientations toward industrial life.

I have come to the apparently paradoxical conclusion that the questionnaire survey has its greatest power in an area of research where it has been least used: the study of cultures. It has been least used in the study of cultures, for that has traditionally been the province of anthropologists, and they have traditionally been wedded to methods of interviewing and observation. But now anthropologists

⁷ *Op. cit.*

themselves are beginning to add the questionnaire to their arsenal of methods. During my period in Peru, I collaborated with anthropologist John Hickman in a study he was doing of six Indian communities near Puno on Lake Titicaca. Using part of the values questionnaire that we used in the high schools and a number of items he devised himself, he developed his instrument, got it translated into two Indian languages, and trained interviewers to read the questions to informants and check their responses. In this way he got over 1800 Indians on punch cards, which I believe is the largest number of Indians ever to be processed and stored in this manner.

To report on his findings in any detail would take me far away from industrial relations, but I cannot refrain from citing one question and telling you how it was answered in one particular Indian community. The statement was: "The end of the world will probably come before there is much progress in Peru." The responses were as follows: Agree—46 percent, Partially Agree—45 percent, Disagree—9 percent.

Anthropologists had previously reported that the Indians in this part of the world tended to have a pessimistic and fatalistic view of life, so in one sense this questionnaire item did not provide new information. On the other hand, it did provide systematic and quantitative information on fatalism and pessimism which makes it possible to compare several communities on this psychological dimension—or on a number of others. We can also make comparisons through time, determining how the psychological states of people change with the changes in their social and economic conditions. Community development is supposed to work in part through changing the orientation of the inhabitants toward work and life. If we have measures of the orientation to life of inhabitants in a community before a community development program begins and at some later point of progress, we have the possibility of relating together, for the first time, psychological, social, and economic changes in community development. Through collaborators in Peru, I am hoping to set this research process going in the coming year.

THE QUESTIONNAIRE SURVEY: LIMITATIONS

Let us now turn to the limitations of the method. As I have been pointing out, the questionnaire is particularly useful for getting at the subjective states of informants: their sentiments, beliefs, and

perceptions of the world around them. But this very strength can lead us into a deadend street. With the questionnaire, we can make elaborate analyses of the perceptions our informants have of the world around them, without having any independent data as to the nature of that world they are perceiving. In other words, we study their reactions without learning what it is they are reacting to. However much we learn about how certain beliefs, attitudes and perceptions are related to each other, these findings remain within the subjective world of informants and do not allow us to break out and connect the subjective with the objective.

There are ways to break out, but, if we remain within the confines of the questionnaire, the escape may be more apparent than real.

One common strategy is to compare the subjective responses of informants to "hard criterion variables" such as figures for absenteeism, turnover, productivity, and so on. While such efforts are certainly valuable, at best they provide only a partial solution to our problem. In the industrial plant, absenteeism, turnover, and productivity, (like attitudes, values, and perceptions) are themselves outcomes of the social process that is going on in the plant. We are thus comparing one outcome with another. Ordinarily, we would rather learn something about the social process that gives rise to each type of outcome.

Can we get at the social process through the questionnaire? Most organizational surveys attempt to do this. Researchers do not confine themselves to attitudinal questions to determine how the informant feels about the union or how he regards his supervisor. They ask also questions referring to behavior and interaction, for example: how often do you attend your union meeting? How closely does the supervisor supervise you? Below each question will appear a range of possibilities to check, in one case for the frequency of meeting attendance, and in the other case a specification of degrees of closeness of supervision.

The procedure then seems straightforward. You correlate reported attendance at union meetings with expressed attitudes toward the union, toward the union leaders, and toward other items that you suspect may be related to meeting attendance. Similarly, you correlate reported closeness of supervision with attitudes toward supervisor in order to determine whether the supervisor who is reported to supervise closely is highly regarded or poorly regarded by his subordinates.

So far so good, but we have skipped over a key assumption on which the procedure is based. The assumption is that in reporting how often they attend union meetings or how closely their supervisor supervises them, the informants are reasonably close to objective reality—that is, reasonably close to what a trained observer would find if he checked attendance at union meetings or if he made intensive and quantitative studies of the relationship between the supervisor and his subordinates. So far as I know, this assumption has been checked in practice in only one study, and there the results were most disturbing.

The case involved a local union of approximately 500 members, which was being studied, through interviewing and observation, by George Strauss. Attendance averaged approximately 30 members, so Strauss had no difficulty in making his own observational record of attendance at each meeting he attended through a year of field study. Toward the end of this year, Lois Dean⁸ mailed a questionnaire to all of the members and, thanks to the prodding of Strauss, received a return of over 50 per cent. Exclusively for our research purposes, we placed a code on the questionnaire so that we could identify each informant. This enabled us to compare the informant's questionnaire report on his meeting attendance with what Strauss had observed during the previous year.

Some small proportion of reporting error could be disregarded, but the discrepancies discovered by Dr. Dean were not small. 29 percent of the informants reported falsely on their meeting attendance: 26 percent reported some frequency of attendance yet had never been observed at the meeting, 3 percent denied attending meetings but had actually been observed at such meetings.

The 3 per cent "negative dissemblers," as Dr. Dean called them, represented such a small number (7 cases) that the researcher could only speculate about their characteristics. (Were they perhaps company spies?) On the other hand, the "positive dissemblers" were quite a substantial group (68 cases), almost twice as large as the "positive truth tellers (36 cases), who had actually attended meetings, as they claimed.

In the ordinary questionnaire survey, it would not have been possible to separate the dissemblers from the truth-tellers. The re-

⁸Lois R. Dean, "Interaction Reported and Observed: The Case of One Local Union," *Human Organization*, Vol. 17, No. 3, pp. 36-44.

searcher who then wanted to examine the relationship between meeting attendance and attitudes would unwittingly have put into his box for meeting attenders almost twice as many who had not attended meetings as those who had. No one would do research in this sloppy fashion—if he knew what he was doing. The point is that the researcher who uses the questionnaire survey alone cannot know what he is doing on the particular issue in question here.

We have much the same problem with questions regarding closeness of supervision and other aspects of the supervisor's behavior. Our Peruvian utility questionnaire clearly shows us that the workers in the plant we studied prefer a supervisor that they see as supervising them closely. What does this finding mean? Are they reporting that they like the type of behavior that U. S. workers generally dislike? Or do they have a different conception from the U. S. as to the nature of close supervision? We can never expect to answer those questions until we get in and observe a supervisor in action with his subordinates and interview both parties regarding the supervisory relationship.

The need for checking the relationship between reported behavior and observed behavior is obvious enough in a culture different from our own, but are we on safe ground in assuming that we know what a U. S. worker means when he says that his supervisor supervises him closely? I am not claiming that, if we had parallel observational data, we would find the reported close supervisor no different from the one reported as exercising general supervision. This would be improbable indeed. On the other hand, observation might well lead us to discovering more than one type of close supervisor and more than one type of general supervisor. It might show us that we had been submerging significant differences through lumping together distinguishably different supervisory styles.

Observation might also tell us a good deal about the conditions in a work environment conducive to close supervision and those conducive to general supervision. In this way, we could distinguish between leadership style which may be a personal phenomenon and the enviroing conditions which may promote one or another type of supervision.

There is another limitation to the questionnaire survey method which may not be inherent in the method itself but tends to be associated with the way the method is generally used. The problem is that the method tends to lead us toward an oversimplified dis-

torted view of the nature of organizations. If we examine the literature of organizational surveys, we find that the questionnaire has been used primarily for the study of the man-boss relationship. That is, questionnaires usually have series of items regarding the nature of the job itself, the pay, the company, and so on, but the major area of interpersonal concern is that of the man and his boss. This condition probably arises in part out of the requirements of the questionnaire method itself.

To be able to make statistical analyses of our findings, we need to have a large number of informants in the same position in the organization, reporting on and reacting to individuals occupying another standardized position. There are more workers than anybody else in most organizations, and every group of workers has a supervisor, so it is convenient to ask workers about this supervisor. If the organization is large enough, the researcher can move one step up the line and ask foremen about their immediate boss.

There are three things wrong with this kind of an approach.

1. If we implicitly assume that all foremen positions in the organization are much alike, we may attribute to supervisory style differences among foremen that are more properly explained in terms of the nature of the technology, work flow and nature of work in their departments. That is, we may be comparing men whose jobs are drastically different: for example, the assembly line foremen and the machine shop foreman.

2. We may limit our comparisons to supervisory jobs that are as near to identical as possible, and this has been done in some cases. This takes care of the criticism on point one, but it leaves out of account the differences in supervisory behavior that are related to differences in the nature of the supervisory jobs, and this we are coming to think is an important area of investigation.

3. While we cannot deny that the man-boss relationship is an important one, it is not worth the preponderant attention it has been receiving. The organization is not simply a series of man-boss relationships. The supervisor has to relate himself not only to his own boss and to his subordinates but also to industrial engineers, production engineers, accountants and cost control specialists, production planners, and so on within management, not to mention union leaders at various levels. In other words, the organization is made up of an interdependent network of human relations. It is

unrealistic and misleading to single out the vertical line of authority for such exclusive attention.

The questionnaire tends to be little used in these other relationships in the network because we often find that the numbers of people involved are so few that the ordinary data processing approach will not serve use. I am not saying that the questionnaire cannot be used except in studying vertical relationships. I am saying that it is not so easy to use it outside of the vertical dimension and that much more effort needs to be given to tailor making new instruments for these new areas of investigation. This means also that the development of new instruments must depend upon interviews and observations to provide a foundation of knowledge regarding the new areas to be covered.

I have earlier said that the questionnaire has its greatest power in the measurement of subjective states of the informants. I do not intend to take back this accolade, but I think it is well to indicate some of the pitfalls we find even in this field. We still have to contend with a knotty problem of the relationship between what informants report about their feelings and what they "really feel"—or what we might find out about their feelings if we could interview them intensively and observe them in action.

One aspect of this problem was explored in a most interesting way by Elaine Cumming, Lois R. Dean, and David Newell.⁹ They were working on a study of adjustment to aging in the city of Kansas City. Since the project was trying to determine what was correlated with high or low morale among aging people, it was of course necessary to use some instrument to measure morale. One such instrument used by the project was an *anomie* scale: a series of statements dealing with pessimism, optimism, fatalism, and so on. The responses to the *anomie* scale yielded an interesting statistical pattern, but, when Dr. Dean used the *anomie* scale as part of an intensive interview carried out in the informants' homes, she became convinced that the scores on the *anomie* scale could be very misleading. For example, she once interviewed a woman who, in responding to the *anomie* scale, gave a picture of having made a reasonably good adjustment to life. But when she had answered the last question, the emotions that she had only partially concealed

⁹ "What is 'Morale'? A Case History of a Validity Problem," *Human Organization*, Vol. 17, No. 2, pp. 3-8.

up to this point broke loose, she fought back the tears, and then went on to discuss her personal problems with the interviewer at such length Dr. Dean had difficulty in getting out of the house at all. On another occasion, Dr. Dean interviewed a man who responded to the *anomie scale* as if he thought the world was going to hell in a hand basket, but he also expressed his opinions with sardonic glee, which suggested that he was greatly enjoying the processes of general disintegration.

Such discrepancies between reported feelings and the feelings that apparently exist within the informant present us with some knotty problems of analysis. We have to recognize that informants do not necessarily tell us how they feel. They may be reporting how they have learned they ought to feel—in other words, the norms they have learned about how the world is to be regarded. This is not necessarily a matter of conscious falsification. There are simply two different types of responses that may be elicited, and the researcher may have quite a problem in distinguishing between them.

Since I have been arguing that the questionnaire survey method has serious limitations because it does not get directly at the reality that is “out there,” it might be thought that I am prepared to discard it altogether. This certainly is not my conclusion, nor does it accord with my current practice. Perhaps I can provide the best perspective for my views on the questionnaire survey with an analogy for physics.

The physicist does not observe the atom directly. He bombards the atom with stimuli whose force and direction he can measure. By observing and measuring the reactions that occur upon presentation of the stimuli, he makes inferences regarding the nature of the atom and of the processes within the atom.

With the questionnaire survey, I feel we are in a somewhat similar position. We do not observe behavior directly. We do not even get directly at the subjective states of informants. On the other hand, we do subject these informants to uniform stimuli, whose effects we have measured in other situations. Furthermore, this is not a random bombardment of a number of separate and unrelated stimuli. We can now measure the pattern among the stimuli that has emerged in previous studies and check this pattern against our current population. Thus, as we measure the reactions to the stimuli

we present, we make inferences regarding the subjective states of informants and even regarding their behavior.

Interpreting the meaning of these reactions is a complex problem. It cannot be resolved simply by correlating one questionnaire item with another nor even by more complex patterns of analysis such as scaling and factor analysis. If we are not to remain forever imprisoned within the limitations of the questionnaire, we need to calibrate the questionnaire instrument itself against data obtained by other research methods, and we need to learn to use the questionnaire survey in conjunction with other methods.¹⁰

THE DEPENDENCE OF THEORY UPON RESEARCH METHODS

I began this paper by claiming that theoretical formulations were determined in part by the research methods used by the theorists. On the basis of the preceding discussion of research methods, let me seek to support my point.

I do not argue that this type of linkage exists for any and all theorists. For example, it does not hold for sociology's most respected theorist, Talcott Parsons. His theorizing does not depend upon the research operations he uses because, save for very occasional forays into the world of field data, he confines his research to reading, thinking, and writing. It remains for others to struggle with developing the methods that may put some of his theories to a test.

Most of us do not operate in the rarified upper atmosphere of Talcott Parsons. For better or worse, we find ourselves moving ahead—or sidewise—with theorizing and research operations at the same time. We thus have to face the issue that research method X may permit and encourage theoretical formulations of type Y and, at the same time, preclude theoretical formulations of type Z.

As I have already pointed out, the questionnaire survey provides a wealth of data upon attitudes, values, beliefs, and perceptions. It is not an efficient instrument for the study of social processes. Naturally therefore those who rely entirely upon the questionnaire tend to

¹⁰ The best discussion of how to meet some of these problems inherent in the questionnaire survey method seems to me that of Patricia L. Kendall and Paul F. Lazarsfeld in their chapter, "Problems of Survey Analysis" (pp. 133-196) in R. Merton and Lazarsfeld, eds., *Continuities in Social Research*. (Glencoe, Illinois: The Free Press, 1950). They show how attitude data can be checked against certain aspects of external reality but are less helpful in relating such data to events and social processes.

theorize regarding the subjective states of people and to neglect social processes.

The methods of interviewing and observation readily yield data upon sequences of events and inter-personal interactions. The methods lend themselves only with some difficulty to the quantitative study of the subjective states of informants. These strengths and weaknesses naturally lead researchers who rely solely upon these methods to develop hypotheses and theories regarding social processes and the organization of human interactions and activities. Subjective states tend to be disregarded or to be treated in a casual, unsystematic way.

If we understand the necessary linkages between research methods and theories, we can then also understand why it is that two camps of theorists in organizational behavior have been arguing past each other for the past two decades. In science, if A finds fault with the theory of B, he seeks to bring his research to bear on some crucial point of B's theory. This confronting and testing process has not gone on in our field because, by and large, opposing theorists have not dealt with the same types of data and therefore have not been able to test each other's formulations.

Understanding this situation may score us a point in the sociology of knowledge, but will it lead to any action?

ON EDUCATION AND RE-EDUCATION

If we are to push our field ahead theoretically, we shall need to achieve an integration of methods and a flexible use of methods that is rarely found today. Of course, I am not arguing that the use of two methods is necessarily better than one. I accept the standard maxim that the nature of the research problem should determine the method or methods used. I am simply pointing out that, far oftener than is generally recognized, this maxim should lead the researcher to use a combination of methods or to switch from one method to another as he moves from one stage to another in his research program.

Can this be done?

Some will argue that it is being done already. They will point out that the accepted standards of procedure require the researcher to do some interviewing and observation before he composes his questionnaire and puts it into the field. This is indeed true, but all

too often the interviewing and observation is limited to that minimum necessary to give the researcher some background about the situation to be studied so that he can get an idea of the questions that will be relevant to the informants and of the phrasing that will make those questions intelligible to them. Such use makes for a better questionnaire but it cannot properly be considered an integration of methods. It does not enable the researcher to link up data on events and social processes with data upon subjective states provided by the questionnaire.

Those who are most experienced in interviewing and observation have been even less inclined to use the complementary method. They have tended to generalize regarding changes in sentiments, values, and perceptions, in response to changes in social processes, on the basis of fragmentary and unsystematic data upon the subjective states of their informants. The value of questionnaire surveys coordinated with significant changes in social processes should now be apparent.

While illustrations still are few, fortunately there have been enough cases to demonstrate the fruitfulness of such an integrated approach. In one of the earliest studies in our field, Conrad M. Arensberg and Douglas Macgregor used a questionnaire to show the impact upon sentiments of changes in organization structure and interaction patterns in a growing electronics firm.¹¹ In a study of worker reactions to the introduction of semi-automated technology in a steel tubing mill, Charles Walker¹² provides survey questionnaire data on the workers for three points in time—though the author himself notes that the surveys were not coordinated with events and social processes as well as would have been desirable.

Among the most effective integrators has been Peter Blau. *The Dynamics of Bureaucracy*¹³ was based largely upon interviewing and observation. Out of the penetrating understanding of the functioning of two government agencies he gained through these methods, he devised questionnaire items that enabled him to test systematically the theoretical propositions he was developing.

A very few men, such as Blau, have within themselves a compe-

¹¹ "Determination of Morale in an Industrial Company," *Applied Anthropology*, Vol. 1, No. 1, (1942), pp. 12-34.

¹² *Toward the Automatic Factory: A Case Study of Men and Machines*, New Haven: Yale University Press, 1957.

¹³ Chicago: The University of Chicago Press, 1955.

tence in two or more research methods. For old timers like me whose training is years behind them, this solution is not possible. We may know one set of methods very well, but we can never hope to achieve expertise in any others. Still, this need not condemn us to a single track of research development. If we recognize the need for other approaches, we can reach out to establish collaborative relations with those who have the skills we lack. Hopefully then, we can contribute to their work as they contribute to ours.

But whatever its merits, in the future the collaborative research team should not be the only solution to the problems of integration and flexibility of research methods. We can seek to give our students much broader training in research methods than has been received by their professors.

We can seek to provide graduate training in laboratory and field experiments, interviewing and observation, questionnaire surveys, and perhaps other methods also. It is this type of training program in research methods that some of us are now trying to develop. We can hardly expect all of our students to become competent in all of the methods a group of professors might be prepared to teach. We can reasonably hope soon to make obsolescent today's popular model, the one-method-man.

Part II

**NEW APPROACHES TO
COLLECTIVE BARGAINING**

THE ILWU-PMA MECHANIZATION AND MODERNIZATION AGREEMENT: AN EXPERIMENT IN INDUSTRIAL RELATIONS

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On October 18, 1960, the Pacific Maritime Association (PMA), representing steamship companies, stevedore companies and terminal operators on the West Coast of the United States, and the International Longshoremen's and Warehousemen's Union (ILWU) signed a controversial and novel document. The document is three years old and no longer novel, but it is still controversial.

Almost everything about the negotiation that led to the Agreement had been unique. Continuous negotiations had been going on for months and discussions had been going on formally and in formally for several years. In 1960 alone forty or more joint meetings had been held and at least twice as many individual meetings on both sides were conducted before agreement was reached. The final weeks were spent in "fishbowl" negotiations during which several hundred union members sat in the room with the negotiators and followed the progress of the talks. It had not always been so.

From the time of the general strike in San Francisco in 1934 until the longshore strike of 1948 the relationship of the parties was marked by open warfare, a high degree of local autonomy on the part of militant independent locals and disorganization on the part of the employers. The latter was awesome in its consequences, marked as it was by a complete lack of ability on the part of the steamship companies to take charge of their interest in the industry's labor problems. Contract stevedores and terminal operators, who are the direct employers of longshore labor in almost all cases, work on various types of "cost plus." There is little or no incentive for them to maintain a firm attitude in the face of militant job action by the union, particularly when the steamship companies and/or their agents have been more concerned about ship delay than shipping costs. This short run view pervaded the industry until recent years, although many individual employers recognized its existence. The fact is, however, that all attempts to organize for an assault on spiraling labor costs failed until 1959.

No one knows the exact moment in time when this will to survive became strong enough to be translated into action and it is not the function of this paper to record the many personal credits that go with that decision. But, sometime in the late 1950s that decision was made. It had two important results: (1) The steamship companies, through the Pacific Maritime Association, took direct and sole control of collective bargaining and participated directly in the negotiation and administration of longshore union agreements. (2) The Executive and Steering Committees of the PMA embarked on a program of contract enforcement designed to secure for the industry on a uniform basis conformance to contract provisions already in existence.

This program was important for several reasons. It was, on the one hand, to become a test of the employers' ability to bury competitive difference for a common purpose and meet historic divisive tacts with unity. Without proof of this ability, it is clear that the employers could not have participated in an experiment as complex as the M & M Agreement. Secondly, it tested the sincerity of the chief officers of the union, for if they would frustrate the proper administration of existing agreements then "good faith" bargaining protestations would fall on deaf ears. Finally, it was also to test the employers' ability to organize an operation, the administration of the West Coast Longshore labor contract, on a centralized basis. If this could not be done, and if the various employers and sub-employers in all of the areas concerned could not be so organized then surely the industry should not venture into new territory.

From the outset the contract enforcement program was productive in many ways. In particular, the steamship companies demonstrated their ability to take on questions of contract enforcement that had plagued them for years and to show improvement in their ability to hold to policy decisions under pressure. The important role this experience played in the eventual outcome of the 1960 M & M negotiations cannot be emphasized too strongly. American industry has few examples of collective bargaining arrangements conducted by an employer group with such diversity of interest in so many areas. The conformance and performance program affirmed the employers' willingness to ignore such diversity and united in an attack on a common cost problem.

In 1959 one more significant step was taken when the parties

negotiated the eight hour day guarantee and employers received in turn some long sought flexibility in the use of their manpower. At that time a "down payment" was made to 'buy' a year of study so that the parties could seriously negotiate the 'automation' question in 1960.

It is not the purpose of this paper to detail the specific areas of agreement that were reached or the benefit programs that were negotiated. Analysis and reporting on this has already been done by many others including some distinguished members of this Association.¹ Rather, we are now concerned with the results to date.

Since January 1, 1961 the M & M Fund Agreement has been in effect and benefits have been paid out since March of that year to eligible workers. During this period the administration and application of the agreement has proceeded on a number of difference levels and with varying results. It seems appropriate after this lapse of time to look at where we have been and perhaps speculate about where we are going.

Let us first examine the experience to date under those sections of the Agreement that opened up immediate opportunities for improvement of efficiency.

Under the 'automatic' sections of the agreement, i.e., use of basic gang sizes, flexibility in the assignment of workers between ship and dock and among various types of dock work, elimination of multiple handling etc., the results, in general, have been good. The employers, of course, benefit from changes in varying degrees. Operators who have more control over cargo loading and discharging procedures can preplan operations to take advantage of new contract provisions. There is no gainsaying the fact that some operators are in a better position to take advantage of the agreement than are others. However, there is a wide variety of opportunity and advantages are fairly evenly divided, for the operator who relies heavily on technology must also make heavy capital outlays which are largely irrevocable commitments. Those whose operations have limited technological opportunity can and do devote their efforts in other areas of relief from restriction granted by the agreement.

¹ Lincoln Fairley, "ILWU-PMA Mechanization and Modernization Agreement," Spring Meeting, IRRA, May, 1961.

Wm. Glazier, "Automation and the Longshoremen; a West Coast Solution," *Atlantic Monthly*, December, 1960.

Charles Killingsworth, "The Modernization of West Coast Longshore Work Rules," *Industrial & Labor Rel. Review*, April, 1962.

Those sections of the agreement which granted such automatic relief from restriction were on the whole quickly implemented and with the exception of some jurisdictional disputes with the teamsters in connection with multiple handling, which were largely resolved by June of 1961, were accomplished without serious resistance.

However, the same cannot be said of those sections that were subject to procedures built into the M & M Agreement. Almost immediately employer attempts to change the traditional sling load limits ran into serious though not unexpected resistance. The contract which provides for relief from these traditional load limits under most circumstances generated disputes that revolved around two issues: (1) Had the employer 'changed' the operation so as to be eligible for relief, and (2) Was the new load safe, practical, and not one that created an onerous condition or individual speedup on the worker?² Disagreements on these questions rapidly developed as soon as employers in various ports began using imagination to reshape their operations. These disputes illustrate several interesting problems that developed in working under the new agreement.

Such disputes bring into play immediately the spot arbitration features of the agreement. Grievance and contract arbitration have long been a feature of the ILWU-PMA relationship but a rather special use has been made of the arbitration process. Local arbitrators are on a 24-hour call in each of the West Coasts' four major ports to make on-the-spot rulings where local labor relations committees are unable to reach agreement. In some cases spot arbitration rulings simply instruct the men to work as directed (where a claim of an unsafe condition is not upheld, for example). In other cases, arbitrators give interim rulings which are later confirmed, reversed or appealed to the Coast Labor Relations Committee and in some cases to the Coast Arbitrator. The key to the whole process is to eliminate ship time delay. This rather elaborate but largely effective procedure has been in use for some years and it seemed logical to employ this same mechanism for disputes arising under new sections of the M & M Agreement rather than create a parallel and perhaps conflicting mechanism. It quickly became apparent to the parties, how-

²"The Union shall have the right, without limitation, to raise a claim that an operation imposes an onerous workload on the individual worker and to carry such an issue through the grievance machinery as provided in accordance with Sections 11 and 17 of this Agreement"—*Pacific Coast Longshore Agreement*—1961-1966.

ever, that arguments over onerous workloads or speed-up were not being handled expeditiously or uniformly under this procedure. The large areas available for highly personal and conflicting judgments could easily result in undesirable local or coastwise patterns of performance and productivity developing which might eventually, in the employers' view, build back in new "limits" and new restrictions. In addition, disputes of this type are very difficult to review and evaluate in retrospect where operations are often not repetitive with the frequency and stability of conditions present in most industrial situations.

The Coast Labor Relations Committee finally agreed to a procedure which effectively limits the arbitrator's jurisdiction in such cases to that ship and that operation on that ship and his decision is directed only to how work should proceed. Although this procedure has been satisfactory in eliminating delay of production time, it has not yet been entirely satisfactory because of the lack of a uniform approach on the part of local arbitrators and some misunderstandings about the limits of local jurisdiction. These matters are presently under review by the parties.

It is important to understand another feature of the ILWU-PMA administrative process that relates to arbitration decisions. That is, local and coast arbitration decisions can be and often are changed by agreement of the parties. The Coast Labor Relations Committee often reverses decisions considered to be erroneous or unworkable interpretations of contract. Since most local rulings can be appealed to the Coast they can be overruled either by the Coast Labor Relations Committee or by the Coast arbitrator. This appeals procedure is effective in insuring uniformity of interpretation or bringing contract interpretations more nearly in line with the intent of the parties. Although it is well understood that parties to any agreement can do this with arbitration decisions, I am not sure that it is widely practiced except perhaps at the time of contract negotiation. In the ILWU-PMA procedure there is a continuing process of review of all local and coast arbitration decisions.

CENTRALIZATION OF ADMINISTRATION

Overall, the new agreement has resulted in greater centralization of authority and hence more uniformity in contract administration. This increased centralization and concentration of administrative

power has caused tensions to develop among some of the employers who resent vesting increased power in a small centralized committee. Nonetheless, experience under the agreement confirms the wisdom of this approach. Desirable as it may be to delegate authority at all levels of management, the size of the investment and the opportunities available for disorganized administration, a result of both history and geography, dictates a need for some overall supervision. This does not completely proscribe local autonomy and/or local action and can be favorably compared to the headquarters and branch plant relationship so typical of much of American industry.

REDUCTIONS IN MANNING

The M & M Agreement permits the employers to introduce and man new operations without resistance, subject to appeal through the grievance procedure, and to change manning on existing operations. On existing operations, union agreement is needed to make the change or the employer must appeal to the arbitrator. This procedure rapidly developed bottlenecks.

In the early part of 1961, the union was reluctant to review existing operations because of the delay in getting Internal Revenue approval as to the business expense qualification of contributions to the funds. Until that approval was secured, no payments were made from the funds to individual workers. Subsequently, further delays developed. Manning reduction requests were lost in paper piles at various levels and it seemed to the employers that union officials were reluctant to press reductions in manning on existing operations. Finally the employers realized that even resorting to arbitration in such cases could be slow and cumbersome. In the meantime, unhappy operators whose patience had been exhausted by long delays were pressing for changes they were entitled to make under the agreement—the actual elimination of ‘unnecessary men.’ It was a situation designed to confirm the employers’ worst fears. A clear advantage of the agreement—bought and paid for—frustrated by delay—accidental or designed. In fact, as of July 15, 1962 only 35 requests for manning changes had been processed and 25 approved of which 11 qualified as new operations. Twentysix were still in the procedure as of that date and it appeared that the backlog would continue to grow.

In order to break this bottleneck, the parties agreed to the creation of a joint manning committee which would proceed as expeditiously as possible to inspect all operations on which requests were pending. This committee was given full authority to settle questions of manning reduction on the spot. Failing agreement, the parties would proceed immediately to arbitration.

Of the 23 requests processed after the formation of the manning committee, whose first inspection was on July 17, 1962, seven were implemented immediately as new operations and sixteen were inspected and manning reduced. The improvement was noteworthy but some of the problems remain. One remaining problem is inherent in the operation of ships. Operations tend to 'float away' either never to return in precisely the same form or to return much later. People are not always available when ships are, and ships do not always arrive when they are scheduled. An unsuccessful experiment in the use of motion pictures has recently been abandoned—perhaps not permanently.

One other aspect of the manning problem has recently been getting some attention. Although money has been lost through delay in cases processed to date, it now seems probable that the overall effect of the right to reduce manning on existing operations will not turn out to be as productive for the employer as anticipated at the time of negotiation. It may in fact turn out that the right to change operations and the right to introduce new operations coupled with the fact that gang sizes for handling break bulk general cargo are part of the written contract covers the vast majority of operations on the West Coast. Add to this the fact that the employers gained more flexibility in the use of their manpower and the total picture may be one in which only limited gains can be made by reducing manning on existing operations. This in no way under emphasizes the importance of manning reductions to the individual operator. In fact, one operator handling substantial amounts of unitized cargo in his trade estimates that the reduction secured on his major product line has more than paid his share of the agreement.

In covering these two areas of the agreement as illustrations, I have necessarily left out significant portions of the contract which would further illustrate continuing areas of conflict and resolution. One further problem does deserve attention in this paper.

MEASUREMENT OF PRODUCTIVITY CHANGES

Since the start of the agreement, individual employers and the Association have been seeking ways of measuring gains. Productivity measurement as a basis for negotiating the agreement was abandoned because of the complexities involved in establishing an agreed upon system in time. It was assumed, however, that given time, such a measurement system could be developed and, at a minimum, would give us significant annual comparisons and data for future bargaining. Although an excellent reporting and analysis procedure was developed early in 1960 by Max Kossoris of the Bureau of Labor Statistics, the results have been questioned. The reliability of the basic data secured at the job level has come under severe attack and because of the reluctance of the employers to accept these data they have not publicly released the results of these studies. At the present time an industry committee is attempting to develop a more reliable data collection system since there is general agreement that the procedures for processing and refining the data are satisfactory.

In the absence of an acceptable industry productivity analysis, individual employers have been unwilling to estimate their own gains under the agreement. There is a wide diversity of opinion about these 'gains,' the opportunity for improvement, and actual versus imagined results. Some observers feel that the employers are reluctant to reveal individual results for competitive reasons. I think there are more fundamental reasons for employer reticence in some cases and outright disappointment with results in others. These are: (1) unrealized expectations and (2) difficulty in assigning credit for gains that have been made.

It has often been apparent that frustration with the difficulties of the agreement brings out the fact that some employers held the belief that signing this contract would bring relief from old problems and not cause a host of new ones. It may be unfair to make my fellow employers seem naive in this respect, but if it was naive, it was born in past desperation and nurtured on future hope. If at the end of three years the millenium has not arrived and is only a little closer, the golden vision of 'great expectations' seems tarnished.

The second point is more complex. Stated simply, the position of many employers is this: My operations have indeed improved, but it is a result of many factors. New methods, equipment, change

in location, better supervision, the conformance program, etc. Perhaps a small portion of this is from the M & M Agreement.

Despite widespread disagreement about assigning credit for results, some figures are available and they show us something about overall results. Since all longshore payrolls, even for most nonmember companies, are processed through PMA payroll offices, the total wage bill for PMA is a fairly accurate figure, as are the tonnage reports turned in by members for assessment purposes.

The following tables have been prepared to illustrate some comparisons for the period 1958-1962 in terms of hourly labor cost for the industry as a whole. These figures indicate substantial man hour savings for the two years of the agreement shown in the comparison.

WAGE AND FRINGE COSTS PER TON OF CARGO
ANNUALLY 1958-1962

These figures are based on total tonnage, total ILWU wages and fringes, for California, Oregon, and Washington.

YEAR	COST PER TON <i>1958 Cost in labor dollars of the year shown. Does not include Mechanization.</i>	COST PER TON <i>Actual. Includes Mechanization Fund Cost.</i>
1958	6.33	6.33
1959	6.55	6.39
1960	6.81	6.26
1961	7.08	6.63
1962	7.45	6.40
1962 Tonnage @ \$7.45 per ton		\$147,222,884
1962 Labor Cost including Mechanization		\$126,398,562
Difference		\$ 20,824,322

See page 31 for components of 1958 cost in labor dollars of years shown.
See page 32 for components of actual cost per ton.

WAGE AND FRINGE COSTS PER TON OF CARGO
ANNUALLY 1958-1962

1958 Cost per ton in labor dollars of the year shown.

<i>Year</i>	$\frac{\text{Cost per hour for year}}{\text{Cost per hour for 1958}}$	×	<i>1958 Cost per ton</i>	—	<i>1958 cost per ton in labor dollars of the year shown.</i>
1958	$\frac{\$3.851}{\$3.851}$	×	\$6.33	—	\$6.33
1959	$\frac{\$3.982}{\$3.851}$	×	\$6.33	—	\$6.55
1960	$\frac{\$4.141}{\$3.851}$	×	\$6.33	—	\$6.81
1961	$\frac{\$4.309}{\$3.851}$	×	\$6.33	—	\$7.08
1962	$\frac{\$4.530}{\$3.851}$	×	\$6.33	—	\$7.45

Cost per hour figures do not include Mechanization.
The components of cost per hour figures are shown on page 32.

WAGE AND FRINGE COSTS PER TON OF CARGO
ANNUALLY 1958-1962

Cost per ton, including Mechanization

<i>Year</i>	<i>Labor Cost</i>	<i>Weighted Tonnage</i>	<i>Cost Per Ton</i>
1958	\$111,208,135	17,555,428	\$6.33
1959	\$119,361,543	18,668,990	\$6.39
1960	\$124,406,416	19,877,926	\$6.26
1961	\$124,484,705	18,776,312	\$6.63
1962	\$126,398,562	19,761,461	\$6.40

Cost per hour, excluding Mechanization

<i>Year</i>	<i>Labor Cost</i>	<i>Hours</i>	<i>Cost Per Hour</i>
1958	\$111,208,135	28,875,554	\$3.851
1959	\$118,570,793	29,776,373	\$3.982
1960	\$123,615,666	29,853,699	\$4.141
1961	\$119,484,705	27,729,840	\$4.309
1962	\$120,748,562	26,653,777	\$4.530

WAGE AND FRINGE COSTS PER TON OF CARGO
ANNUALLY 1958-1962

Tonnage

<i>Year</i>	<i>Total Tonnage Including Bulk</i>	<i>% Bulk</i>	<i>Weighted Tonnage</i> ¹
1958	24,110,677	33	17,555,428
1959	25,367,579	32	18,668,990
1960	28,609,821	38	19,877,926
1961	28,122,816	41	18,776,312
1962	27,762,094	36	19,761,461

¹ Five tons bulk-dry tonnage equals one ton general cargo. Bulk fluid tonnage given zero weight.

WAGE AND FRINGE COSTS PER TON OF CARGO
ANNUALLY 1958-1962

Cost Per Ton

<i>Increase</i>	<i>1959 \$</i>	<i>1960 \$</i>	<i>1961 \$</i>	<i>1962 \$</i>
Wage .....	.21	.20	.16	.19
Fringe .....	.01	.06	.09	.13
Mechanization .....	.04	—	.23	.05
Total Increase .....	.26	.26	.48	.37
Cost Preceding Year.....	6.33	6.39	6.26	6.63
Before Improvement	6.59	6.65	6.74	7.00
Productivity Improvement ..	— .20	— .39	— .11	— .60
Actual Cost	6.39	6.26	6.63	6.40

Cost Per Hour (Shoreside, Including OT & Fringes)

<i>Increase</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
Wage .....	.126	.124	.110	.131
Fringe .....	.005	.035	.058	.090
Mechanization .....	.026	—	.154	.032
Total Increase .....	.157	.159	.322	.253
Cost Preceding Year.....	3.851	4.008	4.167	4.489
Total	4.008	4.167	4.489	4.742

CONCLUSION

It is difficult to draw many conclusions about the first three years of the ILWU-PMA M & M Agreement in a paper that has made the fact abundantly clear that the employers as a group do not agree

about the results. It may in fact never be possible to measure accurately the gains directly attributable to a specific clause in the agreement. It is true that in eliminating multiple handling, in reducing manning, in eliminating load skimming or in building new loads that exceed previous limits the employers can point to specific gains. Many argue, however, that these gains are not always attainable that they are offset by other restrictions that continue to exist despite the agreement or that these specific gains are not profitable enough to compensate them for the investment (approximately 4% of payroll on top of basic wage and fringe benefit increases for the five year period). Others urge, however, that this view ignores the more fundamental changes that have taken place.

Most of the employers I think recognize that there has been a fundamental shift in attitude on both sides despite the problems and a mutual recognition of the need for change and the complementary obligation to share the gains of progress. Shifts in attitude, problem solving rather than conflict bargaining, reduction of resistance to change, the substitution of law for jungle warfare are trite and familiar phrases in labor relations but they are applicable to present relations between the employers and the longshore union on the West Coast. Whether it be the relatively smooth introduction of new equipment, or a marked improvement in vessel turn around time because of more efficient utilization of labor on ship and on shore, these things are part and parcel of a total framework constructed on a base of the M & M Agreement. In the view of most of us, this total framework is the real essence of the agreement and our hope for the future of the industry.

THE ILWU-PMA MECHANIZATION AND
MODERNIZATION AGREEMENT: AN
EVALUATION OF EXPERIENCE
UNDER THE AGREEMENT;
THE UNION'S
VIEWPOINT

LINCOLN FAIRLEY

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The ILWU-PMA Mechanization and Modernization Agreement is a unique—and we think a generally successful attempt to supply a mutually satisfactory answer to these difficult questions currently facing most unions and many employers: How to provide job and income security to workers in an industry where productivity is rapidly advancing? and, How to create a framework for changing methods of operation in order to reduce costs, without creating insecurity for the workers and without precipitating worker and union resistance?¹

The present article considers the extent of the plan's success, primarily from the standpoint of the union, and outlines the characteristics of the industry which have made the plan possible in order to examine the question, which presumably is the question of primary interest to those outside the industry, of the extent to which this plan, though unique, may be applicable to other industries or even to other segments of the longshore industry.

It needs emphasis at the outset that the M & M Agreement is only an episode in a process which is making radical changes in the West Coast longshore industry and in its industrial relations machinery. Until very recently the industry has been technologically extremely backward; recent innovations are modernizing it—rapidly though spottily. Actual day-to-day control of labor relations on the job has in the past been largely in the hands of stevedore contractors; the reins are now being taken over by the prime employers, the steamship operators.

Corresponding changes have been occurring on the union side. The new situation in the industry, reinforced by the changed climate of public opinion, has led the union to the conclusion that the old

¹The terms of the Agreement and its background have been adequately discussed in the sources indicated at the end of this paper.

type of work rule, often obtained and frequently enforced by job action, is no longer adequate to supply job security. New provisions for job security are recognized to be necessary. The 1959 agreement for a guaranteed 8 hour workday was accompanied by a wholesale revision of the old rules, primarily to permit greater flexibility of operation, a significant prelude to the rules changes provided under the M & M agreement, and part of the same process.

The old rules were for the most part local in character, applying only to the individual port; they simply codified local practice. The new rules are coastwide, and though worked out by a negotiating committee which included representatives of the major local areas, are nevertheless to an important degree handed down to the individual ports from the coast level. The result has been a significant centralization of the grievance machinery, recognized as necessary by amendments to the contract requiring certain types of issues to be settled at the top. It is almost as revolutionary as if Congress were to adopt a national code superseding local and state criminal codes.

Another factor in the centralization of contract administration has been the need for greater central control over the registration process, due partly to the changing situation in the industry and partly to the need to avoid insofar as possible Taft-Hartley pitfalls when hiring new men. The parties have taken control of registration² out of the hands of the individual ports and centralized it in the Coast Committee. This control has made it possible to develop coast-wide rules for hiring "B" men, for moving "B" men to "A" status, for moving men from port to port, for transferring men from the longshore list to the clerks list, and in general has facilitated the adjustment of the size of the work force to the needs of the industry. Anticipating a decline in job opportunities, the "A" list was frozen in 1958 and no

² Several of the sources cited at the end of this paper describe the "registration" procedure under the West Coast longshore agreements. The parties, jointly, "register" the men who are to be the regular longshoremen. Men with "A" registration have first preference in dispatch; men with "B" registration have second preference. "B" men are not members of the union. After the "A" men and the "B" men have been sent out any remaining jobs are taken by casuals who have no regular attachment to the industry. This year, for each available "B" job, there were more than 10 applicants or, for the 2,600 added to the "B" list, more than 25,000 applicants. The applicants were well aware that it might be several years before they could become fully registered men. The demand for these jobs is explained by the fact that, except for a few highly skilled trades, such as plumbers and electricians, longshoremen have the highest annual earnings of any category of workers on the Pacific Coast and a wholly unmatched degree of economic security.

additions to the "B" list were made from 1959 until 1963. These steps were necessary prerequisites to the success of the M & M plan.

The radical changes in work rules together with centralization of the grievance machinery have meant that the Coast Labor Relations Committee has been kept steadily at work and that the Area Arbitrators have been called upon much more frequently. During 1962 the Coast Committee met formally 37 times; in 1956 (an earlier year picked at random) it had met just once. During 1962 the arbitrators in the four areas rendered 147 awards; in 1956 they made only 24. The situation had been similar in 1961 and there has been little let-up in 1963.³ Significantly enough, however, the Coast Arbitrator has been called in only three times since the M & M agreement was signed; at the coast level the parties make their own decisions. It should be added that essentially all the cases handled by the arbitrators have been matters of detail. No important issues of principle under the M & M agreement have had to be settled by arbitration.

The problem now is to avoid some aspects of the situation which existed before 1948. In those years, when relationships between the parties were at their worst, almost nothing could be settled at the local level. Matters were routinely referred to the Coast Committee, and from there, routinely to the Coast Arbitrator, who was kept very busy. While there is no danger of the Coast Committee's ducking its responsibilities, and hence swamping the Coast Arbitrator, there is a danger that the Committee could be swamped by appeals from decisions by Area Arbitrators. Though the Committee has authority to take such appeals, it is not required to do so and, in fact, has acted to minimize them. Effort is being directed instead, with the help of the Coast Arbitrator, toward educating the Area Arbitrators and the local representatives of the parties with regard to the new rules and the interpretations agreed to at the Coast level. It is anticipated that as this educational process is pushed, the number of disputes will decrease and resort to the Area Arbitrators minimized. The objective is to centralize fundamentals but to leave details to the local area.

³ The Joint Coast Labor Relations Committee serves in this industry something the same purpose as is served by the tri-partite committee in the steel industry, namely, to deal on a continuing basis with problems not readily solved during the more hectic periods of collective bargaining. It is significant, however, that unlike the steel situation, the parties are handling these problems themselves.

One unusual feature of the grievance machinery deserves notice: The Area Arbitrators are all men from the industry. At present there are two former International Union officials and one former Association employee. The explanation lies in the character of the Area Arbitrator's work. He is on call 24 hours a day, seven days a week, to come down immediately to the scene of the dispute. Operating conditions change from shift to shift and even from hour to hour. He is called upon to render an immediate on-the-job interim decision, based upon the facts assembled then and there, without waiting for a formal hearing. For such an assignment the parties recognize that they need men with practical experience in the industry. The arrangement has worked notably well.

In terms of the major changes in the work rules made by the M & M agreement, the situation may be summarized as follows:

- 1) Elimination of multiple handling: Once the jurisdictional issue involving the Teamsters and their employers was settled in the spring of 1961, there have been practically no problems. This issue is dead.
- 2) Reduction of gang sizes and elimination of unnecessary men: Work on this has been going on ever since the Agreement was signed, though not actively until mid-1962. There are still many employer demands for changes which have not been acted upon. It may be said that where reductions in manning have taken place, the principal result has been the elimination of men who were formerly largely idle. The reductions have not, in the main, resulted in "speed-up."
- 3) Changes in sling-load limits: These changes have occasioned the greatest number of disputes, with the employers making often radical increases in the size of loads and with the men claiming "speed-up" and "an onerous work load." By now, however, arbitrators' decisions have developed something like common law on the subject.

A continuing major source of argument is over the extent to which labor-saving methods are being used, or, rather, are not being used. Many employers have sought to interpret the Agreement to permit larger loads with the same number of men, whereas the union insists that "more men or machines" are called for, with preference for machines. The union complaint commonly is that the employers are overlooking the intent of the Agreement—namely to promote mechanization and modernization—and, instead, are seeking to get greater productivity at the expense of the men. The union is constantly pushing, in particular, for the use of more equipment

in the hold where most of the work is still heavy manual labor. The stevedore contractors, of course, resist making the necessary capital expenditures, perhaps because they anticipate that the ship operators will be the prime beneficiaries.

The Agreement was predicated on the belief by the parties 1) that the changes facilitated by the Agreement would significantly reduce the demand for longshoremen, but 2) that the resulting rate of productivity increase would not exceed the rate of attrition, or at least by no more than could be met by a wage guarantee. Actually, it was hoped that the cushion provided by the manhours worked by "B" men and casuals would be great enough so that the wage guarantee provision would not have to be used. In this they were correct, but to a degree that was not anticipated.

What has happened has surprised everyone. Though a significant increase in productivity has occurred—some 10 or 11 percent from 1960 to 1962—and though there has been no net increase in tonnage handled,⁴ the parties have found it necessary this year to move some 2,000 "B" men into the "A", or fully registered, category and to replace them with more than 2,600 new "B" men. The net result is to bring the total number of registered men ("A" plus "B") back to within 600 of the January 1, 1960 level and to a level slightly higher than prevailed on January 1, 1961 when the plan really began to function.

To a considerable degree as a result of increased productivity, longshore manhours dropped from 22.6 million in 1960 to 21.3 in 1961 and to 20.3 in 1962. During the same period the total registered force⁵ dropped steadily from 14,844 as of January 1, 1960 to 12,279 as of January 1, 1963. Hours dropped 10 percent; the number of men 17 percent.

The decline in the number of registered men has greatly exceeded the original expectation. Attrition—almost wholly due to death and

⁴ PMA figures show a decrease in "weighted tonnage" of about one million tons from 1960 to 1961, but an increase of nearly the same amount from 1961 to 1962, leaving 1962 tonnage just below the 1960 level. "Weighted tonnage" is the total of manifest tons, by weight or measurement, handled by PMA members, with each ton of bulk counted as one-fifth of a ton. Government figures on tons in waterborne commerce are so late as to be useless for this purpose. Dollar figures for foreign commerce alone likewise show a drop, 1960-1961, and a corresponding rise 1961-1962, with little net change 1960-1962.

⁵ The registration figures used here are, for simplicity's sake, longshoremen only, excluding clerks and walking bores.

retirement—had been proceeding at a rate of about 4 percent a year, yet in 1961 it was 5.6 percent and in 1962, 6.6 percent.

Both deaths and retirements have increased—deaths, because with no additions to the registered list the work force grew older, and retirements, partly for the same reason but primarily because of changes in pension provisions. Under the M & M plan itself 159 men retired early during the 15 months October 1, 1961 (when the benefit provisions of the Agreement finally went into effect) through 1962.⁶ During the same period, there was a much larger number, 629, who retired under the pro rata amendment to the regular pension plan, agreed to at the June 1961 negotiations, which for the first time permitted men to retire with less than 25 years in the industry. Besides, there were 338 normal retirements. Thus in this 15-month period 1126 men retired. So far in 1963 (through October 1) another 476 have retired. On a base of only about 13,000 these are large numbers.⁷

By putting on 2,600 "B" men the parties have more than compensated for this big increase in retirements. Nevertheless, assuming no significant change in tonnage, it is anticipated that the "A" men will have worked roughly as many hours on the average in 1963 as they did in 1962, i.e., 1541. For one thing, death and retirement will take a toll of between 750 and 1,000 and, for another, the "A" men will get a larger percentage of the work. The "B" men, however, who averaged 1545 hours in 1962, or almost precisely the same number of hours as the "A" men, will undoubtedly work somewhat fewer hours in 1963. And the casuals who worked 9 percent of all hours in 1962 will certainly work a smaller percentage in 1963.

In conclusion, with regard to meeting the problem of displacement, the industry challenges comparison. With a productivity increase of 10 or 11 percent in the past two years,⁸ not only has no one been laid off and the wage guarantee has not been necessary, but

⁶Benefit provisions could not be implemented until approval of the Plan had been obtained from the Internal Revenue Service, a process that took a full year and much pressure.

⁷The total number of living pensioners as of October 1, 1963 was 3,859, including not only longshoremen but clerks and walking bosses. This is slightly more than one-fourth of the total active work force. The percentage is probably higher than any in other industry, except possibly coal mining.

⁸There are no really reliable productivity figures available. Those quoted are based on industry figures on overall tonnage and manhours. They make inadequate allowance for shifts from one type of cargo with one productivity rate to another type with a different productivity rate.

2,600 men have been hired. Most of those who have retired are receiving \$115 per month from the industry, plus Social Security and plus comprehensive medical care for themselves and their families for life.

These gains have not been at the expense of wage increases. In June 1961, when the wage issue went to arbitration, the increase in the basic hourly rate was 6 cents, after the parties had agreed to pension changes evaluated at 8 cents. In June 1962, a negotiated wage settlement was reached for the period June 1962 to June 1965, with increases of 18 cents in 1962, 13 cents in 1963 (the present basic straight time rate is \$3.19 and the average rate is about \$4.20) and another 13 cents in 1964.

It was part of the initial mechanization agreement in 1959 that the "fund will be separate from contractual wages, pensions, welfare and vacations." The union, at least, has interpreted this to mean that wage increases are to be settled upon the basis of the usual criteria and are not to be influenced by the existence of the Mechanization Fund or the cost of the contributions to it. The fund is considered to be self-supporting; it is financed out of cost savings.

These wage increases have clearly exceeded the Administration's guideposts as announced in the 1962 report of the Council of Economic Advisers and as usually interpreted. I am indebted, however, to Professor Lloyd Ulman for pointing out that the Council specifically referred to situations like the West Coast plan as providing the basis for an exception to the 3 percent rule. The Report says:

"It is a measure of the difficulty of the problem that even these complex guideposts leave out of account several important considerations. Although output per man-hour rises mainly in response to improvements in the quantity and quality of capital goods with which employees are equipped, employees are often able to improve their performance by means within their own control. It is obviously in the public interest that incentives be preserved which would reward employees for such efforts." (p. 190).

The facts show that both the employers, by rising productivity, and the longshoremens, by rising wage rates and increased earnings, have benefitted as a result of the changes occurring in the past two years. But nowhere has any evidence been assembled to indicate how the shipper has fared. How much of the cost savings, due either to containerization and other mechanical improvements or to rules

changes, have been passed along in the form of rate reductions or in the form of reduced time in shipment? I submit that the more general economic effects of these productivity increases are at least of equal importance to the industrial relations effects, and urge that some University research group take a look at them.

The Mechanization and Modernization Agreement has been widely praised. Yet among the union's own membership there are still many dissidents. The plan was adopted by a referendum vote of 7,882 to 3,695, with one large local voting against it. A vote taken today would show a larger percentage in support of the plan, but there would still be a substantial minority in opposition. This would include:

1. Some of the younger men who would prefer more money now. These men would like to have the money distributed periodically as in the Kaiser plan, instead of financing early retirements or giving a benefit to men at normal retirement. They have not been convinced of the importance of the fact that their work opportunity is greater because the older men are being retired. Since even before the plan was in effect there have been no layoffs in the past 10 or 12 years, the younger men have had no experience with the operation of the usual layoff by seniority.

2. Men who will not receive benefits prior to July 1, 1966 when the contract ends and who question whether it will be renewed.

3. Men who cannot hope to qualify for M and M benefits because they will not have worked 25 years in the industry prior to age 65. Some of these men are making an effort to establish their eligibility for a disability pension, their only means of qualifying for some of the M and M money short of the death benefit.

4. Those who still think it would have been better to hang onto the old work rules. Their position is usually stated as "We gave up too much. The employers are getting far more than \$5 million a year out of the deal."

The opposition that came from the "B" men has largely evaporated. In 1962, as noted above, they worked as many hours as the "A" men, and now practically all of them have themselves become "A" men.⁹

⁹ Because the "B" men are not members of the union they have had no organized means of expressing their opposition, but several of those who commented on the plan rose to their support. See especially Harvey Swados' article noted in the attached bibliography.

Quite naturally, such opposition to the plan as still exists has been seized upon for political purposes by opponents of the International, with the result that the opposition sounds more significant than it is. Also, quite naturally though less obviously, the opposition has been nourished by some of the stevedore contractors. Their representatives on the job have supplied ammunition to the opposition within the union's ranks. Among the employers, the stevedores are not the beneficiaries of the plan. Indeed, because of the character of their contractual relation to the ship operators they tend to gain when more manhours are required, not fewer.

That the union as a whole is satisfied with the approach worked out on the West Coast is indicated by the fact that the plan, with modifications, has now been sought and adopted by the longshoremen in Hawaii, Alaska and British Columbia, all of whom are under ILWU jurisdiction, but who work under their own contracts. While space limitations make it impossible to detail these agreements, brief reference may be made to each. Some of the differences from the Coast plan are instructive.

In Alaska, the Agreement is essentially the same as that on the Coast. The Coast pattern over the years has been increasingly followed closely with respect not only to wages but to fringe benefits as well. The plan has only just gone into effect.

In Hawaii, where the union has separate agreements with the individual stevedores, we nevertheless secured an industry-wide Mechanization and Modernization Agreement, which provides for a fund, comparable in amount on a per man basis, and for modifications of working practices. The Plan was finally worked out in all its details with the assistance of Sam Kagel, operating first as mediator and later as arbitrator. In the Islands, there were relatively few written working rules and the employers have, in the main, had much greater control over operations than on the Coast. There was never so much complaint by the Hawaiian stevedore contractors about restrictive practices, but they did seek reductions in many of the manning scales. The parties agreed to codify existing practices, modified somewhat along Coast lines to promote more efficient operation, but since they could not agree on the changes, the whole matter—more than 1,000 specific items—had finally to be settled by arbitration using these guidelines:

1. The employers to have the right to have efficient operations, to change methods of work and to utilize labor-saving devices.
2. The men to be protected with respect to safety and health and by the avoidance of an onerous work load on the individual worker.

On the Coast, the major gains in productivity are undoubtedly the result more of work rule modifications than mechanization; in Hawaii the reverse is true. Much the biggest factor in the Hawaiian industry is Matson, the company which has mechanized most dramatically. Work opportunity has been sharply reduced (by nearly 30 percent since 1957 for the state as a whole, and by more than 50 percent in the outports) by the high development of containerization between the Coast and the Islands, and most recently in the outports now that containerized barges have gone into use on the inter-island runs.

Because of the much greater impact of mechanization in Hawaii it was impossible to secure a complete no layoff agreement. Whenever a company decides a layoff is necessary it must notify the union and together they seek to work out the best possible solution. Solutions provided in the collective bargaining agreement include:

1. Transfer with moving expenses paid to another Hawaiian port, if jobs are available. A man may also move to a mainland port if arrangements can be made at the Coast end. In that event no moving expenses are paid but the man receives severance pay.

2. Repatriation. Special provision is made for any man who wants to return to the Philippines or to Japan, the usual countries of origin. A repatriate is entitled to the full value of his pension rights in a lump sum up to \$10,471, travel expenses and his bonus payment, described in the next paragraph. So far, some 75 men have taken advantage of this provision, a substantial number out of a work force of 1200.

3. Early retirement. A special incentive is given to early retirement by providing a graduated benefit or bonus payable in full (\$6,000) at age 60, but if retirement is postponed beyond age 60, declining \$100 each month to zero at age 65.

4. At the union's request, work may be spread down to, but not below, 24 hours per week.

If, despite these steps, a layoff is necessary, those laid off receive severance pay in substantial amounts, equal to or exceeding the full value of their pension rights.

When work opportunity drops to less than 32 hours a week (averaged over a calendar quarter) a wage guarantee becomes effective. The union seeks at its next opportunity to raise this guarantee to 35 hours as on the Coast, but already substantial sums have been paid out even on the 32-hour basis so that the added cost would be large. In the event the union requests that work be spread, so that hours are reduced below the level that would have prevailed if the layoff had occurred, the guarantee is correspondingly reduced.

In British Columbia it was tougher to get an agreement. Though no strike occurred, it took a 95 percent strike vote, the highest ever recorded in Canada, to overcome employer opposition and even then the industry was unwilling to set up a fund. They agreed to pay specified benefits similar to those on the Coast in return for operating changes principally in manning scales, but would not concede a fund. The union was reliably informed that a major source of employer opposition to the whole concept, and especially to the fund, was the big industries of the area, mainly lumber, pulp and paper, who were fearful that a precedent would be established.

Longshore employers in British Columbia, are none of them shipowners; they are stevedores, agents for non-Canadian lines, or terminal operators. They are thus much less able than the U.S. West Coast employers to develop an independent labor policy. Even here we understand that great pressure has been exerted upon the PMA by the National Association of Manufacturers and other organized employer groups who frown upon the central ideas of the M & M plan that the workers are entitled to "a share of the machine," and that employers should pay for relaxation of working rules.

The M & M Plan has received many encomiums and Harry Bridges has even been hailed as a "labor statesman." For our industry, the plan is working out satisfactorily. The question then is, Can it be applied to other industries?

Charles H. Rehmus in the *Labor Law Journal* (October 1963, p. 871), to take a recent example, refers to the M & M Plan as a "forward-looking collective bargaining adjustment to technological change" and suggests that perhaps it can be applied elsewhere. The recent U. S. Department of Commerce study, "Maritime Resources

for Security and Trade," the final report of "The Maritime Evaluation Committee," states that "With one significant exception, maritime labor-management collective bargaining has, up to now (January 1963) failed to solve the difficulties in the way of such technical progress." Though no specific reference is made to the ILWU-PMA M & M Plan, this is presumably the "one significant exception." The Committee is quite clearly urging the extension of the idea to the rest of the maritime industry. The special Railroad Arbitration Board which reported at the end of last month presumably had before it material on the Plan, prepared earlier by Professor Charles Killingsworth, but they chose not to model their award upon it.

Rather than speculate on the possibilities for applying our Plan to other industries, I should like to list the major features of the West Coast longshore situation, which in my judgment were important in establishing its feasibility and which, in the case of some of them, are probably conditions precedent to its success.

1. The existence of the hiring hall with rotational employment among all employers. The hiring hall more or less automatically overcomes the problems that would arise because of differential rates of productivity change from employer to employer. Work opportunity fluctuates for the entire work force, not for the employees of individual employers. It is difficult to see how, in a multi-employer industry, an M & M plan could otherwise be applied.

2. Equally necessary has been the machinery of joint registration, now on a coastwise basis. Without this, the parties could not have controlled the number of workers to the point where a plan to increase productivity could have been adopted. Where there is a surplus of workers, a union cannot agree to a program that forces some of them out of their jobs. Such a program is one of the employer's prerogatives. It is partly for this reason that the ILWU has supported other unions in their fight to maintain the types of rules which we were in a position to modify but which they must hang onto.

3. A rate of productivity increase that is not greatly (if at all) in excess of the anticipated rate of attrition or alternatively, of course, a sufficiently rapid rise in output.

4. Agreement that the gains from the increased productivity effected by the plan shall be over and above normal, expected improvements in wages and fringe benefits. East Coast employers in

last spring's negotiations with the ILA appeared to be demanding changes in gang sizes and a more flexible work force as a condition of the contract settlement including wage increases. The same seemed to be the case in the railroads' bargaining over the fireman issue. A union can hardly be expected to relax rules, no matter how restrictive they may allegedly be, as a condition for getting a wage increase it believes itself entitled to on the usual grounds. The work rules at issue have been in effect for a long time and were taken into account in past bargains. Many employers have been seeking an unfair bargaining advantage on the basis of the public hullabaloo over "featherbedding."

5. A strong union, with sufficient internal discipline to undertake its share in administering a radically new set of work rules, and with sufficient confidence on the part of the rank and file in the policies recommended by the leadership.

6. A correspondingly strong and effective employers' association equally capable of handling its administrative functions and with sufficient vision to recognize that workers are entitled to share in the benefits of productivity increase.

7. An effective and flexible grievance machinery capable of handling without breakdown a heavy added load of cases and backed by a good faith willingness on the part of both sides to make the Plan work. This last item is as important as any.

The question of what will happen in 1966 when the present agreement runs out can only be answered, from the union's side of the table, by saying, as we say to our members, that if the union is strong enough this plan or something better will be worked out.

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THE KAISER STEEL-UNITED STEELWORKERS OF AMERICA LONG RANGE SHARING PLAN

GERARD E. BALSLEY
Kaiser Steel Corporation

GENERAL APPROACH

No one is more aware than members of this association that we are going through a period of great foment and soul searching in the whole area of collective bargaining. Our purpose today is not to put this problem in focus, but rather it is to explore with you the approach we at Kaiser Steel and the Steelworkers Union have taken in attempting to resolve some of the complex issues which face us in our collective bargaining relationships. In doing this, we should differentiate at the outset between two very inter-related aspects of the subject. The first is the Long Range Committee, which is the vehicle we have adopted to assist us in resolving some of our problems. The second is the Long Range Sharing Plan, which has grown out of the work of the Long Range Committee as a program which we fully expect will eliminate our problems in some areas of our relationship. While I will have some remarks on this Plan, Mr. Miller will give you more of the details in his presentation.

As in any discussion in the field of industrial relations, however, it is useless to discuss either of these topics in a vacuum. Therefore, at the outset, it is important to look at the background and some of the environmental influences surrounding the development and operation of this program at Kaiser Steel. Following this, I believe we can better explore and understand these developments and view them in their proper perspective.

One final introductory remark seems appropriate. By industry standards our program is a new and frankly experimental one. While our "billing" on your program promises an evaluation of experience, I will warn you in advance that we feel any fundamental evaluation of our program is premature at present. Instead, I would prefer to say that we will tell you what our program is, what it has accomplished to date and what hopes we have for it in the future. It will be up to you, the scholars in the field, to give us an evaluation of our degree of success or lack thereof in the years ahead.

BACKGROUND INFORMATION

In setting the stage to discuss our present situation it is difficult to know where to begin. Kaiser Steel has had a contractual relationship with the Steelworkers Union almost since our company first began production in 1943. On the whole, it has been a good relationship, subject to the ups and downs common to many collective bargaining situations. In addition, of course, the Steelworkers have contracts with Kaiser Aluminum, so Mr. Kaiser and Mr. McDonald have had many occasions for discussions over the years.

THE 1959 STEEL STRIKE

The start of our Sharing Plan can be traced directly to one dramatic event with which you are all familiar—the 1959 steel strike. The strike naturally had a catastrophic impact on both Kaiser Steel and our employees. Furthermore, it indicated that we had reached a point of complete impasse on many complex questions relating to work rules, benefit programs and productivity.

Dr. George Taylor was appointed to head the Taft-Hartley Board of Inquiry established to review this dispute. During the course of his investigations, Dr. Taylor expressed his growing conviction that there must be “a better way” to resolve the issues involved in situations of this sort. With this conviction, both Mr. McDonald and Mr. Kaiser were able to express wholehearted agreement.

THE KAISER STEEL SETTLEMENT

As a result, when Kaiser Steel and the Steelworkers sat down to work out the details of a separate settlement, they were looking for a number of things to provide the “better way,” including:

1. An organized and cooperative approach to the solution of mutual problems—such as work rules, to give but one example.
2. A long-range approach to economic issues in order to avoid “crisis bargaining,” stalemates and disastrous strikes.
3. The availability of outside counsel of their own choosing who could:
 - (a) Develop an intimate and continuing relationship with the parties—understanding their problems, and their aspirations.

- (b) Serve as advisors, counselors and mediators.
- (c) Remove the need for outside pressures from mediators or other government representatives.

THE LONG RANGE COMMITTEE

Its Establishment

In keeping with this philosophy, when an agreement was finally reached on October 26, 1959, that agreement included a provision for the establishment of a tri-partite committee which has since come to be known as our Long Range Committee. This committee was composed of nine men, consisting of three company, three union and three public representatives, with one of the public members serving as chairman. For the public representatives we were fortunate in obtaining the services of three outstanding men in whom both parties had the utmost confidence. Our chairman is George W. Taylor and the other representatives, who are equally well known to you, are John Dunlop and David Cole. It is significant that the parties were also represented by their highest level executives. Company representatives were Edgar F. Kaiser, Chairman of the Board, E. E. Trefethen, Jr., Vice Chairman of the Board, and C. F. Borden, Executive Vice President. Union representatives originally were President David J. McDonald, General Counsel Arthur Goldberg and Charles J. Smith, District Director. Upon Mr. Goldberg's appointment as Secretary of Labor, his place was taken by Marvin J. Miller, Assistant to Mr. McDonald.

Its Purpose

The primary purpose for which the Long Range Committee was established was to provide a vehicle for the development of a long-range economic program. The stated objective at the time of the 1959 agreement was:

“The establishment of a long range plan for equitable sharing between the stockholders, the employees and the public, of the company's future economic progress.”

This objective was further elaborated by the provision of more specific guidelines for any such plan. It was to:

1. Promote stability of employment.
2. Safeguard employees against increases in the cost of living.

3. Provide for equitable sharing of increased productivity.
4. Encourage the necessary expansion of the company.

This, then, provided the initial framework within which the committee began its operations. It should be noted that these guidelines covered more than just a "sharing of progress." In fact, they reflect a primary concern for economic and employment security, with any additional "sharing" as a secondary consideration.

Its Operation

When the Long Range Committee began to function and to consider the development of an economic program, it quickly discovered that it needed to construct a solid foundation of fact upon which to base any such plan. The seven areas pinpointed for study were:

1. Past experience and problems with technological change.
2. An evaluation of the operation of the grievance procedure.
3. Possible wider communication of sales and production plans to employees.
4. The advance dissemination to employees of information concerning plans for modernization, automation and expansion.
5. A review of present incentives in the light of forthcoming technological changes in the industry.
6. The development of procedures which will operate to prevent strikes.
7. The development of a means of sharing the benefits of economic progress, including provisions for displaced employees.

Again, let me emphasize that the concept of "sharing" was reserved to last place on the list and included an employment security factor in the statement.

In undertaking the studies required to obtain information on these matters, the committee proceeded with a minimum of fanfare. Most of the work was done by members of the committee and by subcommittees, some of which included staff personnel from both the company and the union. Since these people were intimately familiar with the situation, they were able to move quickly on many aspects of their work.

Its Accomplishments

But what has this committee actually accomplished? This is not an easy question to answer because it is so difficult to separate the tangibles from the intangibles. Without dwelling on some of the details, however, several contributions stand out:

1. The committee provided a forum for the continuing exchange of ideas among the members on positive steps which could be taken to improve the relationships between the parties. In essence, it generated a "willingness to succeed" which sustained the participants during those inevitable moments when the ultimate success of achieving our objectives seemed most remote.
2. The committee focused attention on the need for a better flow of information and exchange of attitudes between the parties which might otherwise have been recognized but left undone.
3. They guided the parties in the development of a new outlook and a new procedure in the resolution of grievances, in the process of which the stalled machinery was reactivated, a tremendous backlog of grievances was eliminated and a new approach was introduced which has greatly reduced the flow of new grievances and assured that they will be handled fairly, expeditiously and on their own merits. Again, without elaborating the point, this has been one of the key steps in the process of improving our relationships at the plant level to the point where a "sharing" concept could be accepted by all concerned.
4. The greatest single achievement from almost all standpoints has been, of course, the establishment of the Long Range Sharing Plan. Because of its importance, it will be discussed in more detail below.
5. One often overlooked outgrowth of the committee approach has been the constant enlargement of its area of concern in the relationships of the parties. Starting from the specific 1959 assignment to develop a sharing program, the activities of the committee have been enlarged to the point where the public members are now given specific authority to review our progress in future contract negotiations, engage in mediation efforts, make recommendations and, in the event of no agreement, make a public report on the status of the bargaining.

In summary, therefore, it can be said that the committee has contributed substantially to the improvement in the atmosphere within which the parties operate and, in addition, has already accomplished a number of the specific and tangible objectives established for it.

THE LONG RANGE SHARING PLAN

Its Development

Turning back now to the Long Range Sharing Plan, it is deserving of more careful attention for two reasons. First, it is the objective toward which most of the other activities of the Long Range Committee were directed. Second and by far the more important consideration, this is a new, experimental approach to the resolution of the basic economic issues facing us in the collective bargaining area today and in the days ahead.

The developmental work on the plan was done by a subcommittee of company and union representatives, over a period of more than two years. They were guided by regular consultation and advice from the Long Range Committee, naturally, in order that the final result would achieve the objective of the committee. In essence, however, the details of the plan were heavily influenced by the attitudes and efforts of the parties themselves.

By way of background here it will be helpful to give a brief outline of some of our problems underlying the thinking which went into this plan. As has already been suggested, the basic concept was to develop a plan which would provide a systematic means of resolving the basic distribution of the benefits of economic progress, thus eliminating the periodic contract expirations and strike deadlines related to these economic issues. Back of this, however, there were some more mundane problems. Kaiser Steel is a relative newcomer to the steel industry, having first started production in 1943 and with much of our capacity and diversification having been achieved in the post-war period. As a newcomer, we have followed many of the patterns of the industry in the areas of wage scales, benefits and, of particular interest here, incentive pay programs. In the incentive area, we had established many direct plans for groups of employees, almost entirely on a production unit basis, paying incentive compensation on a quantity-type system. This had produced several problems. First, with our late start and our rapid rate of growth

and technological change, we had incentives for only about 40% of our employees. This created a "have" group of favored employees, leaving the other 60%, which incidentally included large numbers of highly skilled maintenance personnel, in the "have not" category. The inequities were obvious! And to compound the problem, some of the incentive plans in operation were paying "run-away" rates, which made the inequities even greater. We found ourselves in a situation, therefore, somewhat like Alice and the Red Queen, having to run hard to stay where we were in maintaining our existing plans but still having an obligation to extend coverage to those employees still without incentives.

Under the circumstances outlined, any plan developed had to attack both problems, the one of existing inequities plus the longer range one of providing equitable future distribution of gains. The amount of work involved in this effort, therefore, was monumental. In addition to the members of the subcommittee and of the Long Range Committee itself, the development work on our plan involved many company and union staff personnel in such fields as industrial engineering and accounting in addition to the industrial relations and legal people otherwise involved.

It is not the purpose here to go into detail on the deliberations which resulted in our Long Range Sharing Plan. Two ground rules which were observed, however, are worthy of mention here for the sake of anyone interested in the problems involved in such an undertaking. The first was exemplified by Dr. Taylor's oft-repeated statement that the committee could put no "time limit on inventiveness." In spite of the obvious desire by all concerned to produce a proposal as quickly as possible, there was never any thought of imposing a deadline which had to be met. From the outset, instead, the effort was directed at developing an acceptable and workable plan. The second ground rule was simply stated that "nothing is agreed to until all is agreed to." Under this rule, all participants felt free to explore new possibilities freely and openly without fear of any commitment if they later felt the idea was unsound. The only problem this presented to the participants was that they were unable to answer queries, whether from the press, outsiders, union members or management representatives, in terms of "this is how far we have progressed" because any such progress might prove to be an ephemeral thing in the light of future developments.

Its Adoption and Installation

The Long Range Sharing Plan was completed, approved by the Long Range Committee and accepted by the parties on December 16, 1962, subject only to ratification by the employees involved. In keeping with Dr. Taylor's promise that the employees would be the first to know, the general outline of the plan was presented to mass meetings of employees and their families over the next two days. Following this, Marvin Miller undertook the Herculean task of explaining the plan, in detail, to small groups of employees on an around-the-clock schedule over a period of about two weeks. The results of his efforts speak for themselves, because the plan was ratified by a 3 to 1 vote of the employees on January 11, 1963, and was put into effect on March 1.

Its Operation

As stated earlier, Mr. Miller's presentation will cover the details of the plan itself, but before drawing any conclusions concerning its operation to date, some figures are required. In the table which follows, the basic results of the operation of the plan through October 1963 are presented.

CONCLUSIONS

As indicated earlier, it is difficult for a participant in a program such as this to also serve as an evaluator. Therefore, instead of an evaluation, the concluding portion of these remarks should be interpreted as a summary of experience combined with a look at some of our hopes and expectations for the future.

The Long Range Committee

Looking first at the Long Range Committee, it is apparent that it has already accomplished a great deal more than had been anticipated at the time it was first established. It has provided the parties with an incentive to succeed. In addition, it has served as a sounding board for ideas and as a source of wise and impartial counsel. This, I suggest, is largely a tribute to the stature and integrity of the individuals selected as public representatives and to the wisdom of the company and union representatives in working so effectively with them. At this point, it may well be true that our public members know us better than we know ourselves.

LONG RANGE SHARING PLAN
Kaiser Steel—United Steelworkers of America

SUMMARY OF RESULTS
March–October, 1963

	<i>March</i>	<i>April</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>August</i>	<i>Sept.</i>	<i>Oct.</i>
Total Net Savings Pool	\$961,962	\$1,196,262	\$1,080,071	\$1,480,491	\$847,376	\$479,883	\$908,006	\$1,036,310
Employees' Share	320,817	406,036	367,176	505,886	313,895	188,909	336,784	339,279
Wage & Benefit Reserve	8,691	17,359	28,171	36,188	Nil	Nil	7,487	15,766
Cash Distribution	312,126	388,677	339,005	469,698	313,895	188,909	329,297	323,513
Cash Distribution								
No. of Employees paid	3,929	4,131	4,371	4,749	4,822	4,777	4,785	4,582
Average Payment to Covered Employees—								
Percentage	21.46%	25.83%	19.53%	24.05%	15.79%	9.47%	18.04%	17.55%
Cents per Hour	\$.55	\$.66	\$.50	\$.62	\$.40	\$.24	\$.46	\$.45

Looking at the committee concept from a broader standpoint, our experience certainly does not lead to a conclusion that a tripartite approach is either necessary or desirable in other situations. In our own case, we had the good fortune to have both sides in agreement on the desirability of outside assistance and were able to draw on the services of men with outstanding backgrounds, a great knowledge of collective bargaining in the steel industry and, most significantly, acceptance by both parties based on previous associations in a wide variety of endeavors in the past. On the other hand, looking at the basic steel industry, we see that they started from the same 1959 strike situation and built a Human Relations Committee without outside members which has also produced outstanding results. Looking elsewhere, it is also possible to find other successful relationships which succeed without a committee of any kind. The inevitable conclusion is that a committee is not essential, but what *is* essential is the willingness of the parties themselves to apply themselves with a desire to solve the complex issues facing them in their collective bargaining relations. We feel, as mentioned earlier, that the greatest, although far from the sole, contribution of our approach has been to reinforce our "willingness" during those periods when failure might have been so much easier than facing up to our responsibilities.

The Long Range Sharing Plan

Any evaluation of the Long Range Sharing Plan is undoubtedly premature and should be done by someone more removed from the situation. The initial operation of the plan has been most successful. The cash payments, while far from a complete measure of the plan, have been good. The impact it has had on attitudes and cooperation in our plant operations has been startling. Our ability to deal flexibly with the 1963 steel industry settlement within the framework of our plan suggests that it offers a sound approach to this often difficult area. On the other hand, we are still looking at a "long range" plan from a "short range" point of view. The initial problems of development, installation and adaptation have been met with a great deal of goodwill on both sides. Naturally, we expect and hope that this will continue, but hope is not a sound basis for analytical appraisal. During the initial period of its operation, the plan has not faced some of the major issues for which it was intended. To date, there

have been only modest technological changes, only minor economic fluctuations and, hence, only minor pressures. The true tests will come as the plan is subjected to the harsher aspects of our economic "facts of life." The original agreement to install the plan for a four year period was based on an honest feeling by all concerned that this was not too long an experimental or pilot period, during which we would continually review its operation and make annual adjustments as seemed necessary.

Obviously, we are enthusiastic about our plan and its results so far. It would also be unfair to you not to state that we are highly optimistic that it will do what we set out expecting it to do. If this optimism had to be tempered it would be in this thought that I would like to leave with you. No plan or program or whatever it may be called is going to solve the complex problems facing us in the field of collective bargaining on any automatic basis. At best, it can provide a framework within which we can make a success of collective bargaining if we want to do it and if we are prepared to work hard and continuously to accomplish our goal.

Part III

**COMPARATIVE INTERNATIONAL
LABOR STUDIES**

MODEL INDUSTRIAL RELATIONS SYSTEMS

JOHN P. WINDMULLER
Cornell University

Among all existing industrial relations systems there are a few systems which consider themselves, and which are generally recognized, as patterns or exemplars that deserve close study, emulation, imitation, or adaptation. These model systems, as I shall call them, have several common characteristics differentiating them from the large majority of industrial relations systems.

The term "industrial relations system," as used here, is intended to have the meaning bestowed on it by Professor John T. Dunlop. An industrial relations system, considered analytically, is a subsystem of the total social system. It consists of three principal sets of "actors" (a hierarchy of workers and their spokesmen, a hierarchy of managers and their representatives, and specialized public and private agencies) who fashion the rules of "the work place and the work community" within relevant settings or contexts (notably the technological context, the market context, and the power context).¹

I

Each industrial relations system differs from every other system in terms of the substantive rules, rule-making procedures, and position of the actors, though an appreciation of the magnitude and significance of the differences and similarities depends on one's perspective and on the depth of analysis. Seen from New Delhi, for example, the industrial relations systems of the several Scandinavian countries may appear to be practically identical. A closer view would bring to light significant differences along with undeniable similarities.²

The specific configuration of any particular industrial relations system is determined by a large number of variables most of which are *internal* to the culture, the traditions, the power structure, the economy, and the ideology of a given society. Dunlop's three major contexts subsume most of these variables. The members of the Inter-University Study of Labor Problems in Economic Development have concluded that the dominant force determining the character of an emerging industrial relations system is the elite which

¹ John T. Dunlop, *Industrial Relations Systems* (New York: Henry Holt, 1958), esp. pp. 1-28.

² See Walter Galenson, "Scandinavia," in *Comparative Labor Movements*, Walter Galenson, ed. (New York: Prentice-Hall, 1952), pp. 104-172.

leads its society into the era of industrialization. They write: "The major characteristics of a national industrial relations system appear to be crystallized by the leading elite at a relatively early stage."³ In noting, however, that the historical period in which a particular industrial relations system takes shape will itself be a significant influence on the character of the system, the Inter-University group also recognizes the importance of *external* forces, as exemplified by several references to the impact of the Russian revolution and of the International Labor Organization on systems which developed after World War I.⁴

The paramount importance attributed to the role of the industrializing elite may account for an important omission from the conceptual framework constructed by the Inter-University Study, namely the influence of already existing systems—or model systems—on the development of new industrial relations systems in emerging countries. Although Clark Kerr and his colleagues implicitly note the impact of outside models in certain situations, as for example in their description of the rule-making process under the leadership of "the colonial elite," they have not dealt directly with the possibility that less developed countries may find in imitation and adaptation of systems and rules developed elsewhere a pattern for the organization of a highly sensitive area of social and economic relations.⁵

³ Clark Kerr, John T. Dunlop, Frederick Harbison and Charles A. Myers, *Industrialism and Industrial Man: The Problems of Labor and Management in Economic Growth* (Cambridge: Harvard University Press, 1960), p. 235. In this portion of their analysis, the authors have paralleled the line of reasoning taken by Professor Dunlop in the book cited above, as a textual comparison will show.

⁴ *Ibid.*, pp. 235–237. Cf. my article, "External Influences on Labor Organization in Underdeveloped Countries," *Industrial and Labor Relations Review*, Vol. 16, No. 4 (July 1963), pp. 559–573.

⁵ Professor Dunlop, a member of the Inter-University Study, has dealt more explicitly with the impact of outside models in his separate volume *Industrial Relations Systems*, cited above: "The question whether the similar rules [of the workplace] are a common response or an instance of [international] borrowing basically involves very fundamental questions. . . . Even where careful historical studies could establish the importance of direct borrowing of rules, however, the point is to be made that some rules were borrowed and not others, and the environmental conditions in a country were more receptive in the case of some rules and unfavorable to others.

"The role of international borrowing of working rules is not inconsistent with the central interpretation. Some rules are largely the response to the common technological and market environments of the industry, modified or adapted to meet special national conditions. Other rules are largely the consequence of the particular national industrial-relations system. International borrowing may have played a role in some instances of common rules, but the national contexts would have to be congenial or permissive to the rule" (pp. 193–194).

In the contemporary world, the industrial relations system of a "new" or "emerging" country may be strongly influenced, in terms of its formal configuration and in the speed of its development, by deliberately accelerated efforts to conform at an early stage to advanced international norms and elevated national expectations. Before mid-1962, Ethiopia may have had some industrial relations problems, but it had no industrial relations system. It had few relevant laws, no specialized government agencies, no organized management structure, and only a few ephemeral and legally nonexistent labor organizations. Within the past year, a specialized government agency to deal with labor problems has been set up, labor laws have been enacted, labor organizations have been formed and officially recognized, collective agreements have become legally binding, a labor disputes machinery now exists at least on paper, and the formation of the first official employers' association is momentarily expected. (And incidentally, out of a very small number of senior Fulbright grants to Ethiopia for 1963-64 and 1964-65 one has been earmarked for a visiting American lecturer in labor relations.) This phenomenally rapid pace has been encouraged by the ILO, the International Confederation of Free Trade Unions (ICFTU), and probably also the United States whose Embassy in Addis Ababa has reported with evident approval that Ethiopia's new Five-Year Plan "stresses the need for responsible trade unions and sound labor relations through collective bargaining."⁶

II

In recent years there has been a certain amount of discussion in the United States about the exportability of the American industrial relations system as a model for other countries. Solomon Barkin concluded some time ago in an article entitled "Is the U. S. the Model for World Labor and Industrial Relations?" that unwillingness or inability to find new ways of dealing effectively with substantive and procedural problems in labor-management relations had seriously weakened America's position as a model and leader for the rest of the world.⁷ In 1962, Professor Charles A. Myers devoted his presidential address before the Industrial Relations Research Association to a stimulating discussion of the exportability of certain features

⁶ *Labor Developments Abroad* (July 1963), pp. 7-9. Cf. "Ethiopian Labour on the Move," *Free Labour World*, No. 155 (May 1963), pp. 16-17.

⁷ *Labor Law Journal*, Vol. 11, No. 12 (December 1960), pp. 1120-1130.

of the American industrial relations system, especially those involving management.⁸ Walter Galenson has suggested that "the governments of underdeveloped nations might well ponder the lessons of the American labor scene before and after the Wagner Act" before deciding whether or not to encourage collective bargaining in the private sectors of their economy.⁹

Why is the question of exportability of current interest? Beyond the worthy notion that one can always learn something from the experiences of others I suggest that a less obvious explanation lies in the existence of a rather complicated network of international competition among a few industrial relations systems intent on serving as models for the structuring of labor-management relations in the new, or newly emerging, countries. Foremost among the models are the United States, the Soviet Union, Great Britain, Yugoslavia, Israel, Sweden, and West Germany. With reservations, a few others might be added to this list, possibly France, Egypt, Ghana, and Australia. Italy during the Mussolini period and Argentina during the Peron era are instances of former model systems which have lost their standing as models for reasons to be explained later.¹⁰ In any case, only a few industrial relations systems currently qualify as models.

The existence of models is partly a result of the fact, as I have already noted, that a large number of countries are for the first time urgently compelled to develop an industrial relations system or are seeking to convert an inadequate system to meet new economic, political, and technological conditions. Through imitation and adaptation, many of them have demonstrated their awareness of the models

⁸ Charles A. Myers, "The American System of Industrial Relations: Is it Exportable?" *Proceedings of the Fifteenth Annual Meeting of the Industrial Relations Research Association* (1962), pp. 2-14.

⁹ *Labor and Economic Development* (New York: Wiley, 1959), p. 18. Cf. also James D. Hoover's paper "Should American Trade Unionism be Exported?" Research Seminar on Comparative Labor Movements, Third Session, Washington, D. C., December 15, 1959 (mimeographed).

¹⁰ ". . . in October 1937 Getulio Vargas cancelled the [Brazilian] elections to choose his successor, threw out the democratic constitution of 1934, and proclaimed the Estado Novo. This new system of government was quite frankly copied after the Fascist corporate state constitutions of Italy and Portugal. Vargas dissolved the existing congress and proclaimed the reorganization of the state and the economy on the basis of 'functional representation.' All employers and all workers were to be brought into parallel organizations, and when this process was completed, a new kind of functional legislature would be established in the undetermined future." Robert J. Alexander, *Labor Relations in Argentina, Brazil, and Chile* (New York: McGraw-Hill, 1962), pp. 59-60.

of other countries, as a few examples will show. The structural scheme of Ghana's labor organizations is, on paper, an exact replica of the German DGB's structure.¹¹ The basic labor relations law of the Philippines of 1953 was strongly influenced by the American Wagner and Taft-Hartley Acts.¹² The legislation of the state of Western Australia has served as a model for the compulsory arbitration law of Singapore.¹³ The industrial relations systems of most African countries bear, and will for a long time continue to bear, the imprint of laws and models implanted during colonial rule. And under conditions precluding the exercise of free choice, the Eastern European countries have fundamentally reorganized their industrial relations systems to conform more or less to the Soviet pattern.¹⁴

The use of foreign models is by no means unique to the sphere of industrial relations. Countries which are determined to adopt modern institutions under forced draft have in the past often shown

¹¹ See John K. Tettegah, *A New Chapter for Ghana Labour* (Accra, n.d.). Cf. Lester N. Trachtman, "The Labor Movement of Ghana: A Study of Political Unionism," *Economic Development and Cultural Change*, Vol. 10, No. 2 (January 1962), p. 193. The outright adoption of the DGB's structure did not signify, of course, that the Ghana TUC had thereby also adopted the essence of postwar West German trade unionism. On the contrary, the tasks and position of the Ghana TUC in Ghanaian society seem to be increasingly based on the pattern of labor organizations in Communist countries. As a result, "The New Structure" of unions implemented in 1959 is already becoming outdated. At the 1962 Congress of the Ghana TUC John K. Tettegah, the Secretary-General, expressed the need for structural change in the following terms: "In line with our development and growth as a trade union movement it will be necessary for this Congress to appoint a Special Committee to examine some revisions and adjustments with regard to our national unions. We must observe here the logical point of view that we should adapt our national unions to patterns and structures in line with our national economy and the State apparatus, especially the Ministries. I think we can all see the value of such an approach towards the rationalisation of our work." *Towards Nkrumism: The Building of Socialist Ghana, The Role and Tasks of the Trade Unions*. Report on Doctrine and Orientation Presented to the First Biennial Congress of the Ghana Trades Union Congress, March 26-30, 1962 (Accra: Education and Publicity Department of the TUC-Ghana, n.d.), p. 59.

¹² Cicero D. Calderon, "From Compulsory Arbitration to Collective Bargaining in the Philippines," *International Labor Review*, Vol. 81, No. 1 (January 1960), pp. 10-11. Cf. David Wurfel, "Trade Union Development and Labor Relations Policy in the Philippines," *Industrial and Labor Relations Review*, Vol. 12, No. 4 (July 1959), pp. 593ff.

¹³ See Paul L. Kleinsorge, "Singapore's Industrial Arbitration Court: Collective Bargaining With Compulsory Arbitration," to be published in *Industrial and Labor Relations Review*, Vol. 17, No. 4 (July 1964).

¹⁴ "[In East Germany] the first 'collective agreements,' for example, represented practically verbatim translations of Soviet originals." Karl C. Thalheim, "Die Rezeption des Sowjetmodells in Mitteldeutschland," in Georg Jahn and W. M. von Bissing, eds., *Die Wirtschaftssysteme der Staaten Osteuropas und der Volksrepublik China*, Vol. I (Berlin: Duncker and Humblot, 1961), p. 329.

their readiness to be guided by economic, military, technological, and legal systems developed elsewhere. Japan is probably the most striking example. Its constitution was modelled after that of Bavaria; its navy patterned itself on the British model; its army followed the scheme of the Prussian army; the Bank of Japan was an adaptation of the Bank of Belgium; and Japan's technology rests in large measure on prior German and U. S. developments.¹⁵

Although some transferring of institutional forms, procedures, and techniques of industrial relations has been going on for perhaps a century or more, rapid advances in the means of international communication and transportation since World War II have of course enhanced the opportunities for international borrowing. With some, but not much, exaggeration one might say that a kind of international market for industrial relations systems has now emerged. Governments, labor organizations, managements, and international agencies are active participants in this market. Under the pressure of competition, the sellers have developed an astonishing variety of techniques to make their model industrial relations systems better known and to place their achievements and prospects in the best possible light. Travel grants, study tours, free subscriptions to specialized journals, financial support for buildings and equipment, training and educational programs, subsidies for operating purposes, diplomatic channels, and other devices serve to attract an often receptive clientele.

III

Model systems have common characteristics which, as a group, set them off from other industrial relations systems and which are prerequisites to their standing as models. In the first place, the ideologies of the three sets of actors designated by Dunlop—workers and their organizations, management and its hierarchy, and the relevant government agencies—must be compatible among themselves on a preponderant number of critical issues.¹⁶ There must be substantial agreement between them on their common goals and on the

¹⁵ Gilbert Highet, *The Migration of Ideas* (New York: Oxford University Press, 1954), p. 13. Cf. Fritz Redlich, "Ideas: Their Migration in Space and Transmittal Over Time," *Kyklos*, Vol. 6, No. 4 (1953/54), pp. 301-322.

¹⁶ Dunlop notes that the ideology of an industrial relations system must be distinguished from the ideology of the larger society of which the industrial relations system is a subsystem. But these two sets of ideologies "can be expected to be similar or at least compatible in the developed industrial society." (*Industrial Relations, op. cit.*, pp. 16-17).

legitimacy of their separate goals, on the allocation of their respective roles and rights, and on the principal procedures for industrial rule-making. In other words, there must be a fundamental consensus in the model system. Its absence advertises weakness and dissension and thus warns prospective clients away.¹⁷

Failure to achieve a fundamental consensus helps to explain why Japan is not a model and why, despite Japan's remarkable economic growth rate, it will not become one as long as the ideology of Japan's major labor organization is hostile to the prevailing social and economic order.¹⁸ The model status of the French industrial relations system, especially outside the ex-colonial territories in Africa, has been damaged for much the same reason. In most of the now independent African countries, the vestiges of French influence on the industrial relations systems stem from continuing economic and cultural ties with France, the persisting impact of labor market institutions introduced during colonial rule, and the essentially French character of the labor organizations which were at one time structurally integrated into the three metropolitan national centers.¹⁹

Consensus is a necessary condition for a model industrial relations system, yet it is not sufficient in itself. Obviously a very large number of industrial relations systems can point to the existence of

¹⁷ It ought to be noted that the means for achieving consensus are apparently not a critical factor in themselves. A particular country in search of an industrial relations model may well be concerned about the democratic or authoritarian nature of the society within which the model exists. But what matters here is that there be a consensus, for without it an industrial relations system will not be recognized as a model.

¹⁸ Professor Solomon B. Levine, who has approached the question from a different point of view, has concluded that the Japanese labor movement may well represent a relevant model for labor movements in underdeveloped countries, particularly because of the "Japanese formula of dividing the political and economic functions" of unionism. "Japanese Trade-Unionism as a Model in Economic Development," in *National Labor Movements in the Postwar World*, Everett M. Kassalow, ed. (Evanston, Illinois: Northwestern University Press, 1963), pp. 185-204.

¹⁹ "In passing along their own brand of trade unionism to the Africans, the French have helped to put into common circulation in their areas an exceptionally rich body of doctrine. They bequeathed all the ideological heritage of the French labor movement to the new African unionism. Although personalities have always been more important than ideologies in the African union world, ideological factors are significant; and although most formal ties between the African unions and the 'parent' French unions have been severed, the metropolitan ideological imprint remains strong." Elliot Berg, "French West Africa," in *Labor and Economic Development*, Walter Galenson, ed. (New York: Wiley, 1959), p. 215.

consensus though they are not models. The model must also demonstrate—and this is the second prerequisite—its capacity for a high rate of achievement or success within its own society along one or more relevant lines.

Precisely what kind of achievement is deemed to be relevant depends on the orientation of the industrializing elite and on the problems which the industrial relations system is expected to solve. Where rapid economic development is the overriding objective the model is expected to show that in its own society it has contributed significantly to this goal. But other achievement criteria can be equally relevant or even more important. These may include, for example, the model's demonstrated capacity to maintain a high degree of industrial peace, as in Sweden. In fact, for this and other reasons the Swedish industrial relations system has become more of a model to certain industrialized countries than to the underdeveloped countries.²⁰ The Israeli model stresses Histadrut's success in combining traditional trade union functions with the establishment of cooperative enterprises. Worker participation in the management of enterprises is emphasized by Yugoslavia and West Germany. The United States draws attention, among other things, to democratic decision-making in its system and to the advantages of collective bargaining as compared with legislative rule-making. Great Britain emphasizes the voluntaristic character of its model. The Soviet model relies heavily on its disciplinary and production-centered elements. In general, models will stress those features which combine relevant successful achievements with an original contribution or innovation.

Besides consensus and successful performance, a model system must have at least one additional quality. This is evident because many industrial relations systems can meet both of the foregoing

²⁰ During the past few years an extraordinary keen interest in the Swedish industrial relations systems has emerged in the United States and in Great Britain due to Sweden's success in coping, within a democratic political framework, with major economic and social problems common to most advanced industrial countries. See for example the testimony of Swedish government, employer association, and union officials before the U. S. Senate, Subcommittee on Employment and Manpower, 88th Congress, 1st Session, *Nation's Manpower Revolution* (Washington, D. C.: Government Printing Office, 1963), Part 3, pp. 984-1013. Cf. Joseph A. Raffaele, "Industrial Relations in Sweden—Myth or Model?" *Personnel*, Vol. 40, No. 3 (May-June 1963), pp. 43-52; and Jack Cooper, *Industrial Relations: Sweden Shows the Way* (London: The Fabian Society, 1963), Fabian Research Series 235.

prerequisites, even though most of them are not models. There is no appreciable difference between Norway and Sweden, the Netherlands and Great Britain, Canada and the United States, in terms of consensus and achievement. Yet, in each of these pairs one is a model and the other is not.

The third factor may be called the will to export or the will to demonstrate.²¹ It is expressive of a country's strength of conviction in the wider relevance of its own industrial relations system—a conviction that tends to be associated with national aspirations to global or regional leadership and to some extent with considerations of national security. The pursuit of these objectives and ambitions involves the employment of modern instruments of international relations, including public and private economic and technical assistance programs, for the propagation of model industrial relations systems. Viewed from this perspective, the successful exportation of an industrial relations system, or of one of its major components, contributes to the achievement of national foreign policy goals in the same way as the transplantation of a model political or economic system. It does this by steering the development of the recipient society along desired lines, by strengthening the position of congenial forces and institutions abroad, and by simultaneously reinforcing the exporting country's prestige and leadership position.²²

A recent article on the Histadrut's Afro-Asian Institute for Labor Studies and Cooperation, which trains African and Asian labor leaders and industrial relations specialists, clearly acknowledges the foreign policy implications of the Institute's activities in noting that "Israel's motives were not only altruistic" in establishing the Institute. "Israel needed and legitimately sought friends, good will, understanding and normal cultural and diplomatic ties."²³ In testimony before a subcommittee of the House Committee on Education and Labor,

²¹ "Much has been written on Duesenberry's effect of demonstration, but there certainly exists a different, though equally interesting phenomenon, which should be analysed and which might be termed the will of demonstration. . . ." Georges Fischer, "Trade-Unions and Decolonisation," *Présence Africaine* (English-language edition), Vols. 6-7, Nos. 34-35, p. 124.

²² See George C. Lodge, *Spearheads of Democracy: Labor in the Developing Countries* (New York: Harper and Row, 1962) and Bruce H. Millen, *The Political Role of Labor in Developing Countries* (Washington, D. C.: Brookings Institution, 1963), esp. pp. 4-16 and 65-69.

²³ Ben Zion Ilan, "Aims and Achievements of Afro-Asian Institute in Israel," *AFL-CIO Free Trade Union News*, Vol. 18, No. 6 (June 1963), p. 6.

Assistant Secretary of Labor George L-P Weaver declared: "The United States participates in the ILO to advance selected policy objectives, which include: (1) To assist the economic and social development of less developed countries in directions compatible with our own security and ideals; (2) To promote the development of free labor movements; (3) To inform other governments, workers, and employers of the values and benefits of the U. S. economic, social, and political system, and its advantages as compared with the Communist totalitarian system."²⁴ Such examples could readily be multiplied.

In summary, the three common characteristics of model industrial relations systems consist of consensus, relevant achievement, and the will to demonstrate and export.

IV

The scope of a country's international interests and commitments determines whether a model is globally or regionally propagated. During the Peron era, Argentina's industrial relations system was widely advertised throughout Latin America, but not elsewhere, as a model system. If Ghana's industrial relations system is a model—as shown perhaps by its recent influence on the shaping of the Tanganyikan industrial relations system—its appeal, too, is regional rather than global. On the other hand, the models of the United States and of the Soviet Union recognize no regional or cultural boundaries and therefore attribute to themselves a global rather than a regional significance.

As the foregoing discussion indicates, the size and power of a country do not in themselves determine whether its industrial relations system represents a model. India and Japan are not model systems even for the rest of Asia, nor for that matter is Communist China at this stage, although it is likely to become one. Yet Israel, a small country by any standard, has been eminently successful in widely disseminating a favorable image of its industrial relations system as a model, and so has Yugoslavia in a slightly more limited sense.

Model status can be lost for various reasons. A decline in the

²⁴ U. S. Congress, House of Representatives, Committee on Education and Labor, *Hearings on the International Labor Organization*, 88th Congress, 1st Session (Washington, D. C.: Government Printing Office, 1963), p. 171.

strength of one or more of the requisites will lead to loss of, or serious damage to, this position. Barkin in the article already mentioned wrote that "During the later 40's and early 50's people came by the thousands [to the United States] to study our labor and industrial relations system. It was a model for the rest of the world. They found much to approve. Now those who visit us perceive stagnancy in many areas or even retrogression in some. Unconvinced that we have found the answer for ourselves or them, nations have begun to experiment in other directions."²⁵ While I would not agree that the United States is no longer a model system, it is clear that a decline in the ability of the U. S. system to demonstrate its effectiveness in terms relevant to others (and to ourselves) will sooner or later relegate it to being just another system rather than a model. The overthrow of the Peron regime and the all too evident dissension in Argentine society have at least for the time being removed this Latin American country from model status within its own region. Colonial powers may lose much of their influence over the industrial relations systems of their overseas possessions after the achievement of national independence. Under certain circumstances the colonial model can even become a negative exemplar—something to be opposed and overturned, as in Ghana.²⁶

Model systems are not limited to those of the advanced industrialized countries. These do have an advantage in being able to point to an accumulated record of achievements, but a few of the new countries have not let their youth deter them from representing their systems as relevant models. Israel is of course the best example of a new country with a recognized model system. Egypt, Ghana,

²⁵ *Op. cit.*, p. 1121.

²⁶ Concerning Ghana, which is the most striking example of a country that has deliberately overturned an imported system, Lester Trachtman has noted that the introduction of a new industrial relations system was rooted in the leaders' "desire for a complete denial of everything British. British colonial labor policy was their scapegoat for the weak union movement that had existed in Ghana. In establishing the New Structure . . . a system of unionism completely contrary to British practice was adopted." (Trachtman, *op. cit.*, p. 193.) Another observer confirms this view: "These changes were set in motion by a conscious reaction from the British trade union structure which had previously served as a model for Ghana. . . ." Douglas Rimmer, "The New Industrial Relations in Ghana," *Industrial and Labor Relations Review*, Vol. 14, No. 2 (January 1961), p. 206.

and even Guinea have also tried, though with somewhat less success, to draw attention to their own innovations as guides for nations within their claimed sphere of influence. The chief advantage of a new country is, in fact, precisely the newness of its model as a guide for other, equally new, countries. The ability to point to tangible, or even intangible, results achieved within a short span of time carries great weight where speed is considered to be of the essence. In this respect, of course, the Soviet Union claims to have a significant edge over the United States.²⁷

From the viewpoint of the recipient country, industrial relations models are almost always regarded as partial rather than as comprehensive exemplars, and wisely so. Attention centers on those aspects of a model which are expected to be particularly helpful in filling a pressing need or overcoming a particular weakness, whether this be an untidy union structure, a rudimentary legal framework, disorganization in the specialized administrative agencies dealing with labor problems, or anachronistic management attitudes. Indeed, some countries, such as Turkey, have obviously made eclectic choices from among a number of different model systems instead of concentrating on a single one. For reasons of efficiency, adaptability, and perhaps also because of ideological and foreign policy considerations, these countries have deliberately searched out individual components of model systems to help build or modify their own industrial relations structures.

Although the exponents of certain models may assert that their usefulness depends on complete adoption of the industrial relations system, a more sophisticated approach clearly dictates emphasis on a few outstanding and particularly relevant features of the model. Professor Myers has concluded that, though the U.S. industrial relations system as a whole is not exportable, "more of what management has learned and practiced in the United States is applicable in other industrializing countries than is much of our trade union experience or our governmental system of industrial relations."²⁸

²⁷ W. Donald Bowles, "Soviet Russia as a Model for Underdeveloped Areas," *World Politics*, Vol. 14, No. 3 (April 1962), pp. 483-504.

²⁸ Myers, *op. cit.*, p. 6.

In other words, model industrial relations systems should best not be regarded as indivisible units which can only be transplanted and adopted in their entirety or not at all.²⁹

V

The factors which determine the "rate of adoption" of a model system are multiple and partly accidental. Geographic proximity seems to have some importance though it is clearly of secondary significance, as shown by the quite different impact of the U.S. model on Canada and Mexico. Of greater relevance, I suggest, are ideological compatibility, foreign and domestic political considerations, and access to information.

The significance of ideological compatibility may be illustrated most conveniently by reference to the five ideal types of industrializing elites suggested by the Inter-University Study.³⁰ A country industrializing under the leadership of the so-called revolutionary-intellectual elite will be most receptive to an industrial relations model in which the actors and their roles conform most nearly to the expectations and requirements imposed by this elite's particular strategy of development. With due recognition to the stricture that the five elites are explicitly designated as ideal types which "do not correspond to any single actual case," it is evident that the Soviet industrial relations system and perhaps that of Yugoslavia will fill the requirements of a model acceptable to a revolutionary-intellectual elite more adequately than, say, the United States industrial relations system. The converse would apply in the case of the middle class elite which would find the Soviet model ideologically

²⁹ Some components, however, are so closely linked to the operation of the system as a whole that they do not seem to lend themselves to export, no matter how successful in their own settings. The use of private voluntary arbitration in the grievance procedure under American collective agreements has, as far as I know, found little or no acceptability abroad although it is an outstandingly successful achievement of the American industrial relations system. However, one American arbitrator has expressed an optimistic belief in the relevance of arbitration to African industrial relations systems in the following terms: "If arbitration can be stimulated and developed in Africa it will do a great deal to solve immediate problems, and more importantly help the parties to come to an increased understanding of their mutual problems, and iron out dispute areas between them. Then they will be able to more effectively devote their full energies not to fighting each other, but to fighting the battle for the economic and social development of Africa." Arnold Zack, "Towards Voluntary Arbitration in Africa," *Bulletin of the Inter-African Labor Institute*, Vol. 9, No. 4 (November 1962), p. 68.

³⁰ Kerr *et al.*, *op. cit.*, pp. 47-76.

incompatible with the institutional arrangements of the open society and the free market. The colonial administrators will, more often than not, be guided by the model of the colonial power, after taking into consideration with varying degrees of sophistication the more or less obvious differences in conditions to which the model must be adapted. The dynastic elite tends to reject models altogether, if only because those which are available do not assure its own perpetuation. If compelled by internal or external pressures, or by both, to develop a systematic industrial relations structure, the dynastic elite will probably turn to a model representative of the middle class elite and sift out those elements which can be fitted into its scheme with least danger of upsetting existing power arrangements. The nationalist leaders likewise prefer to avoid model systems, especially if these are identified with one or another of the dominant ideologies. The nationalist leaders are, however, sometimes willing to follow the pattern of such countries as Israel and Yugoslavia because these countries are not readily tagged by the stigma of colonialism or neo-colonialism. At the same time, Israel and Yugoslavia are themselves sufficiently socialist in character to fit the nationalist elite's insistence on state-directed development. In sum, the selecting group will tend to choose that model which is ideologically congenial, strengthens its own position, and reinforces its development strategy.

Ideological compatibility as a choice-determining factor depends to some extent on the kind of transfer under consideration. It is less important in the selection of particular techniques, practices, and rules than in instances of major transplantations. Thus, even if the ideology of the U.S. industrial relations system is unacceptable to the dominant elite, this will not necessarily preclude the assimilation of specific U.S. management techniques, such as wage incentives, or union practices, such as the check-off, or joint rule-making procedures, such as American-style collective agreements.

Another factor determining the acceptability of a model—and one which is related to the first—is the state of international power relations. Countries that are anxious to adopt and to preserve a posture of neutrality or non-alignment between East and West will lean toward an industrial relations model that is not identified with the social system of a major power. The generally overriding influence of governments on the selection of a model helps to ensure,

where this factor is an important one, that the model system is not associated with a contender for world or regional leadership. Whenever this is a key consideration, Israel, Yugoslavia, and Sweden possess an inherent advantage over most other models. By the same token, the government of a potentially recipient country would be taking evident risks in supporting the adoption of a model, or part of it, which is deemed politically obnoxious by one of the actors in the industrial relations system. For instance, the present government of Chile would encounter strong opposition from the dominant trade union federation, which is under radical left-wing leadership, if it were to endorse the introduction of major innovations in industrial relations patterned on the U.S. model.

Finally, an industrial relations system about which nothing is known can scarcely serve as a model. Conversely, those systems which dispose over adequate means to disseminate information about themselves will at least not be overlooked as models out of sheer ignorance. Many different instruments have therefore been devised to diffuse among an international audience information about the functioning and significance of various industrial relations systems, including training courses, specialized embassy personnel, publications programs, exchange programs, participation in trade fairs, and others.

VI

This paper is intended to analyze systematically the significance of model industrial relations systems and their role in influencing the structuring of labor-management relations, especially in the new countries. Professor Galenson prefaced his second volume of essays on labor relations in developing countries with the observation that "Every country which is now in the process of determining its ultimate institutional arrangements will have to opt" either for an industrial relations system in which trade unions are "basically independent of state and employer influence" or one in which "they cannot function as genuinely representative institutions."³¹ While the actual choice will rarely consist of such a

³¹ Walter Galenson, *Labor in Developing Economics*, Berkeley and Los Angeles (University of California Press, 1962), p. 10. B. C. Roberts has expressed the same notion: "Whatever the shortcomings of British colonial policy might have been, there can be no possible doubt that the governments of both parties [i.e. Conservative and Labour] have been absolutely right to foster free trade unionism and a pattern of industrial relations based in principle upon ideas pioneered and tested in Britain and the western world." *Trade Unions in a Free Society* (London Institute of Economic Affairs, 1959), p. 111.

clear-cut dichotomy instead of a larger intermediate range of options, the process of selection will undoubtedly be influenced by the availability of alternative model systems. To keep the U.S. industrial relations system in the running as a model requires, if my analysis is generally correct, an enlargement of the area of consensus, a higher rate of achievement toward at least those goals which matter to our own society, and a greater regard for the foreign policy implications of domestic labor-management relations. Whether this is possible remains to be seen, but past performance indicates that management, labor, and government agencies in this country operate under constraints which make it very difficult for them to place a high priority on the last of these three factors.

INDUSTRIAL RELATIONS PROBLEMS IN THE DEVELOPING INDIAN ECONOMY: THE TASK IMPOSED BY COMPETING OBJECTIVES

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INTRODUCTION

My main concern in this paper is with the objectives and constraints governing the determination of industrial relations policy in India. International transfers in industrial relations are not simply a function of ideas, but also of the relevance of borrowed practices.¹ An examination of the Indian experience will, I hope, complement the discussion on the exportability of industrial relations models.

GOVERNMENT INTERVENTION IN INDIAN INDUSTRIAL RELATIONS²

Active government intervention in industrial relations at the time of independence was a response to the abnormal and widespread industrial strife, the expectations of improvements in working conditions, and the threat of communist control of the labor movement. A new labor wing, the Indian National Trade Union Congress (INTUC), was sponsored by the ruling party and many militant labor leaders were jailed. A comprehensive labor program enunciated gains that would accrue to labor under an independent government. The extensive resort to compulsory conciliation and adjudication became the means of arriving at summary decisions to settle industrial disputes. The legislative requirement of works committees and labor welfare officers, it was hoped, would lessen workplace tensions.

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¹ John T. Dunlop, *Industrial Relations Systems*, Holt-Dryden, 1958, p. 193.

² For general references to Indian conditions up to 1957, see Charles A. Myers, *Labor Problems in the Industrialization of India*, Harvard University Press, 1958.

The year 1952 marked a major turn bringing to the forefront the requirements of democratic politics and a planned economy as determinants of industrial relations policy. Planning for development posed the need for wage restraints, productivity increases, and uninterrupted production. However, the first general elections held under conditions of universal franchise confirmed the role of leftists in the labor movement and, more generally, the grievances which they attempted to mobilize as factors to contend with. It was felt that compulsory adjudication could not be a substitute for more purposive relationships between management and labor. At this stage Labor Minister Giri (first trade unionist appointed to the post) advocated the superiority of "free" collective bargaining to public control. The "Giri approach" did not win approval but the subsequent statement in the First Five Year Plan placed less stress on the government and more on the responsibility of managements and unions. An earlier statement implying a ban on strikes was omitted, though restraint was expected; the positive role of management and labor was stressed; and the responsibility of the state to assure conditions of work which would minimize conflict was affirmed. Conceptually, public intervention took second place though in practice it continued to be extensively used.

However, in the last ten years there has been an increased emphasis on promoting consensus and raising the "moral" commitment of the parties directly concerned to an industrial relations policy appropriate to the needs of the nation.³ The main avenues of development became tripartism, providing for extensive consultations with employers' and workers' representatives on matters of policy and implementation; voluntarism, comprising voluntary arbitration or the signing of collective agreements and joint consultation at the plant level in the form of joint management councils; and moral suasion and public pressure in support of specific Codes of Conduct (Codes of Discipline, or Inter-Union Rivalry, and of Efficiency and Welfare), agreed upon in tripartite forums. The government has also sponsored a country-wide workers' education program (to moderate the influence of the "outsiders"), national and regional productivity councils, and a number of training schemes to improve the quality of management, including supervision, and conciliation.

³ Government of India, *Third Five Year Plan*, 1961, p. 250.

One should also note the direct encouragement to industrial relations research.

The Indian Labor Conference (ILC), the apex forum at which all policy issues are discussed annually, has assumed a key role in these developments.⁴ The labor and employing ministries of the Central Government, the State Labor Ministries, leading employers' and workers' organizations and, in recent years, managements from the public sector are represented. The Agenda and memoranda evidence increasing background work and presentation of information. Special conferences have been called to discuss specific problems, e.g., the state of lawlessness in the coal mines. Some ILC principles, as in the case of rationalization or abolition of contract labor, influence the deliberations of tribunals, commissions or wage boards. The tripartite machinery is duplicated at the state and industrial levels, although in general they do not meet as regularly and are not as representative.

Another major innovation is the Code of Discipline, which is supported by an Evaluation and Implementation Machinery, both at the Center and in the States.⁵ The Code's significance lies in its tendency to focus on practices considered inimical to sound industrial relations and in the limelight attending discussions of government, management or union behavior. There has thus been considerable pressure on employers to negotiate with unions. Mr. Nanda, the Labor Minister, has also declared that there will be no discrimination in favor of any of the rival labor federations in the administration of the Code. Labor unions also came under pressure when the 1962 Conference witnessed a determined attempt by some state governments and employers to ban hunger-strikes as violations of the Code. The attempt failed but the considerable antagonism towards hunger-strikes compelled the labor representatives to disown responsibility for its use.

The prevailing policy is, however, a complex mix of earlier and later phases of public policy. Extensive government intervention, including the employment of police power, to secure dictated settlements coexists with efforts to encourage bipartite relationships and

⁴ For details, see Government of India, *Consultative Machinery in the Labour Field* (Labour Bureau Pamphlet—Series 1), 1959.

⁵ See Government of India, Ministry of Labour and Employment, *Evaluation and Implementation Machinery* (1961), and *Recognition of Unions under the Code of Discipline* (1962).

tripartite consensus on important issues. Short-run efforts to pacify disputes or quell disorders are complemented by longer-run efforts aimed at training, publicity and research. It would be helpful to an evaluation of the challenges posed by Indian conditions to review briefly the approaches of unions and managements and to identify the principal industrial relations situations.

THE LABOR MOVEMENT

Politically motivated individuals and groups have traditionally been active in the labor movement. Differences among them intensified after Independence as political parties reached out for mass support. However, more limited trade union loyalties have significantly influenced the relative fortunes of the principal groups in the labor movement, namely the INTUC, the communist-led All India Trade Union Congress (AITUC), and the democratic-socialist Hind Mazdoor Sabha (HMS).

INTUC's role in the labor movement has been compromised because of the greater freedom with which the communist and socialist opposition has marshalled labor protest and because INTUC leaders consider themselves to be Congressmen first and labor leaders second.⁶ On the other hand, differences between INTUC and Congress were inevitable and have been expressed in INTUC comments on government policy.⁷ Increasingly the INTUC has adopted more militant tactics, notably recently in West Bengal.⁸ Even where this is not so, INTUC-Congress conflicts prevail in many states. Also, official support for INTUC has never been total despite administrative discretion favoring INTUC unions in referrals of disputes for adjudication and state legislation, as in Bombay or Madhya Pradesh, which support INTUC industrial unions. But the rivals have been free to act, and in several instances private and public employers have recognized rival unions without reference to political considerations. The INTUC never became, and perhaps never had any

⁶ See the interesting comments by Ralph James, "Politics and Trade Unions in India," *Far Eastern Survey*, March 1958, p. 43. See also my "The Gandhian Model of Unionism in a Developing Economy: The TLA in India," *Industrial and Labor Relations Review*, October 1962.

⁷ See INTUC, *Labour Policy in Third Five Year Plan*, New Delhi, 1960, esp. pp. 7-8.

⁸ See the scathing indictment by Mr. Kali Mukherjee in *Twelfth Annual Conference of West Bengal Pradesh National Trade Union Congress*, 1960-61, esp. pp. 19 and ff.

chance to become, a labor wing of the dominant party as in the totalitarian states.

The Socialist-led HMS opposed both the Congressmen and the Communists, but, as the communists gained ground in the labor movement and the Congress adopted "socialistic" goals, the socialist leadership faced a serious dilemma. This led to inchoate, but stillborn, attempts at unity with the INTUC as well as splits within the socialist camp. Out of this dilemma, too, was born Asoka Mehta's famous statement of trade union responsibility in economic development advocating cooperation in implementing the plans.⁹ Several key HMS leaders did not share Mehta's views. In 1963 Mehta was replaced by another leader with a more militant record of opposing the Congress (and of collaboration with S.A. Dange, leader of the AITUC and of the anti-China communists).

According to communist doctrine, trade unions are "instruments" in the class struggle, a struggle which is defined and led by the party elite.¹⁰ This elite discounts trade unionism and collective bargaining as tactics of class collaboration. In practice, however, the communists met with major restraints. Insurrectionary tactics were firmly put down by the government, and were actually abandoned in the early fifties, leading even to one unusual espousal of non-violent communism by P. C. Joshi, a party general secretary. More important, the weakening of the socialist position and the timorous policies of the INTUC promised rewards by simple recourse to trade union tactics.

A pragmatic approach has thus led to AITUC support of the INTUC challenge to the powerful Indian Jute Mills Association (representing the 200,000 man jute industry in Calcutta) for its unwillingness to recognize any union, and its criticism of the West Bengal state government. However, in Bombay, Indore, or Jamshedpur, where the state governments or employers (generally associations of employers) negotiated with INTUC unions, the AITUC has embarrassed the established order. In the major centrally regulated industries, where the employees are relatively active in running their unions, the AITUC has supported them without integrating them in the AITUC and, occasionally, as in the

⁹ Asoka Mehta, "The Mediating Role of the Trade Union in Under-developed Countries," *Economic Development and Cultural Change*, October 1957.

¹⁰ For a systematic exposition, see A. Lozovsky, *Marx and the Trade Unions*, People's Publishing House, Bombay, 1948, esp. pp. 8-17 and 149-160.

Central Government Employees Strike in 1960, only cautiously. In other places the AITUC officials have freely availed themselves of the provision for compulsory adjudication as provided in the Industrial Disputes Act, even though they have called it an "evil" law.¹¹ However, in the new industries operating under sheltered and expanding product market conditions, where difficult problems like rationalization confronting the cotton or jute industries are not present, the communist leadership has encouraged plant-level bargaining, decentralized union leadership, and forms of union-management relationships similar to local agreements in the United States.¹²

The communist responsibility to the party, rather than to the industrial proletariat, was revealed in an about-face when they assumed power in Kerala in 1957.¹³ They invited Indian industrialists on the promise of low wages; in a famous agreement with Birlas, communist symbol of the worst in Indian capitalism, they assured the company of favorable terms such as no Indian government had dared to offer publicly; and finally they engaged in administrative manipulation to support communist unions, despite their clamor elsewhere in India for the secret ballot to determine membership support. The rival federations, including the INTUC, exploited the situation with sufficient success to make the communist government forget its promise not to use police power in labor disputes.¹⁴

MANAGEMENT RESPONSE

At the outset of Independence there were few recognized unions and, worse, few managements which were appreciative of the need for rational management of labor. Managerial attitudes sharply rejected government intervention and what was labeled the "plethora" of legislation. Since then, there has been a marked change as managements began to see the necessity for competing for the loyalty of the workers in a confused situation where workers began shifting from union to union, from collective bargaining to adjudication to direct

¹¹ Government of India, Ministry of Labour, *Proceedings of the Indian Labour Conference*, Delhi, 1952, p. 237.

¹² The bargaining ability of AITUC unions is noted by Myron Weiner, *The Politics of Scarcity*, University of Chicago, 1962, p. 88.

¹³ See, Indian Commission of Jurists, *Report of the Kerala Enquiry Committee*, 1960, and V. B. Karnik, *Communist Ministry and Trade Unions in Kerala*, ICFTU, New Delhi, 1959.

¹⁴ See the INTUC publication, *Truth About Kerala on the Labour Front*, no date.

action, and from disciplined protest under a union to less disciplined, irrational outbursts. The competition was not only for workers' loyalties, but for the support of supervisory and even management cadres. Further, public intervention was at best naive and, at its worst, disastrous for management as a system of authority. The new patterns of industrial development, which draw heavily on available skills and supervisory and managerial talents, and impose an increased responsibility for productive equipment, have also encouraged a change from "old" types of personnel management.

The interest in professional and personnel management is partly a response to the challenge confronting managements. There has been a growing emphasis on training for all ranks, including the proprietorial elements in industry.¹⁵ An important aspect of the private-public sector controversy focuses on the superiority of policies towards workers.¹⁶ Part of this new look is reflected in the spread of collective agreements, which are of three major types:¹⁷ *ad hoc* settlements on disputed issues; agreements between an employers' association and the union (or even unions) as in the textile industry in Ahmedabad, Bombay or Coimbatore; and comprehensive agreements at the firm or plant level. There has also been a proliferation of management and personnel associations and a considerable emphasis in the relevant literature on management responsibility for human relations.¹⁸ The new look in management is also reflected in the active participation in several tripartite bodies.

It is clear that there has been a growth in the stature of profes-

¹⁵ For a general survey, see C. A. Myers, "Recent Developments in Management Training in India," *Indian Journal of Public Administration*, April-June 1958.

¹⁶ This is evident from the "Code of Conduct" adopted by the Forum for Free Enterprise, an influential organization of private businessmen, reputedly behind the newly-formed Swatantra (conservative) party. The statement reads in part: "Employers owe it to labour to recognise that welfare is not conceived in terms of philanthropy, but as a social obligation. . . . Procedures should be instituted for the removal of legitimate grievances so that the employee is satisfied that he gets a fair deal. The employers should welcome the existence of stable and democratic trade unions."

¹⁷ Agreements are reported in the *Indian Labour Journal* and *Industrial Relations*. See also International Labour Office, India Branch, *Recent Developments in Certain Aspects of Indian Economy—III*, New Delhi, 1956, pp. 109-137, and Employers' Federation of India, *Collective Agreements—A Study*, Bombay, 1962.

¹⁸ See, for instance, Indian Institute of Personnel Management, *Personnel Management in India*, New York: Asia Publishing House, 1961; also the various issues of *Industrial Relations* and the proceedings of conferences held by the Ahmedabad or South India Textile Industry Research Associations.

sional management, and some progress in departing from traditional patterns of authoritarian management, particularly in the new industries.¹⁹ However, there is also a different, probably much larger, category of firms whose internal managerial structure and policies reflect the dominant tradition of the quick rupee and autocratic management.²⁰

EVOLVING INDUSTRIAL RELATIONS SITUATIONS

A survey of the Indian scene suggests that there are four major types of industrial relations situations. The first type is essentially chaotic, characterized by poor managements and, in many cases, work-force rivalries, violence, and disorder. Dictated settlements by public authority, supplemented by the police or even the army, are the means of containing unrest. This situation is more likely in scattered employment centers, in areas such as the coal mines of Bihar where the labor force is relatively backward, and where neither the governments concerned nor the employers individually or collectively have defined policies for stabilizing labor relations.

The second type exists primarily at a local or regional industrial level. The employers' associations are more active in their attempts to influence the personnel policies of individual units and, in some cases, bargain with unions on an industry-wide basis. Such situations are prevalent in the principal urban areas (the textile industries in Bombay, Ahmedabad, Coimbatore, Kanpur, Indore, etc., or the jute industry in Calcutta) and in some industries like plantations (Assam, South India, Bengal) which constitute large blocks of employment. State governments play a key role here and encourage industry-cum-local or regional settlement of general issues like bonus, dearness allowance or rationalization. The situation at Ahmedabad is an exception because the employers and the INTUC union have developed a stable industry-wide relationship. A comparable attempt

¹⁹ Referring to this change, Dr. K. S. Basu, Vice-President of the Employers' Federation of India, observed recently: "The hard-hearted employer interested only in returns existed no more. A new managerial class has emerged, who were themselves employees, wielding considerable influence on policy-making . . ." as reported in *Economic Times* (Bombay), March 8, 1963.

²⁰ The dominant tradition was described by a prominent private industrialist as follows: "The condition now was no better with the high rate of tax evasions of about 50 to 60 per cent, inheritance of management and lack of integrity in corporate management. In the case of private business, the condition was running from bad to worse. . . ." as reported in *Financial Express* (Bombay), January 29, 1963.

has been made in Bombay and Indore, but despite legislative support for "representative" INTUC unions, the threat posed by non-INTUC socialist and communist union leaders is real. The opposition has been decisive in curtailing INTUC influence in the Kanpur textile industry. In this case, as in the coal mining areas, industrial relations are unstable because of the limited progress made by employers and their associations in personnel and labor relations policy and the reluctance of the governments concerned to develop industry-wide bargaining. Except in the Calcutta jute industry, INTUC's bargaining strength appears to be limited to favorable access to government or industry officials.

The third type centers on "all-India" industries like Ports and Docks, Banking, Railways, Post and Telegraphs, Defence, etc., where the central government is either the principal employer or has assumed authority to determine employment conditions. Non-INTUC unions are well-established here and there are no apparent signs of a determined drive by the "employing" ministries to replace them with INTUC unions. Special commissions or committees have played a key role in settling conflicts over wages or service conditions. Subsequent modification, at the level of the Cabinet, rather than the Ministry of Labor, is also more common.²¹ Since the government is an employer, even the INTUC has been critical and opposed a proposal to ban strikes in the absence of binding third-party machinery. In general, excessive centralization has frustrated the development of decentralized employer-employee relationship.

Our last type is one in which individual employers, rather than employers' associations or governments, have taken the initiative to develop progressive personnel policies. The rudiments of a consultative procedure have been established and a beginning made in tackling common problems. Public intervention in industrial disputes may coexist with bilateral efforts, but generally the relationships are not chaotic. Enterprising managements have gone beyond the level of public regulation and, in varying measure, have achieved the more flexible personnel policies they desire. The greatest progress in

²¹ Examples include the government rejection of Labor Appellate Tribunal Award for banking in 1954, the appointment of a commission headed by Supreme Court Justice Gajendragedkar, and the incorporation, for a five year period, of a final settlement in a Parliamentary Act; more recently, a postal strike in 1957 led to the appointment of a Second Pay Commission followed by government modification of its award and an ill-fated Central Government Employees Strike in 1960.

these respects has been made by domestic and foreign private enterprises in the new industries, in many cases by departing from the more conservative guideposts set by employers' associations. The new public-sector manufacturing enterprises fall in this category, although they have been handicapped by management problems common to this type of enterprise in India. Recognition policies have been guided principally by the objective of developing workable relationships with the employees, although some government enterprises reported pressure in favor of INTUC unions. INTUC is generally weak in these industries. Political considerations appear to be secondary, at least at the level of the firm or plant, which is the focus of employer efforts.²²

APPRAISAL OF PUBLIC POLICY

Reflection on public policy suggests that not only the situations, but also the objectives of public policy, vary. Industrial relations systems may serve a *political* objective of reducing the appeal of hostile elements; or an *economic* objective of preventing work-stoppages or wage increases which limit capital accumulation; or a *social* objective of discouraging tensions. Each objective can be given a positive formulation, as attempted by the Indian authorities, by redefinition in terms of supporting a democracy geared towards growth. One must also add a purely bureaucratic objective of minimizing the headaches of implementing public policy.

The resultant hybrid is bound to be confusing, unless there is some ranking of these objectives, consensus between the industrial relations and overlapping political and economic systems, and co-ordination among authorities whose actions determine the effectiveness of the industrial relations system. The absence of these conditions accounts in part for the limited progress so far. The labor movement is dominated by a group hostile to the government in power; inter-union rivalry and outside control of unions continue, and even "insiders" have taken on the coloration of the erstwhile outsiders; wage control has been virtually absent and this has now been accentuated because of labor market scarcities; man-days lost due to industrial disputes have declined, but industrial tension and unrest remain; strikes have taken place anyway, despite their

²² The situation in the Tata Iron and Steel Company or the Indian Steel Company in Burnpur are exceptions because of the larger workforce involved and their national significance.

illegality; consultative practices like works committees and management councils have not been successful;²³ and the short-run need for government intervention seems to be ever-persistent.²⁴

It is not easy to regiment protest in a climate of constitutional freedom and intense political activity. Neither adjudication nor decentralization bargaining can be effective as instruments of wage control given independent upward pressures on wages.²⁵ The limited success in insuring an adequate supply of wage-goods at stable prices and the growth of import-substituting industries employing scarce skilled labor and operating in sheltered markets constitute destabilizing elements.

Also, the several objectives of policy may not be internally consistent. Thus, two situations which provide scope for support to INTUC unions are of the first and second types. But, while the gain to the INTUC is dubious, a chaotic state of union rivalries has frustrated every objective of public policy. In the second type, disquieting tendencies are present even in the apparently most successful case of public intervention. Thus, in the mammoth cotton textile industry of Bombay, general issues are negotiated by the representative INTUC union and the Millowners' Association, and even some progress in rationalization has been reported.²⁶ However, the meteoric rise of a socialist-communist union in 1959-60 shows INTUC's control to be still shaky. Negotiations in 1962 ground to

²³ An unpublished study of the Institute of Economic Growth, New Delhi, concluded that in four institutions studied in detail, the joint management councils were a failure.

²⁴ The extensive recourse to compulsory adjudication is documented in detail by Anandjee, *Community Regulation of Labor Management Relations in India (1947-1957)*, unpublished doctoral dissertation, New Haven, Connecticut, Yale University Law School, 1959. The situation continues unchanged. More recently, in an ambitious but dubious effort to stop all work-stoppages, Labor Minister Nanda requested all unions contemplating strike action to refrain from doing so, but instead to send him a COS (Consider Ourselves on Strike) telegram.

²⁵ The argument that neither de-centralized adjudication nor collective bargaining serve the needs of wage planning in India constitutes the main theme of S. A. Palekar's *Problems of Wage Policy for Economic Development*, New York: Asia Publishing House, 1962.

²⁶ The Bombay situation is described in detail by Gus Tolver Ridgel, *A Study of the Labor Movement and Industrial Relations in the Cotton Textile Industry in Bombay, India*, unpublished doctoral dissertation, University of Wisconsin, 1957; see also, R. C. James, "Labor Mobility and Technical Change," *Journal of Political Economy*, December 1959, and V. B. Kamath and Associates, *A Case Study of Labour-Management Relations at the India United Mills Ltd. No. 1, Bombay*, Bombay: Government Central Press (for Labour Welfare Institute), 1959, esp. p. 73.

a virtual halt with the INTUC union opposing employer demands for rationalization, partly because of the threats and taunts of the rival union. This has parallels in Indore, Kanpur, or Jamshedpur where the general elections have underscored the popular support to rival communist leaders.

A final point focusses on the insufficient rapport between the Labor Ministry and the other organs of the Indian government. The Planning Commission is not an executive agency, whereas the Labor Ministry is more of a conciliatory agency whose main anxiety is to settle disputes without loss of man-days. The Labor Ministry has even been partisan in favoring sweeping demands for wage increases. Thus, in 1956, the Labor Ministry supported a flat 25 per cent increase in wages. More recently, the ILC adopted, with great eclat, a unanimous resolution recommending a need-based minimum wage of Rs. 125 per month. An unrealistic figure, this was quickly disowned by the Finance Ministry as not binding in regard to central government employees. The tripartite wage boards for the cotton and sugar industries also rejected this figure.²⁷

There is similar confusion in government policy towards INTUC. The Labor Ministry has been considered an INTUC preserve, but the other ministries appear to be indifferent between INTUC and non-INTUC unions. The State governments, concerned more directly with the new public sector enterprises, differ considerably in their attitude toward the INTUC. INTUC frustration has thus given rise to charges of public sector hostility.²⁸ Even in the labor Ministry, a policy of favoring the INTUC is associated only with particular ministers but is not an explicit aspect of official policy. Thus a senior INTUC leader criticized Labor Minister Nanda for playing the role of a statesman and forgetting his basic commitment to the INTUC, while some of the central government officials welcomed Nanda's assurance that partisan politics would be eschewed from labor administration. One should note that the trend under the Code of Discipline towards recognition of unions is inconsistent with the predominantly political reasons for which legislation adopted

²⁷ Government of India, Ministry of Finance, Commission of Enquiry on Emoluments and Conditions of Service of Central Government Employees, 1957-59, *Report*, p. 63, and *Report of the Central Wage Board for the Cotton Textile Industry*, Delhi, 1960, p. 16.

²⁸ A grave charge to the effect that public sector enterprises were encouraging communists was made recently by K. K. Desai, INTUC leader and former Labour Minister in the Indian Cabinet. See *Times of India*, May 27, 1963.

in 1947, providing for compulsory recognition of unions, was not brought into force.

CONCLUDING REMARKS

A major implication of the Indian experience is the limited applicability of industrial relations models of which an integral element is a docile labor movement and exclusive, centralized control over jobs and remunerations in the labor market. The overall political climate makes it desirable that policies are adopted which will redirect rather than smother or spur discontent.²⁹ There is thus some analogy with the problems facing the United States and other Western democracies which are concerned with the dilemma of achieving certain nationally desired economic objectives within the framework of decentralized unions and managements. There may be scope for borrowing from experience abroad in such respects as the British wage councils, positive labor market policy, government-managed wage stabilization and constructive practices in regard to collective bargaining and union administration.

There is, however, sufficient variety in the Indian situation as to rule out exportability of any model in its entirety and some practices, such as the Indian tripartite tradition, may be more relevant in encouraging a climate of accountability to the public interest. Further, in an underdeveloped country, conflicting economic, political and social objectives can be reconciled only at a low level of fulfillment and this is comparable to the vicious cycles that impress specialists in economic development. Considerations which argue for a balance among competing objectives or for priority for any one of them at a given point of time are likely to vary widely. As Professor Galbraith points out, the situations call for diagnostic skills.³⁰ One must beware of the temptation to join the Indian compounder (low level pharmacist) in a rural dispensary in dispensing a standard colored water for diverse ailments!

²⁹ The need for rational policies to deal with discontent and with independent pressure groups constitutes the theme of several recent contributions by political scientists and economists. See, for example, M. Weiner, *op. cit.*, Susanne Hoerber Rudolph, "Consensus and Conflict in Indian Politics," *World Politics*, April 1961, pp. 385-399, and Ronald G. Ridker, "Discontent and Economic Growth," *Economic Development and Cultural Change*, October 1962, pp. 1-15.

³⁰ John K. Galbraith's comments in "The Non-Affluent Society," *AID Digest*, May 1962 summarizing the arguments in his book, *Economic Development in Perspective*, Harvard, 1962, is a useful general treatment of "wisdom in borrowing."

THE EXTERNAL IMPACT ON TRADE UNIONS IN DEVELOPING COUNTRIES: THE RECORD IN AFRICA

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Trade unions in ex-colonial countries have been exposed to peculiarly strong outside influences. Aside from the institutional imprint of the former colonial power, foreign labor movements and international labor organizations have been at work for 20 years in these areas, trying to help, and to shape labor movements there. In this paper we will consider the effects of these efforts in one area—Africa. The African experience has particular relevance to the recent discussion of trade union models and their export; no other continent has been the scene of so much foreign trade union activity, so many attempts to influence the character and direction of internal trade union development. The trade union organizations of the colonial powers, the international labor organizations (ICFTU, WFTU, IFCTU) and their associated trade secretaries or departments, trade union centers in non-colonial countries (the AFL-CIO, DGB and Histadrut in particular), unions of the Soviet bloc countries, and the Ghana Trades Union Congress—all have been involved in African ventures. They have provided direct financial subsidies to labor organizations and individual leaders, technical assistance in the sense of sending trade unionists to work with local organizations, travel awards, and trade union leadership training courses in great variety.

This foreign trade union activity in Africa has had three related goals: the winning of ideological allies and political friends; the transmission of ideas on the model of trade unionism most suitable for the defense of wage earner interests; and the creation of strong self-sufficient trade union organizations. Measured by any of these criteria, results have been meager. Few strong, self-sufficient unions exist. Political dividends have been slight; it is not even certain that foreign trade union operations have made more friends than enemies. Western trade union support was a factor in the rise of several union leaders to strategic political positions—notably Tom Mboya of Kenya. And much of the trade union leadership in the

continent has been exposed to the idea of independent trade unionism. Scattered throughout the continent there are a few individuals deeply committed to this principle of free trade unionism and there are some who are deeply anti-communist as well. The ideology of Christian trade unionism, similarly, has penetrated in a number of cases—notably among some individuals in Senegal and the two Congo Republics (Leopoldville and Brazzaville). But none of the Western groups can claim to have made many fast ideological friends. And in terms of formal connections between African unions and the ICFTU the trend is strongly to the cutting of all affiliations. In recent months, union centrals in Morocco, Algeria and the Rhodesias and Nyasaland have disaffiliated from ICFTU, and the Kenya, Tanganyika and Uganda trade unions will almost surely do so soon. Only in the Congo Republic (Leopoldville), Nigeria and Tunisia do there remain significant ICFTU protégés deeply committed to maintaining affiliation.

The WFTU and communist bloc unions have not fared better. Nowhere in Africa are there significant labor organizations under communist discipline. Nor do the communists have many politically reliable individuals in positions of influence in African labor organizations. The activity of the French CGT, the WFTU and the communist bloc unions has helped diffuse that vague Marxism which is so much a part of the African ideological landscape. But this is their main achievement, reflected in a penchant among many labor leaders (particularly in French-speaking Africa) for obscure Marxist dialectics.

It would of course be unreasonable to expect high and quick returns from a few years of foreign trade union assistance. Not only has outside trade union interest in much of the continent been brief, but the commitment in terms of money and manpower has been limited. To a certain extent, moreover, the objective has been the implantation of ideas and attitudes, the training of people, activities which bear fruit only in the longer run. The political and economic environment in most of Africa, finally, is not particularly congenial to trade union growth, so that even the most intelligently conceived and competently executed policies and a larger effort might have been frustrated.

All of this helps account for the relatively sparse results obtained by foreign trade union organizations from their African efforts. But

the entire undertaking has also been marked by fundamental contradictions and tactical errors which have contributed to an important extent in reducing their effectiveness.

PROBLEMS OF WESTERN TRADE UNION POLICY

The effectiveness of the Western trade union effort in Africa has suffered three main disabilities: it has been divided within itself; its provision of financial subsidies has been a constant source of frustration and friction; its political position has been vulnerable.

Internal divisions have hampered Western trade union activity in many parts of the continent. One set of divisions arose out of the historic conflicts between trade union organizations in France and Belgium, which were transposed to French and Belgian colonies. Thus in French Africa the Christian-(CFTC)-sponsored unions and the CGT-FO—affiliated unions went their separate ways. In the Congo the Socialist unions (FGTB), the Christians, and even the “liberals” set up separate trade union branches. Thus, despite their large area of common agreement, both ideologically and with respect to their conceptions of the role of trade unions, these groups dispersed their (very limited) resources on separate programs, sacrificing the considerable benefits and economies that coordination or joint action could have brought.

A related division characterizes the relations between the ICFTU and the Christian international, the IFCTU. Threatened by the offensive of Ghana and the AATUF, the two internationals did cooperate to the extent of encouraging their African affiliates to form an African Trade Union Confederation in January 1962. But neither group was prepared to see this organization assume any meaningful functions, so its creation resulted in little or no activity. In those countries where the ICFTU and the IFCTU both have affiliates there has been little notable cooperation, even where the “free and independent” trade union movement as a whole faces serious dangers of government suppression; the most striking case in the Congo, where the Christians have what is probably their strongest African affiliate.¹

Differences between the component national centers in the ICFTU have also had enervating effects. In addition to the colonial

¹ In late 1963 the rival union groups did join together for joint action.

issue (some national centers, notably the AFL-CIO, believing that the ICFTU has lacked anti-colonial fervor),² there have been differences in style and in appreciation of particular individuals.³ This has led to a certain amount of mutual undercutting. In Northern Rhodesia, for example, AFL-CIO and ICFTU have differed in their evaluation of rival factions in the labor movement; and in Southern Rhodesia similar differences arose as one group remained committed to a discredited labor leader long after he had been written off by the other. In the Congo two ICFTU-oriented trade union centrals exist, the Fédération Générale des Travailleurs Kongo-lais (FGTK), supported by the Belgian FGTB, and the Confédération des Syndicats Libres du Congo (CSLC), favored by the AFL-CIO. Both claim ICFTU membership, but the ICFTU has been unable to agree on its own position or to impose unity on them.

In French Africa, finally, the presence of CGT-FO as the ICFTU affiliate (through French FO), was a particularly embarrassing liability to any ICFTU activity in that area throughout the whole colonial period. For FO was the least significant of the trade union centrals in the French territories, and its anti-nationalist political position put it hopelessly out of contact with the African mainstream.⁴ Yet FO demanded that no ICFTU activity in French Africa take place except through its organization. This discouraged any effective ICFTU ventures in French Africa.

A second source of difficulty for the Western trade unions has been money—not so much raising it as the way it is spent. Under the best of circumstances the relationship between money-giver and receiver is a psychologically explosive one, full of ambivalence and dark resentments. And African circumstances have not been ideal. On the African side there is a generally fuzzy perception of differences between the private and the organizational purse. Related to this is an almost total lack of experience with principles of accounting, unmitigated by training in administrative procedures and ac-

² See J. Windmuller, "External Influences on Labor Organizations in Underdeveloped Countries," *Industrial and Labor Relations Review*, Vol. 16, No. 4 July 1963, pp. 559-573.

³ See for example, the British TUC criticism of an overly political focus in foreign trade union policies in *Report of the Trade Union Congress, 1959*, p. 209, and the AFL-CIO view reported in *American Federationist*, March 1960, p. 4.

⁴ Cf. the statements of FO political views in *L'Afrique—Force Ouvrière* December 30, 1955, and April 5, 1956.

counting practices. On the Western side there has been general despair over the way aid money is used by African trade unionists, a growing sense of outraged righteousness, and consequent short-temper in money matters.

The result of all this is that between Western trade union donors and many African receivers there has tended to develop a particularly unhappy relationship, comparable to that between an ardent but frugal man and his frivolous, extravagant mistress. Since aid money is often loosely used—unwisely if not dishonestly—the irritated donors come to insist on close accounting. They even permit departures from acceptable norms of gracious giving, such as doling out aid grants in monthly allowances, having their representatives check financial transactions, and even dispatching preemptory auditors to go over union books. This “bookkeeper’s mentality” of course is hardly calculated to win endearing friendship among aid receivers. At least some African union leaders reach a point where they are prepared to make deals—with their own governments, with the Ghanaians, or with others—to escape financial overlordship. A parallel reaction tends to appear in ICFTU and other Western trade union circles, where the “bottomless pit” viewpoint attracts increasing numbers of converts, leading to unwillingness to commit large sums to African unions without extensive controls.

A final major source of difficulty for the Western trade unions has been the political vulnerability of their position in Africa, and notably their involvement in Pan-African politics. Under pressure from the AFL-CIO and from African affiliates, the ICFTU had granted successively larger degrees of autonomy to the Africans since 1957. But after 1960 two related forces joined to bring the ICFTU under attack. One was the rising intensity of Pan-African ideology, which became the dominant African myth throughout the continent. The other was the emergence of an aggressively Pan-African group of states, the so-called Casablanca powers, among whom Ghana played a particularly activist role on the trade union front. The Casablanca group formed, in May 1961, an autonomous trade union organization, the All-African Trade Union Federation (AATUF), which took upon itself the mantle of Pan-African legitimacy. It insisted that all of its affiliates sever formal connections with other, non-African international labor groups.

The formation of AATUF presented few serious problems for

the WFTU. It had only a handful of African affiliates,⁵ and in any case had accepted from the mid-fifties the idea of merger of its affiliates with non-communist unions in the colonial countries.⁶ But the ICFTU had many affiliates in Africa and to accede to requests for disaffiliation would raise ticklish questions, both ideological and with respect to its position in the rest of the under-developed world.

So the ICFTU was drawn, reluctantly, into battle against the AATUF. It claimed that no incompatibility existed between Pan-Africanism and affiliation to the ICFTU, pointed out its own contributions to African liberation (particularly in North Africa), and argued that AATUF's disaffiliation demands represented not true Pan-Africanism, but Ghanaian imperialism.⁷ And it threw its resources on the side of its affiliates which were under particularly heavy attack by the AATUF and Ghanaian forces—notably in Nigeria and in the countries of East and Central Africa, excluding the Congo (where the affiliation question has never been seriously raised).

Divisions within the AATUF and its consequent inactivity, combined with the heavy-handed nature of Ghanaian diplomacy,⁸ reduced the effectiveness of the AATUF campaign. But the ICFTU posture is very tenuous; it has been steadily on the defensive, condemned as "neo-colonialist," and particularly vulnerable to attack as an obstacle to the movement for African unity.

The AATUF-ICFTU confrontation has in any case resulted in a dissipation of ICFTU energies and a drain on the reservoir of sympathy enjoyed by Western trade unionism in Africa. In the struggle, means and ends became confused; the symbols of ideological affinity—formal affiliation to ICFTU—dominated Western attention

⁵ In 1963 WFTU affiliates existed in Mauritius, Chad, Congo (Brazzaville), Gabon and the Central African Republic, French Somaliland, and Madagascar. In the mid-1950's there were few others—in French North and West Africa.

⁶ George E. Lichtblau, "The Communist Labor Offensive in Former Colonial Countries," in *Industrial and Labor Relations Review*, Vol. 15, No. 4, April 1962.

⁷ See John Riddell, *Free Trade Unions in the Fight for African Freedom*, (ICFTU-AFRO, Brussels, 1961).

⁸ In Nigeria, in May 1962, for example, the fragmented Nigerian labor movement met in a unity conference, one of the key issues of which was the affiliation question. The pro-IFCTU forces might have lost the battle if it had not been for the appearance in Nigeria of Ghana's John Tettegah, and related charges of Ghanaian bribery of delegates. The terms of the struggle were thus shifted from Pan-Americanism vs. continued ICFTU ties, to Ghanaian vs. ICFTU influence, a situation more favorable to the ICFTU. The group favoring ICFTU affiliation won the vote on the issue, by a 3 to 2 majority, but the anti-affiliation group promptly walked out.

and colored all relations with African unions. For more than three years, defense against disaffiliation absorbed a major part of ICFTU resources, while the basic work of building solid trade unions was delayed or distorted.

Furthermore, the disaffiliation issue, and the stimulus it gave to rival unionism, exacerbated the general disorderliness of trade union affairs—in Nigeria, the Rhodesias and Kenya, for example, thereby increasing tendencies toward political intervention in trade union matters. In Nigeria, the long and tedious internal strife among unions, explained in good part by the affiliation controversy, led the Nigerian government to active interest in union affairs, an area it had until 1962 largely ignored. In the Rhodesias, similarly, African political leaders were encouraged to take a hand in trade union matters because of internal union factionalism stimulated by the affiliation dispute. In this sense, the affiliation issue lessened the already dim prospects for free and independent trade unionism in Africa.

COMMUNIST TRADE UNION POLICY PROBLEMS

If the record of Western trade union diplomacy in Africa is something less than brilliant, the communist bloc countries and the WFTU have hardly done much better. They have had their own difficulties with issue of affiliation and autonomy, and related problems of choice between support for non-communist trade union elements and more ideologically reliable groups.⁹ They have their own internal divisions, particularly between colonial and non-colonial countries, and also have had to deal with dilemmas arising from the use of funds.

A number of these problems arose clearly in Tunisian trade union relations with the WFTU. Until 1956 there were two main labor organizations in Tunisia, the Tunisian Workers' Federation (USTT), closely linked to the French CGT, though formally autonomous after 1946, and the General Federation of Tunisian Workers (UGTT), an all-embracing organization tied to the dominant nationalist political party. After 1946 the WFTU had to decide which should receive its support. On the insistence of the unions of the colonial powers, particularly the French CGT, support went to the USTT; the UGTT was denied admission until 1949, and when it was admitted was denied the Tunisian seat on the executive committee.

⁹ See, for a general discussion, George Lichtblau, *op. cit.*

The embittered UGTT left WFTU for ICFTU in 1950, eliminated the USTT by 1956, and remains a staunch ICFTU ally today.

Similar problems of internal conflicts of interest, and of reconciling African demands for autonomy with continued outside influence marked the French CGT's policy in French West Africa. Autonomist tendencies emerged early among African CGT leaders there. The WFTU had no fundamental objections to relaxation of African-French ties, and as early as 1949 the WFTU executive decided to make concessions in the direction of autonomy by agreeing to African requests for a WFTU regional organization in West Africa.

However, partly because of French CGT reluctance, the regional organization formed in 1950 had only limited functions; it was a committee of coordination of French West African CGT unions. Despite its lack of authority the coordinating committee quickly became a center of tension between the French African CGT and the metropolitan organization. In 1951 Sékou Touré, head of the Guinea CGT unions and already identified as a leading spokesman of trade union autonomy, was removed from the secretary-generalship of the coordinating committee. (He was reinstated in 1954.) Between 1951 and 1955 an internal struggle ensued, the central issue being the degree of autonomy to be enjoyed by the African unions.¹⁰ The "autonomists" grew increasingly restive under what they regarded as too close French CGT tutelage; they objected to the presence of the French CGT's colonial representative in meetings of the coordinating committee, to the tendency of the French CGT to use the African organizations for metropolitan purposes, and finally to the principle of affiliation, which came to be regarded as a projection of the colonial policy of assimilation to the trade union sphere.

The internal struggle led to an open split in 1955, and the formation of an autonomous trade union federation in 1957. To the WFTU and the metropolitan CGT the long battle against powerful African urges toward autonomy proved fruitless and self-defeating, leaving behind a heritage of resentment and suspicion.

¹⁰ As is customary in such cases, the controversy was obscured by unwillingness to publicly admit fundamental disagreements. Thus the overt controversy centered on the question of union structure within French West Africa. The African autonomists sought to strengthen the position of the French West Africa-wide organization. The French CGT and its local supporters preferred to have decision-making power remain at the level of territorial organizations.

In addition to their failure to deal satisfactorily with the nationalist-autonomist forces within African labor movements, the communist unions, like their Western counterparts, have had to face the question of control over financial aid and scholarship grants. Unlike Western unions, they seem generally to have avoided too-close surveillance of how their friends spend their aid money. This eliminates quibbling and haggling, and smooths the way to fraternal relations. It also reduces controls to a minimum. It is no surprise that tales of fast and loose use of communist aid funds are particularly lurid; cars, houses, even new business enterprises seem to have been financed by communist bloc trade union assistance.

Similarly, indiscriminate award of scholarships and travel grants, which is standard practice among communist bloc unions, seems to yield little in the way of political dividends. Since the donors have little control over the ultimate choice of participants, and since the African middlemen in these exchanges use the grants as a form of patronage, they have tended to involve a high proportion of footloose tourist types, or those seeking education or training anywhere, regardless of ideological considerations.

THE IMPACT ON INTERNAL TRADE UNION DEVELOPMENT

We have so far considered problems of foreign trade union policy in Africa, but have said little about their effects on trade union development within the continent. That there have been some positive results is certain. African trade unionism, it should be recalled, is almost entirely a post-World War II phenomenon, and in much of the continent genuine trade unionism is less than a decade old. The extension of trade union organization would not have occurred so rapidly in the absence of foreign (including metropolitan) trade union aid.

But negative consequences have also flowed from the foreign trade union presence, and these demand attention. Perhaps most important, rival unionism and internal factionalism has been increased by foreign trade union activity. The most obvious case is the trade union divisions transmitted to French and Belgian Africa in the first decade of trade unionism: these had no domestic roots nor did they reflect deep African differences.

But factionalism has also been encouraged in less direct ways. The very presence of competing outside labor organizations is itself an incitement to scission. Ambitious or discontented union leaders

can shop around the external ideological shelves to find a backer and set out on their own; the Congo and Nigeria offer examples. The real or supposed influence of outsiders in domestic African affairs, moreover, makes it easier for governments, employers, or political parties to inject further disruptive elements into the trade union picture. If it concerns the ICFTU, the neo-colonial or African unity issue can be raised; if the WFTU, the communist conspiracy danger. This has happened in many countries—the French Camourous, Northern and Southern Rhodesia, Kenya, and Tanganyika among others. There is, finally, the phenomenon of countervailing response, which further muddies trade union affairs; support by any outside trade union body to one faction in an African country tends to bring in a competing outside union organization, or encourage existing groups to accelerate their activity. The AATUF-ICFTU controversy has had especially intense effects in this respect; as the Ghana TUC and AATUF worked to bring about defections among ICFTU affiliates, the ICFTU fought harder to hold its ranks.

Rival unionism is of course not by definition harmful to trade union growth. But in African conditions harmful effects predominate. Rival unionism where there are few organizable and few competent leaders exaggerates the “scale problem:” unions are too small to support union administrations and good leadership is inefficiently used. Energy and resources are diverted to struggle against rivals, struggles which are waged not at the shop floor (where they might at least have the effect of raising trade union consciousness) but in back rooms and political corridors at home and abroad—at the palace level, so to speak. The main effect on the rank and file is confusion.

The instruments of battle, moreover, are hardly such as to elevate the moral tone of the trade union community. Little black bags are much in presence, and there is buying and selling on a wholesale basis.

Finally, as already suggested, factional controversy increases the propensity for ruling parties and governments to seize control over the labor movement of their country. The “messiness” of trade union affairs, the atmosphere of charge and countercharge, seems to them out of tune with the need for unity—particularly when much of the quarrel seems to be imported.

The growth of factionalism and its attendant effects is the major

consequence of outside trade union assistance. But there is a related matter, the transmission of money to support union officers and officials, which also sets into motion destabilizing forces that weaken and distract the local labor movement.

(a) Aid recipients tend to become dependent on outside subsidy. Their incentive to raise revenues from membership dues and other internal sources is reduced, which affects the urgency of their efforts among members. It is admittedly hard to organize African workers, and harder to keep them organized: many are migrants—peasants temporarily in paid employment who have little commitment either to wage earning or to the institutions associated with it; they are ethnically heterogeneous; employers and governments are not always agreeable. But the best unions in a number of African countries manage to build an organization in the shop and office. Instead of directing their energies this way, however, toward the development of strong shop-level organizations, many national centers engage themselves otherwise. Factional dispute absorbs much of their time and energy. In some measure, they engage in showplace projects (consumer cooperatives in Kenya is one example) which while perhaps not irrelevant to the trade union task, strain the union's administrative resources and perpetuate the neglect of organization at the shop level. The national centers engage in exercises of these kinds at least in part because their external source of finance cuts the financial nexus between union leadership and workers. Trade union survival under these conditions depends more on maintenance of the flow of resources from foreign friends than on bringing home the bacon (such as it might be) to its members.

(b) The provision of aid to national centers tends to strain relations between these centers and their component unions, reducing the willingness of even prosperous national unions to contribute to the support of the center. This has been the case in Kenya and Nigeria, where the feeling has developed among component unions that since they do not benefit from foreign grants to their confederations, they have little obligation to support them.¹¹

¹¹ On the other hand, where aid is given to individual unions, as is done by the ITS's, there is a risk that spokesmen at the confederation level take offense. Thus, for example, the ITS representative in the Rhodesias has been vehemently attacked by segments of the Southern Rhodesian central leadership on the grounds of "neo-colonial" undermining of trade union strength at the center.

(c) By a kind of Say's Law of international aid, the supply of foreign money creates new demands for its use. While this has many facets, the most important is that Western financial aid to one faction in a country leads to (or follows) communist (or Ghanaian) aid to a rival faction. The result is that externally-provided resources are absorbed in factional dispute. Aside from the corrupting effects of these exercises, the humdrum task of building trade union organization is neglected.

CONCLUSION

Foreign trade union relations with African unions have been subject to certain fundamental contradictions which have reduced their effectiveness as measured both by the goals of the external participants and by their impact on African trade union development.

One basic contradiction lies in the political context within which aid is given. It is not always recognized, in current discussions of trade union models and their export, how political problems inherent in the relationship between exporting and importing areas affect the whole process of transfer. Contemporary trade union internationalism, for example, represents a combination of motives; it springs in part from traditional working class humanitarianism, but in the modern world it has also become an instrument of national policy or ideological warfare. Insofar as the latter elements exist it is in conflict with fundamental desires, characteristic of new countries, to avoid entangling external pressures to the greatest extent possible; it also leads to a challenge and response situation whereby the initiatives of one outside group invite retaliation by another. None of the trade union forces seeking influence in Africa have escaped difficulties arising from the autonomy issue, and few have avoided the exacerbation of internal factionalism flowing from external competition.

Fundamental dilemmas have arisen too in connection with the transfer of financial aid--on the surface a simple and even banal matter. External financial aid has been an essential part of all programs of trade union assistance. But the attempt to control its expenditure leads into a hopeless morass of accounting problems and a degree of supervision unpalatable to aid-receivers. Failure to control, on the other hand, encourages questionable or dishonest use of funds. In either case, the provision of financial help generates

or exaggerates internal problems of the kind analyzed above. There is probably no better way to arouse old enmities or create new ones than to give a trade union organization (or, *a fortiori*, an individual leader) a few thousand dollars.

All of this is relevant to the question of whether on balance, the progress of trade unionism in these areas has been much advanced by the efforts of outside labor organizations to assist them. It is true that the level of knowledge and sophistication of trade union leadership has been raised. It is also true that financial subsidies have allowed union organizations to survive where they might otherwise have disappeared. But cohesive and effective organizations remain exceptional, and impoverished unions dependent on ICFTU, WFTU, or other external subsidy remain dependent—indeed, more dependent than ever, in most cases. Moreover, the external presence has had important negative effects on the growth of effective and independent trade unionism: increased internecine struggle through rival unionism, misdirected effort, increased incentive to government or political party take-over of the unions. In the light of these considerations it remains an open question whether the long-term development of genuine trade unionism in Africa has been hindered or accelerated by the foreign attention lavished upon it.

This should hardly be surprising; to all the external trade union forces long-term, union-building goals have taken a back seat to more immediate, political goals. There are signs, however, that the period of competition for formal allegiance or ideological alliance is nearing its close, to be replaced by a competition in ideas and technique useful to Africans for defining the functions of trade unions in their societies. This will present new opportunities for the export of trade union models, and a new willingness to import them. It is paradoxical that the decline of external preoccupation with short-term political gains is one of the essential conditions for a trade union impact in the long run.

Part IV

EFFICIENCY IN THE LABOR MARKETS

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RELATIVE EMPLOYMENT EFFECTS OF UNIONISM

H. G. LEWIS

1. Although the effects of labor unions on wages and employment in the U. S. have been a subject of speculation among economists for many years, our stock of estimates of the numerical magnitudes of these effects is mainly a product of research reported in the last 15 years. In *Unionism and Relative Wages in the United States*¹ I have taken an inventory of the empirical literature, comprising about 20 studies, on the *relative wage* effects of unionism in the U. S. I have estimated from the evidence in these studies that the impact of unionism on the average wage of all union labor relative to the average wage of all nonunion labor may have exceeded 25 percent near the bottom of the Great Depression of the 1930's, was 5 percent or less in the latter 1940's, and about 10 to 15 percent a decade later.

Twelve of the studies provide estimates of the effects of unionism on average relative wages for 18 different industries or significant occupational groups within industries,² although not all of this detail is available at any single date. The range of these estimates for the period after 1935 is from near zero to close to 50 percent. However, most of the estimates are below 25 percent, and I would put the dispersion (as measured by the employment weighted standard deviation) of the effects of unionism on average relative wages among all industries in the latter 1950's at 4 to 6 percent. I regard this estimate of the interindustrial dispersion as highly tentative, and have not attempted to make even such global estimates for the distributions of the relative wage effects by occupation, locality, and other ways of dividing the labor force.

2. The production of the present stock of studies of unionism and wages followed fairly closely after and surely was stimulated by the

¹ University of Chicago Press, December, 1963.

² Wage-earners in bituminous coal mining, men's clothing manufacturing, steel manufacturing, and rubber tire manufacturing; employees in the manufacturing of paints and varnishes, footwear, cotton textiles, automotive parts, wooden furniture, hosiery, and women's dresses; hotel employees; barbers; physicians; commercial airline pilots; local transit motormen; seamen in East Coast shipping; and skilled and unskilled building trades.

great increase in the fraction of the labor force represented by unions that occurred in the decade 1935-45. However, the growth of unionism in the economy did not also stimulate a substantial postwar output of numerical estimates of the relative employment effects of unionism.

I do not mean to suggest that there has been no empirical work dealing with the impact of unionism on relative employment. Indeed, it would not be difficult to assemble a rather long list of works that inquired into one or another of the employment aspects of unionism.³ With rare exceptions, however, one cannot transcribe directly from these studies, or with little effort produce from the data in them,

³Eight of the studies covered in my *Unionism and Relative Wages* also examined employment effects of unionism, though in some of them the examination was quite brief:

Albert E. Rees, "Postwar Wage Determination in the Basic Steel Industry," *American Economic Review*, XLI, No. 3 (June, 1951): steel unionism made both wages and employment in some steel producing centers slightly lower than they otherwise would have been in 1945-47.

Irvin Sobel, "Collective Bargaining and Decentralization in the Rubber-Tire Industry," *Journal of Political Economy*, LXII, No. 1 (February, 1954): unionism in rubber tire manufacturing was one of the factors causing geographic decentralization of the industry and work-sharing in the Akron area.

Stephen Sobotka, "Union Influence on Wages: The Construction Industry," *Journal of Political Economy*, LXI, No. 2 (April, 1953): in 32 large cities in 1939 there was a significant negative correlation between the degree of unionization of skilled building craftsmen and the ratio of the months worked by such workers to the months worked of a base group of relatively weakly unionized workers.

Rush V. Greenslade, "The Economic Effects of Collective Bargaining in Bituminous Coal Mining" (unpublished Ph.D. dissertation, University of Chicago, 1952): explores effects of unionism on the number of men employed, average days worked per year, and unemployment in the industry as a whole and among coal-producing states.

Elton Rayack, "The Impact of Unionism on Wages in the Men's Clothing Industry, 1911-1956," *Labor Law Journal*, IX, No. 9 (September, 1958): employment in nonunion producing centers in men's clothing manufacturing gained substantially relative to employment in union centers during the 1920's.

Melvin Lurie, "The Measurement of the Effect of Unionization on Wages in the Transit Industry" (unpublished Ph.D. dissertation, University of Chicago, 1958): examines impact of unionism in the transit industry on labor turnover.

Milton Friedman and Simon Kuznets, *Income from Independent Professional Practice* (New York: National Bureau of Economic Research, 1945): presents evidence on the effects of the American Medical Association on entry of enterprises into the medical training industry and of persons into medical training and practice.

Gordon Tullock, *The Sources of Union Gains* (Research Monograph 2, Thomas Jefferson Center for Studies in Political Economy, University of Virginia: Charlottesville, 1959): examines the impact of unionism on the distribution of employment among industries.

numerical estimates of the size of the employment effects. The exceptions, in my judgment, provide too small a base for global numerical statements about the impact of unions on the allocation of labor in the economy.

3. In the remaining part of this paper I present some new numerical estimates of relative employment effects of unionism among industries. One set of estimates, that discussed in this section, pertains to a very broad division of the economy into industries. The second set, not yet completed, is for bituminous coal mining, for which I suspect the employment effects are among the largest in the economy.

I have divided the civilian (non-work-relief) economy into two industry groups, Group *a* containing the mining, contract construction, manufacturing, transportation, communications and public utility industries and Group *b* all other industries. In the period 1919–58 more than 80 percent of the union members in the economy were employed in Group *a*. Table 1 shows in

- column (1) the ratio of aggregate manhours worked by wage and salary workers in Group *a* to the corresponding aggregate for Group *b*, with 1929 = 1;
- column (2) the similar ratio for the number of full-time equivalent wage and salary employees, with 1929 = 1;
- column (3) the similar ratio for the average hourly compensation (wages and salaries plus wage supplements) of wage and salary workers;⁴
- column (4) the ratio of the national income originating in Group *a* to that originating in Group *b*, with 1929 = 1;⁵
- columns (5) and (6) two sets of estimates of the absolute excess (in decimal points) of the degree of unionization of wage and salary employees in Group *a* over that in Group *b*;
- columns (7) and (8) two sets of estimates of the impact of unionism on average hourly compensation in Group *a* relative to that in Group *b*, in common logarithms per percentage point difference in the degree of unionization of the two groups.

⁴The average hourly compensation figures for Groups *a* and *b* underlying column (3) have fixed weights by industry.

⁵I also computed for the period 1929–1958 the index of the ratio of national income plus depreciation originating in Group *a* to that originating in Group *b*. This index is almost the same as that in column (4).

The sources and methods of constructing the series in columns (1)-(6) are given in chapter VI of *Unionism and Relative Wages*. The estimates (B2) in column (8) were obtained from the regression of the log of the relative wage series (W in col. 3) on the log of the relative national income series (Q in col. 4), the rate of unemployment in the labor force, the log of the ratio of the actual to the "expected" price level, degree of unionization (P2 in col. 6), and the mathematical products of P2 and the unemployment and price level variables.⁶ The series B1 came from a similar regression with the unionization series P1 substituted for P2. I suspect that, for what they purport to estimate, B1 and B2 are too large and fluctuate too widely, but if I could prove my suspicions, I would present different estimates.

Question: To what extent has unionism affected the relative employment series E0 and E1? In answer to this question I have regressed the common logs of E0 and E1 on the common logs of Q , the common logs of lagged relative employment, and the product of B and P .⁷ The relative demand-supply model underlying these regressions is:

$$\begin{aligned} \text{demand: } \log E_t &= \gamma[a_o + a_q \log Q_t - a \log W_t] + (1 - \gamma)\log E_{t-1} \\ \text{supply: } \log E_t &= \delta[c_o + c \log W_t - (a + c)B_t P_t] + \\ &\quad (1 - \delta)\log E_{t-1}. \end{aligned}$$

Eliminate W_t between the equations, obtaining

$$\log E_t = b_o + b_q \log Q_t + b_e \log E_{t-1} - a(1 - b_e)B_t P_t,$$

where the b 's depend upon γ , δ , and the a 's and c 's.

Table 2 reports the regression results. In both the manhour (E0) and employees (E1) regressions the regression coefficients for the unionism variable BP are negative, indicating that unionism tended to reduce employment in Group a relative to that in Group b . Moreover, although the unionism coefficients in the manhour equations were larger numerically than those in the employees equations, none of the unionism coefficients differs significantly from (minus) unity, suggesting that the order of magnitude of the relative employment effects was roughly the same as that of the relative wage effects.

Let b_u be the regression coefficient for the unionism variable. Then the antilog of $b_u B_t P_t$ is an estimate for date t of the index of the effect

⁶ See regression No. 7 in Table 62 of *Unionism and Relative Wages*.

⁷ First differences of these variables were used in the regressions.

TABLE 1

Employment, Wages, National Income, Extent of Union Membership, and Wage Effect of Unionism, Group *a* Relative to Group *b*

Year	Employment (1929 = 1)		Average hourly compensation <i>W</i> (8)	National income (1929 = 1) <i>Q</i> (4)	Extent of union membership (Group <i>a</i> -Group <i>b</i>)		Relative wage effects of unionism (common lags)	
	Manhours <i>EO</i> (1)	Employees <i>EI</i> (5)			<i>P1</i> (5)	<i>P2</i> (6)	<i>B1</i> (7)	<i>B2</i> (8)
1919	1.280	1.218	.....	.....	.....	.....	.....	.....
1920	1.352	1.189	1.416	1.142	0.259	0.286	-0.064	-0.053
21	1.036	0.995	1.307	0.929	0.269	0.254	0.093	0.082
22	1.074	1.048	1.158	0.923	0.188	0.161	0.127	0.118
23	1.162	1.148	1.205	1.046	0.151	0.139	0.102	0.102
24	1.074	1.066	1.246	0.968	0.161	0.158	0.111	0.108
25	1.072	1.064	1.200	0.986	0.158	0.156	0.095	0.094
26	1.049	1.064	1.182	1.008	0.150	0.149	0.091	0.094
27	1.015	1.014	1.204	0.944	0.157	0.157	0.111	0.109
28	0.983	0.992	1.199	0.955	0.148	0.144	0.103	0.102
29	1.000	1.000	1.172	1.000	0.137	0.133	0.101	0.102
1930	0.889	0.938	1.218	0.965	0.145	0.141	0.131	0.122
31	0.771	0.851	1.231	0.828	0.170	0.169	0.206	0.181
32	0.692	0.778	1.187	0.701	0.180	0.170	0.258	0.218
33	0.715	0.809	1.245	0.748	0.170	0.165	0.221	0.182
34	0.745	0.859	1.299	0.882	0.217	0.243	0.144	0.116
35	0.777	0.871	1.282	0.869	0.196	0.200	0.138	0.113

36	0.822	0.895	1.287	0.987	0.202	0.212	0.100	0.082
37	0.828	0.924	1.362	1.002	0.289	0.333	0.092	0.079
38	0.709	0.828	1.379	0.849	0.303	0.305	0.102	0.081
39	0.780	0.872	1.367	0.954	0.304	0.315	0.107	0.087
1940	0.811	0.903	1.389	1.047	0.323	0.344	0.098	0.082
41	0.968	1.024	1.414	1.253	0.345	0.383	0.049	0.044
42	1.113	1.132	1.481	1.385	0.364	0.400	-0.009	-0.003
43	1.231	1.207	1.439	1.442	0.390	0.422	-0.024	-0.013
44	1.231	1.195	1.395	1.379	0.413	0.428	-0.000	0.010
45	1.116	1.094	1.344	1.165	0.421	0.413	0.016	0.025
46	1.019	1.030	1.289	0.983	0.432	0.434	0.005	0.011
47	1.064	1.057	1.280	1.112	0.456	0.475	-0.028	-0.018
48	1.053	1.045	1.303	1.146	0.451	0.458	-0.010	-0.002
49	0.960	0.974	1.317	1.098	0.452	0.439	0.025	0.028
1950	0.994	1.003	1.324	1.198	0.432	0.430	0.045	0.047
51	1.040	1.034	1.352	1.268	0.456	0.478	0.019	0.026
52	1.032	1.030	1.361	1.243	0.451	0.458	0.036	0.042
53	1.048	1.048	1.378	1.294	0.477	0.495	0.048	0.053
54	0.976	0.985	1.374	1.193	0.460	0.444	0.065	0.065
55	0.988	0.984	1.374	1.259	0.458	0.459	0.071	0.073
56	0.981	0.970	1.389	1.254	0.452	0.454	0.064	0.066
57	0.957	0.945	1.390	1.222	0.465	0.469	0.056	0.059
58	0.874	0.868	1.392	1.093	0.469	0.454	0.061	0.059

TABLE 2
Multiple Regressions Fitted to the Data of Table 1*

Regression No.	Dependent Variable	Regression coefficients and standard errors				R ^a
		log Q _t	log E _{t-1}	B1 _t · P1 _t	B2 _t · P2 _t	
1	log E0 _t	0.62 (0.07)	0.03 (0.07)	.....	-1.24 (0.33)	0.846
2	log E0 _t	0.62 (0.07)	.....	.....	-1.23 (0.33)	0.845
3	log E0 _t	0.56 (0.07)	.....	-1.24 (0.31)	.....	0.851
4	log E1 _t	0.50 (0.05)	.....	.....	-0.70 (0.23)	0.858
5	log E1 _t	0.46 (0.05)	.....	-0.74 (0.22)	.....	0.866

* R^a is the square of the multiple correlation coefficient. The standard errors of the regression coefficients are in parentheses.

of unionism on employment in Group *a* relative to employment in Group *b*. In 1945-49 the average value of this index differed by one percent or less from unity for both manhours and employees. The values of the index, on a 1945-49 base equal to unity, for more recent periods are (these indexes were computed from regressions 1 and 4 and Table 1) :

Period	Index of relative employment effect of unionism (1945-49=1)		Index of actual relative employment (1945-49=1)	
	Man-hours	Em- ployees	Man- hours	Em- ployees
1945-49	1.000	1.000	1.000	1.000
1950-54	0.951	0.972	0.977	0.981
1955-58	0.929	0.959	0.911	0.906

For manhours the decline from 1945-49 to 1955-58 in the index of the relative employment effects of unionism is about four-fifths as large as the corresponding actual decline in relative employment; for the number of full-time equivalent employees, the corresponding decline in the unionism index is approximately four-ninths of the actual decline.

4. The postwar peak in employment (in mandays and manhours) in bituminous coal mining came in 1947. From 1947 to 1961 the average number of men employed on active mine days declined by almost two-thirds, mandays fell by three-fifths, and manhours by

about three-fourths. Unquestionably much of the decline was the result of falling demand for coal. Yet the presence of the United Mine Workers in the industry⁸ and the unusually large postwar climb in wages suggest that unionism may have been a significant factor in the employment decrease.

Table 3 shows index numbers (with 1945 = 1) of the ratios of average hourly earnings and average hourly compensation for bituminous coal mining wage earners to the corresponding figures for production workers in manufacturing.⁹ (Before 1929 the compensation ratios must have been almost the same as the earnings ratios.) In 1945 the ratio of coal to manufacturing hourly earnings was at approximately the same level as in 1890-93 before the advent of collective bargaining in the industry and in 1929-31 when the union was struggling to stay in business in bituminous coal mining. These comparisons suggest that in 1945 the impact of unionism on the relative wage position of bituminous coal miners was close to zero. In 1957 and 1959 the relative average hourly earnings of bituminous

⁸I do not have what I consider to be reliable estimates of the extent to which the production and development workers in the industry are covered by collective bargaining agreements. In 1954 slightly more than 20 percent of the workers were employed in counties (or alternatively in establishment-size classes) in which average hourly earnings were less than the minimum rates in UMW contracts. Throughout the period 1947-57 the UMW collected tonnage-based health and welfare fund payments on about 80 percent of the industry output. Since 1957, however, the fraction has declined by about 6 percent, suggesting a decline below 80 percent in the extent of collective bargaining coverage. In this connection notice that, according to Table 3 below, the ratios of bituminous coal to manufacturing average hourly earnings and average hourly compensation have fallen by 8 and 6 percent respectively since 1959.

⁹The underlying figures for manufacturing for the years 1890-1957 are from Albert Rees, *Real Wages in Manufacturing, 1890-1914* (Princeton: Princeton University Press, 1961), p. 33 and his *New Measures of Wage-Earner Compensation in Manufacturing, 1914-57*, Occasional Paper 57 (National Bureau of Economic Research, 1960), pp. 3-4. His average hourly earnings series was extended to 1961 by means of the wage and manhour data in the 1961 *Annual Survey of Manufactures*, p. 13 and from 1961 to 1962 by the Bureau of Labor Statistics average hourly earnings series for manufacturing. Average hourly compensation in manufacturing in 1958-62 was estimated by multiplying average hourly earnings by the ratio of total employee compensation to total wages and salaries in manufacturing, the ratio being computed from Office of Business Economics data.

The underlying series for bituminous coal mining for the years 1890-1928 is from Rush V. Greenslade, *op. cit.*, pp. 39-41; for 1929-57 from Ethel B. Jones, *Hours of Work in the United States, 1900-1957* (unpublished Ph.D. dissertation, University of Chicago, 1961), Tables 2 and 3. The Jones' series were extended to 1962 by means of the BLS average hourly earnings series for bituminous coal mining and the OBE series for employee compensation and wages and salaries.

TABLE 3
Indexes of Average Hourly Earnings and Average Hourly Compensation,
Bituminous Coal Mining Relative to All Manufacturing Industries
(1945 = 1)

Year	Average hourly earnings	Year	Average hourly	
			Earnings	Compensation
1890	1.01	1929	0.99	1.01
91	0.95	30	0.98	1.01
92	1.00	31	0.98	1.00
93	1.01	32	0.91	0.94
94	1.00	33	0.86	0.88
95	0.93	34	0.97	0.99
96	0.83	35	1.05	1.07
97	0.80	36	1.09	1.11
98	1.01	37	1.06	1.08
99	1.03	38	1.11	1.12
1900	1.15	39	1.07	1.08
01	1.22	1940	1.02	1.03
02	1.20	41	1.04	1.06
03	1.27	42	0.95	0.97
04	1.29	43	0.92	0.93
05	1.28	44	0.94	0.95
06	1.26	45	1.00	1.00
07	1.19	46	1.07	1.08
08	1.25	47	1.12	1.15
09	1.22	48	1.23	1.29
1910	1.18	49	1.22	1.29
11	1.18	1950	1.21	1.32
12	1.21	51	1.22	1.30
13	1.13	52	1.19	1.28
14	1.17	53	1.22	1.34
15	1.19	54	1.21	1.34
16	1.16	55	1.20	1.36
17	1.24	56	1.26	1.40
18	1.16	57	1.28	1.42
19	1.19	58	1.23	1.37
1920	1.38	59	1.28	1.42
21	1.53	1960	1.26	1.40
22	1.63	61	1.22	1.36
23	1.50	62	1.18	1.33
24	1.27			
25	1.15			
26	1.14			
27	1.08			
28	1.05			

coal workers were 28 percent and relative average hourly compensation was 42 percent above the 1945 level. From 1959 to 1962 the relative wage position of bituminous coal miners declined by about 10 percentage points.

These figures may understate the impact of unionism on the average relative wage in bituminous coal mining since they do not take into account the relative wage impact of unionism in manufacturing.

Adjustment for the latter would raise the figures in Table 3 in recent years by roughly 4 to 7 percentage points. Hence I estimate tentatively that in bituminous coal mining in 1957-59 the effect of unionism on average hourly earnings was about 30 to 35 percent and on average hourly compensation about 45 to 50 percent; the corresponding estimates for 1962 are about 10 percentage points lower.¹⁰

For purposes of estimation, I have divided the employment effect of unionism in bituminous coal mining into three components:

$$\begin{aligned} \text{welfare contribution component:} & \quad \frac{T}{P} \eta \\ \text{scale component:} & \quad Rk\eta \\ \text{substitution component:} & \quad R(1-k)\sigma \end{aligned}$$

where T is the average contribution per ton, p is the price per ton at the mines, η is the elasticity of demand for coal at the mines, R is the relative wage effect, k is "labor's share" (the ratio of employee compensation less welfare fund contributions to value of output), and σ is the elasticity of substitution of capital for labor. In recent years the value of T/p has been about 0.1 and k approximately 0.5.¹¹ With R equal to about one-third in 1957-59, the corresponding values of Rk and $R(1-k)$ are about one-sixth.

I am in the process of estimating the elasticity of demand η and don't yet have any numbers to report. But unless η is quite small, the welfare contribution and scale components taken together will not be negligible. For example, even if η were only 0.25, these two components would total about 6 percent.

Although I am not yet satisfied that I have really estimated the elasticity of substitution σ , I do have some results to report. In making the estimates, I have used the now familiar CES (constant elasticity of substitution) productivity-wage relation

$$(1) \quad z = \sigma \log a + (1 - \sigma) \log b + \sigma y$$

where z is the log of bituminous coal output per unit of coal labor input, y is the ratio of the coal mining average wage to the price of

¹⁰ To check these figures, I am now preparing alternative estimates for each of the years 1947-61 from a cross-section (by states) analysis of wage levels and wage changes in bituminous coal mining.

¹¹ In 1958 welfare contributions amounted to 10 percent of value added (less welfare contributions) and 7 percent of the value of net coal shipments (less contributions). In the same year, employee compensation (less welfare contributions) of production and development workers was about 50 percent of value added and about 40 percent of the value of net coal shipments.

coal, a is the "distribution" parameter in the CES production function, and b the "efficiency" parameter.

I first fitted equation (1) to cross-section (by states) data on y and z for 1954 and 1958, separately for strip and underground mines, computed from the 1954 and 1958 *Census of Mineral Industries*, obtaining the following estimates of σ (from the best-fitting regressions):

	<i>Regressions of z on y</i>		<i>Regressions of y on z</i>	
	<i>Strip</i>	<i>Under-ground</i>	<i>Strip</i>	<i>Under-ground</i>
1954	1.05	1.19	1.41	1.29
1958	1.14	1.16	1.35	1.28

These results suggested that σ was approximately the same in strip and underground mining. Therefore, in later work I combined the two types of mines. This made it possible to use the annual data for each of the 22 leading coal producing states (including Alaska) on output, price, wages, and labor input provided by the Bureau of Mines (*Minerals Yearbook*) and the Bureau of Employment Security. However, since the level of manhour productivity, state by state, is substantially higher in strip than in underground mines, I have usually included the ratio, λ , of mandays worked in underground mines to total mandays worked as an independent variable in the regressions.

For each year 1947 to 1961 I have computed the regressions across the 22 states of z on y and λ and of y on z and λ . The estimates of σ obtained from the regressions, though varying somewhat from year to year, have no trend to speak of over the period. The 1947-61 averages of the estimates of σ are:

regressions of z on y and λ : 0.96

regressions of y on z and λ : 1.31.

Since geological conditions (and perhaps labor quality as well) probably varied more among the states at given dates than among the years 1947-61 within states, estimates of σ derived from time series may be preferred to those from the annual geographic cross sections. Hence for each of the 22 states I also computed estimates of σ from the following 8 regressions:

1. z_t on $y_t, z_{t-1}, \lambda_t,$ and time, t	0.95
2. z_t on $y_t, z_{t-1},$ and time, t	0.92
3. z_t on $y_t, z_{t-1},$ and λ_t	1.25
4. z_t on y_t and z_{t-1}	1.40
5. y_t on $z_t, z_{t-1}, \lambda_t,$ and t	1.40
6. y_t on $z_t, z_{t-1},$ and t	1.50
7. y_t on $z_t, z_{t-1},$ and λ_t	1.34
8. y_t on z_t and z_{t-1}	1.41.

There was considerable variation among the estimates from state to state and in 8 states (producing a bit less than one-fourth of the U. S. bituminous coal output in 1955) the estimates varied so much among the regressions as to be essentially useless. The numbers at the extreme right of the regressions above are weighted averages (the estimate for each state was weighted by mandays worked by coal miners in the state in 1955) of the estimates of σ for the other 14 states. These time series figures agree rather well with the cross-section estimates.

The substitution component of the employment effect is $R(1-k)\sigma$. With $R(1-k)$ at about one-sixth and σ at 0.9 to 1.5, the substitution component alone amounts to 15 to 25 percent, an effect about two to three times as large as the total employment effect estimated for the late 1950's in the global data for industry groups a and b . On the other hand, unless the elasticity of demand for coal at the mine turns out to be substantially larger than unity, the total effect (substitution plus scale and welfare contribution components) of unionism on employment in bituminous coal mining will account for considerably less than one-half (in ratio terms) of the postwar employment decline in that industry.

LABOR MOBILITY AND WAGE INFLEXIBILITY

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However useful would be an increase in wage flexibility to the prospects for low unemployment at stable prices, we seem to lack a practical way of achieving it. So long as this be true, efforts to improve the quality of labor mobility, through training and relocation programs, may be expected to attract increasing support. Indeed, should it become apparent that increases in aggregate demand have to be pushed to inflationary levels to reduce unemployment to an acceptable rate, raising the personal productivity of overpriced workers is the only approach to full employment at stable prices that remains open. This, in any event, is the positive side of these remarks.

On the negative side, given the considerable evidence of the absence of wage flexibility, is the dependence of any market on price flexibility for efficiency of performance. Market efficiency is measured by the swiftness and appropriateness with which price adjustments establish market-clearing conditions for demand and supply. Efficiency in the labor market involves the relationship of the **average** level of wages to other factor prices, the flexibility and correctness of response of wage adjustments for particular categories of labor to changing market conditions, and quantity adjustments on the supply side among related sections of the market. Hence it follows that anticompetitive institutional pressures on wages, such as may be introduced by collective bargaining, impair one of the labor market's devices for inducing efficient allocation of workers. Accordingly, the burden increases on quantity adjustments—labor mobility—in each of its dimensions. Further, the wrong kinds of changes in relative wages—those which are anticompetitive instead of market-clearing—impose a double constraint on the quantity-adjustment mechanism: (1) they erect a wage hurdle with a limiting effect upon sectional expansion in employment or they make sectional employment contractions larger than they otherwise would be, and (2) they deepen worker attachments where demand conditions are unfavorable.

Perspective on some of the problems in the present-day labor market is gained by noting first that the shift away from employment

of production workers in the goods sector imposes a strain on wage differences as an allocative device. In this connection, reference to the contrast between American and foreign experience is helpful.

II

Comparing the high labor mobility and minimal job tenure traditions found in the United States with the low turnover rates that typically prevail in Europe and Japan, it is easy to doubt the decisiveness of fluidity in the labor market to rapid growth and full employment. While foreign experience suggests that if other markets are in good repair an economy can successfully accommodate a wide variety of obstacles to the efficient matching of workers and jobs, the Europeans and the Japanese seem to be sailing with the wind behind them. We, at a different stage of development, have to zig and zag. During the past decade, in virtually all industrialized countries except ours, manufacturing employment has been growing more rapidly than the labor force [23]. Since manufacturing generally is a high-wage sector, the path to improved allocation of labor supplies is smoothed as attractive job opportunities multiply. To be sure, all economies confront structural problems. As far as the functioning of our labor market is concerned, performance is not likely to be enhanced by the restraints which have come to prevail in the blue-collar ranks of American industry. There, the laid-off worker without the credentials to qualify for a white-collar job often finds himself confronted with the choice between awaiting recall or seeking employment in one of the expanding service occupations.¹ Since the latter are generally lower paid, less skilled, and often part-time, it is not surprising that in recent years between one-third and one-half of the total accessions in manufacturing have been recalls. If the observations could be limited to production workers, the proportion would be considerably higher. The higher the industry wage level, the greater the tendency for recalls to outnumber new hires.

¹ The service occupations should not be confused with the service industries. In the former group, with the exception of a few occupations, like policeman or bartender, virtually all of the jobs are unskilled. The fuller employment is expected to be, the less relative shrinkage will occur in the demand for goods-producing production workers. The BLS, on the basis of a 3 per cent unemployment rate assumption, projects a 1960-70 increase of 21 per cent in all employment, including a gain of 13 per cent (1,600,000) in operatives and a 34 per cent (2,800,000) in service workers [26, Table 28, p. 100].

Our industrial labor markets are somewhat akin to the farm problem. Even with the help of a favorable earnings spread, the farm population shrinks too slowly. Now we seem to require a relative contraction in the hourly-rated portion of the goods-producing industries, one that inevitably will entail many direct, individual worker transfers, but the relative wage signal is pointing in the wrong direction.

III

Despite its much described imperfections, the American labor market scores high, both when measured on an impressionistic basis against European experience and when subjected to formal tests, in the sense of satisfying certain of the predictive implications of the competitive hypothesis, particularly those pertaining to geographic mobility. See, for example [5]. Nevertheless, its performance is disappointing—especially with respect to the level of employment; that is, as has been suggested, certain aspects of the labor market itself contribute to the economy's almost chronic failure to generate full employment.

Predicting the tolerance of a society for unemployment is impossible. Leo Wolman used to say that unemployment was a problem when people worried about it, and perhaps that is as precise a statement as one can make. We know that our tolerance level is a moving target and that it is moving downwards. Among the forces that many continue the pressure to reduce unemployment is the pace set by other industrialized countries. Also, we are likely to experience persistent and perhaps increasing concern with the labor market aspects of the civil-rights movement and with the concentration of unemployment among the rising numbers of young persons in the labor force. Especially dim are the job prospects for the several million high school dropouts who are entering the labor force this decade.

Basic to the current surge of interest in labor mobility and manpower policies in connection with the high unemployment of the past six years is the suspicion that somehow a serious imbalance may have emerged between the skills the unemployed have to offer and the kinds of skills that employers seek to hire at prevailing and prospective wage rates. Mention of the notion of a bad skill-match between labor demands and supplies plunges one into the inadequate demand-structural distortion controversy. Without respect to the

relative merits of this dispute at unemployment rates well above five per cent, there is concern that as we approach four per cent further expansion of aggregate demand is likely to exert more pressure on prices than on employment, in part because of constraints imposed by the labor market. Among these, three stand out: (1) The record of the 1950's suggests that some unions are strong enough to command substantial wage increases while the companies with which they bargain still face perfectly elastic supply curves of labor at prevailing wage levels. According to a familiar line of reasoning, such a development, assuming continued priority for the price stability objective, prompts restrictionist monetary and fiscal policies if the cost increases exceed the limits of productivity progress. A wage spillover into the nonunion sector is a part of the process. The end result is a continuing unemployment problem. Further, as Abba Lerner has suggested, government efforts against sellers' inflation may be awkward: despite a tight money policy, prices may keep rising until real expenditures and employment have been reduced sufficiently to overcome the institutional forces that confer upon sellers the power to keep raising prices [10].

One finds in the labor market studies of the late 1940's and early 1950's strong support for this anticompetitive institutional control of the labor market, coupled naturally to a denial of the relevance of conventional labor market theory to labor market analysis. This interpretation was best summarized by Arthur M. Ross: "Relative wages have little to do with the movement of labor, and . . . the movement of labor has little to do with the creation of wage differences" [16]. If cost-push tendencies keep full employment at too respectful a distance, then efforts to improve the quality of labor mobility are unlikely to prove fruitful. The development of labor shortages in some sectors simultaneous with surpluses in others is improbable on a large scale with unemployment high almost everywhere. To be sure, shortages may arise for workers in the upper echelons of the occupational hierarchy, but these will tend to be self-correcting. Individuals may be expected to perceive that the chief escape from the inhospitable parts of the labor market lies in qualifying for those skills for which employers are freer to respond to low bids. (2) It may be objected that even in the absence of cost-push, a level of demand sufficient to cause full employment for skilled workers may be inadequate to reduce unemployment below

a tolerable level for lesser skilled workers [7,8]. That the incidence of unemployment is suffered disproportionately by those at the low end of the skill and education ladder is firmly established. Why this should be so is not clear. The growth of research concerning investment in human capital promises to improve our understanding of this phenomenon. (3) Pending the appearance of a better theory directed to the apparently increasing concentration of nonrecession unemployment among those with low personal productivity, Clarence D. Long's work commands the center of the stage [12,13]. Briefly put, Long points to the operation of two forces: first, a "social minimum wage"² that is rising as fast or faster than the average wage. Second, as improving educational facilities enhance "the opportunity offered to the average worker to improve his personal productivity, the further some of the workers will fall below the average. That is, the faster the march of the average, the greater the lag for the stragglers" [12]. This is the widening productivity spread. Thus the productivity of the average worker is rising more rapidly than the productivity of those who for whatever combination of environmental and genetic reasons fail to move as fast as the average. Meanwhile, because of the upward drift of the social minimum wage, no compensatory widening of the wage spread between the two groups is developing to offset the widening productivity spread.

A major virtue of the Long hypothesis is that it introduces, through relative wages, an economic explanation for the failure of the skill needs of employers to match those that the unemployed have to offer. That is, employers have responded to the relative rise in the cost of low quality labor by raising hiring specifications. That the available jobs often have a new look, that processes have been automated, simply obscures the underlying sequence of cause and effect. Although there may be occasions when it pays to automate even at zero wage rates, change in applied technology is usually influenced by change in factor costs, including the cost of labor. Also, because the long-run supply of capital is more elastic than that of labor, the price of labor rises relative to that for capital. This interfactor competitive process induces a substitution against labor

² The social minimum wage is a composite of legal and union minima, employer reluctance to pay low wages, as well as the alternatives to wage income found in the social and private insurance systems.

which may prompt the disemployment of overpriced workers. In short, inappropriate wage behavior puts an uneconomic premium on labor-saving innovations.

IV

Common to the Long theory of prosperity unemployment and to the threat of cost-push to sustained high full employment, is our wagemaking system's deficient sensitivity to the imbalance between demand for and supply of labor in important sectors. Certainly there is nothing novel about the notion that wage flexibility conduces to full employment, provided it does not trigger a deflationary spiral. Nor is such wage behavior a purely hypothetical construct. Wage decisions for manual workers are less responsive to labor market conditions than are those for white-collar workers. This conclusion, at least, is indicated by a comparison of the New Haven study of manual workers [15] with the study of female clerical workers in Boston banks and insurance companies [18].

The growing literature about the Phillips curve seems to suggest that wages have tended to rise faster at given levels of unemployment as collective bargaining has spread. Between 1947 and 1961, despite the difficulties of moving from blue- to white-color employment, disbursements per salaried worker in manufacturing increased at an average annual rate of 3.8 per cent while the comparable rate for production workers was 4.9 per cent. During these years the number of salaried workers was rising at a rate of 3.7 per cent a year and the number of production workers was falling at a rate of 0.5 per cent a year [24]. Similarly, between 1953 and 1962, among 20 large cities for which information about straight-time average hourly earnings is available, median wages for both unskilled male plant workers and skilled maintenance workers alike increased by 47 per cent [22]. During these years, unemployment rates for experienced male unskilled workers were two to three times the rates for skilled workers, averaging about 11 per cent. However, this level was exceeded, by the unemployment experience of male youths, age 18-19, many of whom presumably were candidates for unskilled work. Also, except for the textile centers, one finds no tendency for manufacturing wage levels to rise least where labor supplies are locally most abundant [17]. Average hourly earnings in depressed West Virginia have more than kept pace with wage changes in

manufacturing as a whole.³ The general failure in the articulation of manufacturing wage changes to local conditions appears to have the kind of related consequences one would expect. One study points to an apparent wage spillover from manufacturing into the service industries [2]. The price impact of such an effect probably reduces the employment absorption capacity of the service sector.

In summary, the responsiveness of our wagemaking system for blue-collar workers to the conditions of supply and demand for such workers, as so often has been noted, frustrates high full employment. In contrast to this nonadaptive wage behavior, what appears to be adaptive movement is much in evidence when one turns to information descriptive of worker mobility. That is, wages rarely move downwards but workers often do.

V

Some sense of the flexibility of the workforce is provided by the observation that the most characteristic kind of job change (exclusive of changes that take place within the firm, about which we know little) is one that involves the simultaneous change of employer, occupation, and industry. This pattern is reported for 1940-50 by the Six City project [14] and repeated by two nationwide studies of job mobility, one pertaining to 1955 [19] and one to 1961 [1]. More than one-half of the job shifts reported by the Six City study were of this multiple character, almost one-half in 1955, and well over one-third in 1961. (No inference is justified as to a rise in occupational or industrial attachment, however, in part because of differences in labor market conditions associated with the timing of each of the surveys.) Recognition of the high degree of flexibility in worker movement that these findings convey is enhanced by noting that the occupational and industrial categories used are of the gross kind found in the decennial census for classifying occupations and industries into a dozen or so groups. Self-evidently, a more finely graded classification system would further reduce the occupational and industrial attachment that the labor force demonstrates.

With respect to geographic mobility, the sheer volume and frequency of movement is impressive. Between 1955 and 1960,

³ The reference is to a comparison of 1951, the first year for which data are available, with 1962. West Virginia wage data are in [21]. The results are not the consequence of any important change in industry-mix; however, changes in the skill mix were not investigated.

almost one-half the population, age five years and over, changed residence. During the 1950's, four out of five counties lost residents as a result of net out-migration [26, pp. 55, 56]. New research indicates that half of the 800,000 workers who change jobs each month find their new work in a geographically different labor market [27, p. 31].

Judging from the recovery period extending from the summer of 1954 through the summer of 1957, there is sufficient mobility, in all of its dimensions, including into and out of the labor force, to overcome all but occasional shortages of general labor supplies in particular localities while surpluses obtain elsewhere. During this period, the Bureau of Employment Security estimated labor market conditions for each of 150 major "production and employment centers" on a bimonthly basis [20]. In most instances boundaries of these areas coincide with those of the Standard Metropolitan Areas. Each area was categorized by one of six designations descriptive of the tightness or looseness of its labor supplies. Areas assigned to the top category are estimated to be experiencing "overall labor shortages" associated with a "usual unemployment rate" of less than 1.5 per cent.⁴

Of the 2,700 observations recorded during the recovery, only 10 were of the shortage-designating variety. The national unemployment rate averaged 4.4 per cent during this period of concern over wage-push. How efficient the labor market will prove to be when confronted with a more severe test remains to be seen—both with respect to the evenness of the distribution of unemployment and to the pressure exerted on the wage level while unemployment remains a problem.

Turning to skilled and professional workers, the Commissioner of Labor Statistics complains that shortages of such talent occur in one geographical area while an oversupply of the same kinds of workers prevails in other areas [3]. Presumably such observations are based on the interarea recruitment program of the public employment service. In the absence of a job vacancy series and more complete use of the employment service by high quality workers, the direct evidence available is insufficient to support a judgment on the magnitude of this problem. Indirect evidence, such as might

⁴ A somewhat different scale was in use in the early part of the recovery, but the difference is of little importance to a cross-sectional view.

be found in the relative movement of wages by occupation and place, is becoming more abundant thanks to the Bureau of Labor Statistics' expanded occupational wage survey program.

The mobility studies agree that industry attachment tends to be disguised occupational attachment. It is change in the occupational more than in the industrial structure of employment that most strains the adaptive capacities of the labor force. In general, however high may be the propensity of workers to change occupations and industries, the concept of noncompeting groups appears to have lost none of its relevance. There are no estimates of the number of job vacancies nor of the number that would remain unfilled if worker ignorance and transfer costs were assumed away. Seymour Harris guesses that "adequate manpower training, area redevelopment and vocational programs might cut unfilled vacancies by at least 500,000, thus reducing excess unemployment by at least one-third" [6]. The present remedial programs fall very short of that order of magnitude. Moreover, because of the suspected large number of low-skilled workers and women who only await a more attractive labor market to enter the labor force, estimating the need for training programs is especially difficult.

VI

To recapitulate, if the labor market is better to serve the objectives of full employment at stable prices, including full employment for nonwhites and the millions of ill-prepared youths who are entering the labor force, progress can come either from increasing wage flexibility, from improving worker mobility—especially by increasing the employability of unskilled workers—or from both together.

Given the downward inflexibility of wages and prices, it is the task of monetary and fiscal policy to lower the unemployment rate from the 5 to 6 per cent level prevailing since 1958. But as the Wage Guideposts statement attests, our wagemaking arrangements may threaten price stability before we attain an acceptable level of employment, and thereby make more difficult further reduction in unemployment. Similarly, despite the concentration of unemployment among low-skilled workers, there is but limited evidence of relief appearing in the form of a widening of the wage rate spread between less and more skilled work. Such evidence as there is takes two forms: the long-run trend toward compression seems to have been arrested since the early 1950's. Secondly, there has been an inter-

industry shift—away from the employment of operatives and laborers in the goods sector and toward the low-wage service industries. Unfortunately for unskilled males, however, the bulk of the rise in such employment has been for women. As Long suggests, the women often are better educated and accept lower wages.

Annual earnings of skilled workers have increased more rapidly than earnings of unskilled workers since 1950, but this seems to be a reflection chiefly of differential exposure to unemployment. Also, it is to be noted that the 1961 amendments to The Wage and Hour Law will not cease pushing up the wage floor until September 1965.

Similarly, it is not realistic to expect an increase in wage flexibility in collective bargaining of a type that would stress wage structure rather than general wage changes. True, high unemployment does dampen the rate of general increases. But while this is one type of wage flexibility, it is not structural flexibility. Unfortunately, it is all that we can probably expect but not enough to make a positive contribution toward achieving full employment. Wage adjustments tailored to the labor supply and demand situation of individual establishments are the kind that would be most effective. The postwar record indicates that as far as the wages of production workers are concerned, often we do not even find such tailoring at the industry level. There have been repeated observations of an absence of short-run positive correlation between wage and employment changes by industry. Instead, profits [4] and wage parity are found to be among the major elements that condition union wage demands and nonunion wage expectations. Neither, needless to say, necessarily lend to the labor market those qualities that make for low unemployment or equalization of net attractiveness among jobs.

VII

The proposals that have been advanced to improve efficiency in the labor market are varied and often wonderful to behold. At one extreme is the judgment that if improvement is to come, it can only come from the unions committing *hara-kiri*—capitalism and unionism cannot co-exist. At the other end of the scale are the champions of unrestrained “free collective bargaining,” although even in this camp one suspects an awareness of the inevitability of continued assertion of the public interest in wage decisions.

Generally speaking, aside from occasional urgings to strengthen

the placement service, most of the proposals, not surprisingly, have dealt with the pricing of labor, either directly or through suggestions to modify public policy toward collective bargaining. Of late, there has been a marked increase in emphasis on training and relocation.

In terms of the actual adoption of wage policy, as everyone knows, from occasional appeals for restraint we have moved to admonition with guideposts—in effect to a policy of appealing to the parties who enjoy market power more or less to simulate the behavior they would be obliged to pursue if they did not have market power. Thus far, the guideposts have been ignored in the transportation industry and most notably in construction, despite the prevalence of substantial unemployment in the building trades. The prescription that average wage gains not exceed the rate of secular overall improvement in output per manhour means that some wages should increase less than others. In those industries where workers are in excess supply, below average increases are called for. But for this to occur, there has to be an appropriately distributed supply of patsies. In the face of the current and projected shift in the distribution of employment away from the unionized sectors, the relatively high wages characteristic of unionized industries, and the unlikelihood in the next several years of a dearth of job applicants at these wages, the guidepost policy seems destined not to enjoy a fortuitous congruence of market power and market forces.

If the guideposts fail while the need continues for a substitute less onerous than high unemployment, attention may return to some of the other proposals that have been put forth. These include advance notice of impending wage and price changes; subjecting “key” industries to utility-type controls; additions to the list of proscribed bad practices with respect to the exercise of union power; direct wage and price controls; subjecting unions to antitrust—whatever that may mean; and reducing the scale of collective bargaining to the enterprise level. For the latter proposal to work, as its author, H. Gregg Lewis indicated, large firms must be made into smaller firms to whatever degree is necessary in order to cope with the problem of follow-the-leader collusion in concentrated industries [11].

Among still additional proposals, one would refer the wage determination process to a system of universal job evaluation [15, pp. 263–66]. Another, a refined version of the guideposts, contemplates a system of labor market indicators that would reveal the

balance of supply and demand in each occupational market; by applying an appropriate wage change formula to these indicators, optimal allocation will result [9].

The foregoing list of proposals does not exhaust those that have been advanced to improve the workings of the labor market through modifying our wagemaking institutions. Nevertheless, it is perhaps sufficient to indicate that the kinds of proposals that are consistent with decentralization and competitive pricing are remote of realization. Foreign experience confirms this impression.

However, in the past few years interest in wage determination has been rivalled by a concern with the structure of unemployment and investment in man. The fruits of these developments are illustrated by the Manpower Development and Training Act and by such research as is reported in the *Investment in Human Beings* volume [25]. The question thus arises to what extent economic analysis, newly expanded to embrace investment in training, in migration, and so forth, may be able to throw light on the possibilities of offsetting, by means of such investments, the mischief that insufficient wage flexibility imparts to the labor market and to the economy. For example, just as workers who moonlight or work long hours at one job do not necessarily reduce job opportunities for the unemployed, so similarly is it likely that not all unemployment is equally effective in holding wage changes to a noninflationary pace. Nudging the Phillips curve to the left may be expected to require a mixture of monetary policy and remedial manpower programs. The underdevelopment of our mobility-improving policies may first and foremost result from the greater ease of ignoring chronic looseness in the labor market than chronic tightness. It is of interest to note in this connection that Sweden is both less inhibited than we are about the application of Keynesian prescriptions and also is geared to accommodate as much as 1 per cent of her labor force in retraining programs [27, p. 966].

Prodded by a concern with the hostile nature of the labor market for Negroes and noncollege youth, public support for training programs may be expected to widen and deepen. Also, while the United States may have exceeded most other industrialized nations in arming her labor movement with legal aids to win wage increases at high levels of unemployment, we seem least prepared to accept the possible price level consequences of that handiwork—probably

even without respect to the balance of payments problem. At the same time, we have done comparatively little to relieve the alternative result, unemployment, as is apparent when our pre-employment training, apprenticeship, and relocation efforts are measured against certain foreign programs. Research that will help estimate the potential of improving mobility as an offset to insufficient wage flexibility is likely to be one of the things economists will be doing more of in the years ahead.

That the offset may be only partial inheres in the logic of the market, in the sense that efforts to improve quantity adjustments are always in danger of being neutralized in part or in whole by perverse price adjustments. But while price and quantity adjustments may claim equal importance in allocation theory, they are not equally susceptible to efforts to raise the efficiency of the labor market. The more the concern of government with wage decisions, the closer we come to the inefficiencies of wage and price controls. However, training programs which increase the productivity and hence the employment prospects for individual workers need involve no such liabilities.

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THE FEATHERBEDDING PROBLEM

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A growing number of disputes appear to involve the problem of featherbedding. At the heart of these conflicts is the question of who should bear the cost of technological change. While there are a number of theoretical alternatives to technological displacement, featherbedding is the most satisfactory from the position of both the union and the potentially displaced workers. There has been increasing pressure on unions not to resort to featherbedding demands, but external pressure, even when directed by the President, has not proved effective. Some collective bargaining agreements have offered alternatives to featherbedding when there is a structural change, but the advice to follow the lead of constructive agreements that propose to end constraints on firms and effect a better utilization of our manpower resources has gone unheeded. The failure to settle featherbedding issues has cast doubt upon collective bargaining and the market as an appropriate institution.

This paper will treat the following topics: first the necessary and sufficient conditions for the emergence and continuance of featherbedding; second, the impact of the featherbedding rules on decision making in both the short and long run; third, alternatives to featherbedding for meeting structural unemployment.

I

CONDITIONS FOR FEATHERBEDDING

Employment insecurity gives rise to featherbedding under special circumstances. The following generalizations are significant in understanding the acceptance or rejection of this particular response to the problem of insecurity.

Featherbedding occurs in industries that are characterized by non-competitive operation prior to formalization of the rules. The economic environment for featherbedding is very similar to that required for racketeering. In both cases the firms must have some expropriatable surplus, or else the working rule or extortion leads to

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downward instability. In the main, the distinction between these two phenomena are in the utility functions of the maximizing institution and the division of the rewards. Therefore, it is inappropriate to examine the impact¹ of the rules on the assumption that they disturb an optimal competitive position.

For example: the industries protesting most about these rules, and where in fact they are found in abundance are the transportation industries and the building trades. Both are non-competitive in character. The railroads for example are under extreme control in nearly every activity, from quality of product to price, while the building trades continue to be a hotbed of localized monopoly in which the government has a role through licensure and demand. Given this state of affairs some might suggest we dismiss the problem merely as one of internal allocation of quasi-rents. Featherbedding ties up manpower in unproductive activities and to dismiss the problem as one internal to the firm leaves the larger manpower problem unresolved. It is better to have a higher utilization of human resources even if there is monopoly, though quite obviously it is best to free both labor and product markets.

The spread of these practices, which increase costs, to competing industries reduces one of the constraints on the union imposing them. The rationale is identical to the explanation of the failure of featherbedding in pure competition. The market restraints on unions are diluted when competitive industries work under similar circumstances. For example, it is clearly advantageous to the railroads to have airlines face the problem of manning requirements on jet services, as well as the problem of restrictions on abandonment by public authorities. A great comfort to the Brotherhood of Locomotive Firemen and Helpers should be the increase in the crew consist on some commercial airlines resulting from the joint demands of flight engineers and the Airline Pilots Association.

The unions involved in featherbedding are narrowly organized along craft lines. There is almost a total absence of these rules in industrial or multicraft unions. The economics of this is important in understanding the role of the market in eliminating restrictive practices and restricting their introduction. The advantages of featherbedding accrue to a specific group, and this serves as a restraint upon

¹Norman J. Simler, "The Economics of Featherbedding," *Industrial and Labor Relations Review*, (October 1962), 100.

gains to other workers in the firm. In an industrial union small groups rarely elicit the support of the entire organization for their own narrow ends, because the larger group has nothing to gain.

Union rivalry also leads to featherbedding as a defensive strategy. Featherbedding is found when there is a cluster of craft unions in an industry. These unions abide with each other under unstable conditions for a number of reasons. The organizations are competitive, pursuing individual goals with little regard for the impact of their policies on non-member employees.

A current dispute in the airline industry concerns the manning of the third seat in the cockpit. Should it be a member of the Flight Engineers with some pilot training or a pilot with an engineer's license: One result of course has been the three pilot-one engineer crew on some lines. The Emergency Boards examining this dispute have pointed to the need for union merger as a necessary condition for the settlement of the problem.

While employment goals of unions are not frequently dominating, much of the literature on trade union utility functions implies that this is an aberration. These older models of trade unions like those of Fellner, Ross and Dunlop were influenced by the flush labor markets of the 1940's. Such a position can hardly be accepted in the light of recent labor experience. While an interest in employment has long been noted in craft unions, one notes the growing interest of industrial unions in employment security. More and more we observe union leaders placing increased emphasis on employment factors rather than on wages. The type of activity pursued by unions with employment interests varies markedly from featherbedding at one extreme to the program recently effected by Kaiser, the I.L.A.-P.M.A. and Armour. It would appear that there is a series of alternative trade union utility functions and that there is a need for a systematic analysis of why a trade union chooses one alternative rather than another.

The technological requirements for featherbedding are at least as important as the industry and union structure. An almost universal characteristic is the gradual substitution of one form of technology for another. The displacement is evolutionary, wiping out the wage-rent differential of skilled groups. This type of change, establishes the conditions for the imposition of the rules, as well as pointing the way toward their elimination. Thus, the type of rule we are concerned with arises shortly after the commercial introduction of a technology that

is likely to adversely affect a relatively small, and usually skilled, group in the work force. Quite frequently featherbedding emerges from the carrying forward of a set of practices appropriate for one technology to another, where it is alien.

The specific labor groups engaged in featherbedding do not allow employers to modify the job assignments of workers. This fact along with analysis of broader categories of inputs implies that the elasticity of substitution for specific groups in a firm is zero or close to it.² To analyze the effects of featherbedding with the aid of a Cobb-Douglas Function³ having a positive constant elasticity of substitution for other factors appears most inappropriate. The results using that model implies that the marginal productivity of capital increases as a result of featherbedding, a conclusion that evaporates when a more realistic production function is employed. However, this is an empirical problem, and one that needs examination before a definitive answer to the impact of featherbedding can be provided.

II

THE IMPACT OF RESTRICTIVE RULES

There are two avenues of analysis open: static analysis, which is fairly well developed, and dynamics, which is largely in an embryonic state. Some conclusions about featherbedding under static conditions are summarized, while some interesting dynamic questions are posed.

Theoretically a featherbedding rule could require a fixed amount of labor to be hired for a specified economic period. Under this procedure labor would be a semi-variable cost and thus be analogous to any other lumpy factor.

However, the rules considered under the rubric of featherbedding do not specify that a fixed amount of labor be hired. On the contrary, they usually call for the retention of an existing labor/output ratio. Examples are the "bogus" role, double heading and standby. In each case the amount of redundant work to be performed by the firm is a function of output thus affecting the height and slope of variable costs and given the structure of the industry, reduced output. Consequently,

²K. J. Arrow, H. B. Chenery, B. S. Minhas and R. M. Solow, "Capital Labor Substitution and Economic Efficiency," *Review of Economics and Statistics*, Vol. XLIII (August, 1961), 225-250 also: Jora R. Minasian, Elasticity of Substitution and Constant Output Demand Curves for Labor," *Journal of Political Economy*, Vol. LXIX, No. 3 (June, 1961), 261-270.

³Norman J. Simler, *Op. cit.* 96, 97.

we can say that the rules reduce output and raise costs and prices in the short run.

The first dynamic question concerns the impact of featherbedding on supply. Does the existence of featherbedding affect the labor supply function? Unfortunately this is not easily answered, but let me point out the implications under either of two sets of conditions. First, if we assume that there is some onus connected with a job that is reputed to involve featherbedding then the supply to the industry would shift to the left and in the extreme would possibly disappear, i.e. would be perfectly inelastic at zero offerings over the relevant wage range. In the long run, the problem might then be self-correcting from the supply side. An alternative would be for the wage rate to be adjusted upward to compensate for the disutility of being in an undesirable occupation. Thus, a consequence of featherbedding would be an upward pressure on wages that cannot be stopped in a short run. If the rule does not adversely affect supply, then the problem can never be self-adjusting from the supply side. This obviously opens the question to some other type of policy.

A second dynamic problem concerns the impact of the rules on the rate of technical change and investment. It is commonly assumed that these restrictive rules retard progress. Clearly the intent of the rules is to lower the marginal efficiency of investment on labor-saving changes. The employer is not free to reap the full cost-reducing advantages of the change and unless the demand for the final product is perfectly inelastic some of the increase in cost must be shifted to ownership or other factors. The meager work on this problem is inconclusive, but indicates that the rules have some, though marginal, negative effect. I would argue that it is theoretically possible for the rules to stimulate change under certain conditions.

Let us assume that there is a new technology that allows the production of a product without the use of a factor used in the old technology. Assume further that there is a rule requiring a fixed labor-output ratio for one of the factors. Then the level of the featherbedding cost as measured by the slack variable depends on the mix of the two techniques. In the early stages of the substitution of the technologies there is little of the new and much of the old. Therefore the cost of the rule is minor. However, the more the new technology is substituted for the old, the higher is the relevant featherbedding cost, the maximum cost is obtained prior to the complete substitution of the

new technology. When the last unit of capital using the old inputs is scrapped, the workers are entirely superfluous. The absolute cost of featherbedding through time depends on the length of time it takes to complete the change in technology. If this is perceived, then the featherbed rule should foster the more rapid introduction of a new technology and one that is radically different.⁴ While research on this is not complete it is suggested that this model is fruitful in explaining the history of the dispute concerning crew consist rules in the railroads. The critical factors are thus the character of the new production function and the time period between introduction and total substitution.

A less optimistic result comes about if it is assumed that some skills are still required even under the new technology. In this instance one sees that the problem is not corrected from the demand side and in fact may grow at a rate consistent with the increase in some parameter, such as the amount of matrix work in the printing trades.

In the former case, that involving the complete change in technology, the market can resolve the problem of the firm in the long run, but not in the latter case. Given that there are supply and demand conditions which may forestall a resolution of the problem is there any way out of the featherbedding dilemma? One might also point out the fact that even though the problem, say from the supply side, is soluble in the long run it may be deemed that the period is too long, both from the firm's position as well as in tying up manpower resources.

III

PRIVATE PROGRAMS

The threat of technological unemployment can give rise to programs to ease the adjustments. Recent experiments such as the Armour, West Coast, and Kaiser agreements have been proposed as models to be followed in other agreements. The advantages of these plans are that they are arrived at privately and do not countenance redundant labor. It would appear that the market is effective in ending the problem of featherbedding by providing a more attractive alternative to the parties. Are these programs desirable alternatives? If they are desirable, what conditions are necessary for their adoption?

Longshoring has a fragile existence as a separate industry or trade.

⁴This assumes absence of cooperation by other unions. *Supra*.

The rationale for a separate union stems from the historic irregularity of shipping, yielding a fluctuating labor demand and with low integration in the industry, separate and corrupt unions.⁵ Whenever the trade is regularized, as in coastwise shipping, or the market decasualized, through restricted entry in the hiring hall, the unions cease to have a separate identity and become submerged into teamster or ocean shipping unions. The restrictive rules have arisen out of the corrupt, casual labor market and have tended to disappear with organization. Faced with technological change, as well as hostility from the Teamsters, the I.L.W.U. leadership pressed demands on their membership for a program that allowed management to institute work rules changes. The quid pro quo was a management financed fund of some \$29 million to be used for early and regular retirement benefits, death benefits, and the stabilization of workers' income against declines due to changes in technology. The primary burden of disemployment resulting from technological change was to be borne by the workers last to arrive in the industry, many of whom are not members of the union. The union agreed not to object to alterations in rules and new technology, except in the case of speed-up. However the I.L.W.U. have opposed changes quite regularly as shown by the heavy use of arbitration.

The agreement has been advantageous to the parties. Management has added flexibility. The union has ended the hostile period with management and can concentrate on protecting itself against the Teamsters, and resolving international problems.

In the meat industry, the Armour program has devoted considerable energies in studying displacement problems caused by plant shut-downs or elimination of divisions, as well as alternative ways of dealing with the workers' problems. The Armour Automation Committee has sponsored useful research that has resulted in some steps that have aided the displaced. For example, an early warning system for plant shut down and the T.A.P. program. The activities that have received most attention are in the labor market sphere of retaining and placement.

Featherbedding was never an alternative open to the meat industry unions. The structure of the industry precluded such strong union policy. The emergence of new plants and firms in geographic areas

⁵ The corruption arises from the ease of discriminating pricing.

that are difficult and costly to organize, as well as lower entry barriers have made the industry more competitive.

The unions in the meat industry show increasing dissatisfaction with this endeavor. This plan has been in jeopardy because of union frustration that reflects their inability to enforce an employment guarantee solution. It is also important to note that this is the only plan that has actually lived with the problem of structural unemployment.

The Kaiser sharing plan has as one of its activities a program for employment security in addition to productivity sharing. The plan allows the employer to introduce new techniques and alter work rules, but alleviates the insecurity usually associated with this. Workers displaced by technological changes are bumped into the plant-wide pool, maintaining their former wages.

There has been no real test of the plan, and the high attrition rate at the Fontana plant makes it unlikely that the pool will be too costly. The high attrition rate, estimated at eight percent, and the twenty-six week eligibility requirement were originally viewed as being in excess of man power reduction due to altered operations. The company has brought the freedom to adjust procedures with an employment guarantee of dubious value. The union has acceded to changes in technology elsewhere and in fact is not known either for featherbedding or particular concern about permanently unemployed steel workers.

The reasons for this lack of interest in addition to the character of the union utility function, is basic to understanding, the limited role of private agreements in handling the displaced. These programs are adequate for avoiding conflicts, but are not in fact perfect substitutes for featherbedding, as the institution of featherbedding or its continuance in the case of longshoring was not a real alternative.

The cause of featherbedding is employment insecurity. The restrictive rules maintain jobs for the displaced. The alternative for featherbedding is the placement of displaced workers in other jobs and this normally means outside the firm or industry. While the Armour program attempts this, it is at once hampered by the inadequacies of public services and is an alternative to public services. Labor market functions performed by either the former employer or union are likely to be on a crisis basis. To adequately move workers from their old jobs implies careful planning based upon labor market surveys, employment projections and training techniques in diverse industries. To invest in this activity would require a con-

siderable incentive, and it is on this point that the future of these plans in handling employment insecurity breaks down.

The return to both labor and management of shifting workers smoothly out of their own province is either zero or close to it. What incentive is there for a particular union to invest in preparing workers for membership in another union, and, *a fortiori*, management investing for the benefit of other firms. Today the Armour Automation Committee is resorting to public services more and more—for these are best suited for handling the real problems. The main contribution that the programs can make is in mobilizing the public service. However, a really efficient service would hardly need this catalyst.

CONCLUSION

While the market through substitution can end the problem of redundant labor under specified conditions, it can only offer a superficial answer to the real problem of union insecurity. Both the limited interest of labor and management and the technical requirements of appropriate labor-market policy require that a more vigorous program of public labor-market activity be adopted. Further, it is to the interest of the economy to broaden the industrial basis of union organizations. The market does not seem to aid, and in fact may retard, broader trade union organization. Without the broadening of their scope, even plans for labor-market activity as positive alternatives to featherbedding may collapse against the weight of organizational self-preservation.

DISCUSSION

WILLIAM G. BOWEN

Princeton University

In accord with the division of labor suggested by our chairman, I shall confine my comments to Professor Raimon's paper.

The policy observations presented in his paper rest on certain assertions about the operations of labor markets, and so it is perhaps best to begin by considering the most basic of these assertions—namely, that “anticompetitive institutional pressures” on wages of various groups (especially production workers in manufacturing) seriously impair the effectiveness of relative wages as an allocative mechanism. Let me say at the outset that, in company with most of my fellow economists, I accept the general thrust of this argument. What is difficult for me is to arrive at judgments with regard to the *magnitude* of this problem and the policy implications.

Raimon has not pretended to present the results of new, intensive research which would ease these judgment problems. Instead, he has cited earlier labor market studies as offering “strong support for this anticompetitive institutional control of the labor market.” His interpretation of this literature seems a bit onesided, however, in that he does not mention the studies of Rees and others, which show the importance of underlying market forces and emphasize the ease with which one can exaggerate the role played by institutions as such.

Also, Raimon's assertion that there have been “repeated observations of an absence of short-run positive correlation between wage and employment changes by industry” seems to me to be somewhat misleading. The Eckstein-Wilson study makes use of an industry-unemployment variable as one of two main explanatory factors; and my own empirical study of postwar wage behavior revealed a significant positive correlation between industry employment and average hourly earnings of production workers during relatively good times (but not during periods of high unemployment). Finally, it is worth recalling that most of the existing empirical studies stress the positive intercorrelation between profits and employment, and the resultant difficulty in identifying the role of employment changes alone.

In addition to mentioning past studies, Raimon supports his inefficiency-of-the-relative-wage-mechanism argument by citing figures

showing that between 1947 and 1961 disbursements per salaried worker in manufacturing increased at a slower rate than comparable earnings for production workers, even though salaried worker employment was expanding and production worker employment declining. In interpreting figures of this kind, it should, I think, be borne in mind that part of the explanation here may well run in terms of the relatively high elasticity of supply of female salaried employees, who are more apt than men to move easily into and out of the labor force (rather than into and out of unemployment) in response to changing labor market conditions. Furthermore, since World War II there have been a number of factors operating to produce a pronounced rightward shift in the supply curve for female labor.

By these observations I do not mean to imply that I disagree with Raimon's basic point. Both previously published research and the more recent figures he cites suggest that relative wages are less sensitive to balances between supply and demand than would be desirable from the resource allocation standpoint. I do mean to suggest, however, that I think Raimon overstates the point, that relative wages are not as unresponsive as he implies.

I also have the impression that Raimon overstates the role of unions in preventing wage flexibility. Many studies have suggested that the policies of large companies (generally in the manufacturing sector) are themselves a source of wage rigidity. Such companies are often anxious to preserve their reputation as "good places to work," are cognizant of the investment they have made in trained workers, and are conscious of the cost of changing complex wage structures in response to what may be short run changes in demand and supply conditions.

Looking ahead, Raimon sees no reason to expect collective bargaining to produce more flexibility of the wage-structure type. Be this as it may, collective bargaining is covering a smaller and smaller proportion of the work force each year, and so collective bargaining as an institution may be expected to become somewhat less important as a determinant of the overall wage structure. Also, as (if) the overall level of unemployment falls, I expect that we shall see more relative wage changes in the "right" direction than occur when total unemployment is high. This guess is based on the premise that as general labor market conditions improve competition for skilled workers and white collar employees will push up their wages relative to the wages

of production workers faster than during periods when total unemployment is high.

Turning now to policy issues, we should first note that Raimon is concerned about relative wages and labor mobility primarily from the standpoint of the inflation-unemployment problem, not from the standpoint of efficient resource allocation in the Pareto sense. He asserts that our country's tolerance for unemployment is lessening, and right here I must register a dissent. It seems to me quite probable that our prolonged exposure to 5+% unemployment has led to an upward revision of what most people consider to be "normal" levels of unemployment.

I agree with Raimon that there are no obvious, practical ways of significantly increasing relative wage flexibility, though, as stated earlier, I am more optimistic than he is as to the outlook for wage flexibility.

I am most seriously bothered, however, by Raimon's closing policy assertion—that countering rigidities and immobility by training programs which increase the productivity and employment prospects of individual workers need involve no inefficiencies. To be against retraining these days is like being against love and good works, and I am not. But I do suspect that some of us, most of whom are in the business of teaching and training, have a natural tendency to exaggerate a bit the likely success of massive retraining schemes. Training is not, of course, costless; and I am convinced that in this area as well as all other areas one can reach a point at which the rate of return makes further expansion of the activity uneconomic. When such a point is reached (and I am not suggesting we are there now), to continue to attack an allocation problem by attempts at retraining can be grossly inefficient.

DISCUSSION

GEORGE H. HILDEBRAND
Cornell University

Professor Weinstein has sought to provide a theoretical analysis of "featherbedding"—the conditions under which it appears, its impacts, and alternatives for dealing with the underlying problem of labor

displacement. I am in agreement with much that he has to say, and applaud his courage in facing up to the issues instead of retreating into a lot of neo-Luddite sentimentality.

However, I find his approach unsatisfactory in some respects. Fruitful study of the featherbedding question requires, first, that the problem itself be clearly identified, and, second, that attempts to formulate a "pure theory" of featherbedding ought to follow, rather than precede, a detailed study of the evidence. The main drift of economic theory today too frequently departs from this simple canon of good science. The sin of the Institutionalists was that they put too much emphasis upon gathering the facts first, although they did comparatively little in this regard, and that they had too little theory with which to inform and guide their efforts. The opposite fault dominates the scene today: too much theorizing *in vacuo* and not enough testing of implications. I do not suggest that Professor Weinstein is a full-fledged sinner in this respect, but I do think that his approach would be strengthened if he had put off generalizing in favor of more detailed study of the phenomenon with which he is concerned.

I cannot find in his paper an explicit definition of what featherbedding is. Is it to be identified with continued enforced manning of obsolete jobs, with excessive crew sizes, with limitations upon output, with obstruction of new techniques, with required performance of unneeded work, with strict partitioning of tasks and work jurisdictions, or with some or all of these together? These practices vary from industry to industry. Not all of them take their rationale from make-work objectives.. Often they represent compromises over conflicting equities regarding fair work loads. Absent standards of absolute justice in these matters, it becomes very difficult to isolate and to measure the make-work component. Beyond this, even where make-work is the guiding intent, its origins can be diverse, and no single, unified theoretical explanation will account for all cases.

To illustrate, Weinstein attributes featherbedding to "employment insecurity under special circumstances." One of these, he says, is that the industry has to be "non-competitive" before the rule is introduced. Another requirement, he asserts, is that there be present a multiple structure of narrow craft unions. Another is that a new technology gradually must be displacing an older one.

Exceptions exist here all along the line. The railroads were by no means a monopolistic industry in 1939 when the freight diesel came into

over-the-road use. They are not so today. But they do have a problem of unneeded firemen, because federal and state legislation has denied them all opportunity to solve it. Take another case: industrial unions in manufacturing in some instances have prevented employers from contracting out maintenance work. Are we to conclude that these industries are non-competitive and have a craft structure?

The origins of restrictive rules are also diverse, and need not derive from shrinking job opportunities, granting that in some cases they have. On the railroads, the fireman's job is almost wholly obsolete. But given the numerous shock-absorbers the roads have offered these men to ease the transition, the problem is not basically one of job and income protection. Rather, it is a political one. The leaders of the union simply do not propose to go out of business except for passenger runs.

Further insights would be gained, I believe, from sorting out more carefully the underlying causes of employment insecurity. Does it arise from technology alone, as with the fireman? Is it made worse by a secularly declining product market, as is now affecting all employment on the railroads? Or is it the consequence primarily of anti-competitive wage-raising, which creates labor surpluses and leads to work rationing and restrictive devices, as in the construction trades? Obviously, the causes of insecurity can be diverse. They issue in different types of featherbedding, and they call for divergent solutions to the problem itself.

I turn now to the impacts of featherbedding. Weinstein argues in the abstract that restrictive rules may accelerate the substitution of a new technology. His case is persuasive. As the changeover proceeds, the cost of redundant labor rises, reaching its peak just before transition is complete. Thus the employer has incentive to get rid of the loss as soon as he can. To Weinstein, these principles suggest a fruitful way to approach the problem of "crew consists" on the rails, concluding that "the market can resolve the problem of the firm in the long run." But matters will not turn out so happily, he adds, if the new technology retains a requirement for some of the old skills.

A priori, rising costs ought to lead to efforts to economize, here to get rid of unneeded hands. But this market force is strangely absent on the railroads, and for good reason. Since 1956 the carriers have been trying to eliminate the freight fireman, to introduce a realistic definition of a fair day's work, and to obtain other modernizing reforms

in the use of manpower. They initiated their belated efforts at that time because their net revenue had begun to slip alarmingly. Control of costs had become the price of survival, and so a frontal attack upon now intolerably wasteful ancient practices became mandatory. Even before this time, the roads had achieved a remarkably rapid increase in labor productivity, one that has been well sustained. However, practically all of it has been won by indirect devices: bigger and faster power, longer trains, larger equipment, less helper service, more efficient sorting yards, highly mechanized off-track maintenance, and ruthless elimination of extra-marginal services. In the outcome, these changes have yielded more ton-miles and more revenue per labor hour worked.

But virtually none of them has involved revisions of job structure, of manning requirements, or of the amount of time to be worked in a basic day. There are two reasons for this. The unions have steadily refused to take a long-run view, to admit that total job opportunities depend above all else upon the ability of their industry to compete against heavily subsidized, undertaxed, and largely unregulated competition, that is, upon its ability to cut costs and rates, and so enlarge its share of the product market. In this respect, featherbedding has hastened the attrition of employment by the grim process of speeding the demise of the industry itself—hardly the long-run solution contemplated in Weinstein's model. Undoubtedly, as he suggests, this blindness of vision in the leadership of the railroad unions derives in some part from the craft structure with which the industry is beset. There also seems to be a price that must be paid simply for being old.

Second, the firms in the railroad industry have been barred from a long-run solution by detailed and extreme statutory control of their relations with the unions. For years there has been no real collective bargaining in the industry because public policy rules out the strike, and because the whole system of intervention generally has favored the unions' cause. The recent case of the Florida East Coast is a perfect illustration of the point. And so we have the tragic spectacle of a great industry, replete with high promise of efficiency superior to its competitors in so many ways—as ample foreign experience shows—undergoing slow economic strangulation at the hands of the unions and the government. The work-rules case is now approaching its ninth year. When will the noose be loosened, if before the point of death?

Let me turn now to Weinstein's views about the West Coast long-

shore plan. I disagree that the longshore attrition scheme does not countenance redundant labor. It requires that all those on the present registered list continue to be offered employment and to be guaranteed standard weekly earnings, regardless of required time to be worked under the more liberal work rules now coming into force. Attrition will eventually wipe out this excess cost, but as of now it must be borne. It arises from the continued use of unneeded men.

Also, I do not understand the assertion that with hiring halls and decasualization the longshore locals became "submerged into teamster or ocean shipping unions." I do not know whether this statement is intended to be descriptive or a characterization. However, it is a fact that the International Longshoremen's and Warehousemen's Union started life in 1933 as a branch of the old ILA, becoming independent within a year or so, and remaining such today. It is not a part of the Teamsters, nor of any of the seafaring crafts. Furthermore, the statement that in longshoring "the restrictive rules have arisen out of the corrupt, casual labor market and have tended to disappear with organization" simply does not mean what it says. One of the basic issues in the great strike of 1934 was speed-up under non-union conditions. From the settlement of that dispute until 1959, the union fought mightily and successfully to regulate gang sizes and make-ups; sling loads; sorting, piling, and stowage; and the boundaries of its work jurisdiction. These rules restrained the employers' freedom of action, and one of their clear purposes was to conserve the work opportunity. It took a quarter-century for the union to change its position.

Beyond question, the ILWU's new approach was a courageous and forward-looking step, introduced into an industry where, as with the railroads, employment had been slowly shrinking for some years. Indeed, this was the very reason why the leadership decided upon a change of stance toward efficiency. On the railroads, I note for the record that the carriers accepted the same basic principles as are embodied in the West Coast plan, as put forward by the President's Commission early in 1962, as made somewhat more generous toward the men by the Emergency Board in 1963, and as liberalized further by the special tribunal created by statute last August. In short—and not without misgivings—the carriers offered to use a substantial part of their prospective savings from modernization of work rules to ease the shock of transition. So far, they have gotten nowhere, partly because they are enmeshed in interminable legal proceedings, and

partly because, as Weinstein suggests, the craft structure of the unions fosters obdurate resistance. If the roads are not to be allowed to follow the strategy of Eastern Air Lines toward the Flight Engineers, then some kind of statutory solution of the problem of obsolete bargaining structures seems the only alternative.

Weinstein offers the concluding generalization that "restrictive rules maintain jobs for the displaced." This statement requires some qualification. These rules keep average variable costs at too high a level for viable competition. In a keenly competitive field such as railroad transportation, the effect is not to preserve jobs, but to destroy them. The reason is that non-competitive costs compel steady attrition of operations. In truth, therefore, the only ones who get any protection are the survivors, who could survive without it. The losers are the younger men, who are forced out as the very by-product of keeping the rules in force.

However, I would agree that we require much stronger public programs to improve the functioning of labor markets, and to aid the mobility of labor. Wage and work-jurisdiction policies being what they are, the burden laid upon mobility is made far heavier than it would have to be under full freedom of competition. But the basic problem is not one of greater mobility alone. Our economy is beset with a deficiency in overall demand for products as well as for labor. Structural solutions will not solve the employment problem by themselves. More than this, they will work more successfully if the trend rate of growth is increased.

I turn now to a few remarks about Professor Lewis's highly important effort to estimate the relative wage and employment effects of unionism. Unhappily, I must confess to some bafflement in attempting to understand his paper, because the underlying argument is unclear and obscure at several points. In part, no doubt, the reason is that the method employed to obtain the basic interindustry series in Table 1 is not actually set forth. Instead the reader is referred to the author's new book, published this very month, and which I have not been able to see. In consequence, most of my comments will take the form of questions. Perhaps these are also inspired by my own limitations in mathematics.

Lewis is concerned with the impacts of unionism upon relative wages and relative employment. He attacks the problem first on an aggressive level, by comparing two sectors. In Group A, the percent-

age of unionization has been high throughout the period considered, while in Group B the contrary has been true. My first question is, why were salary employees included in both sectors? Was it for limitations of data? Given the lower propensity for these workers to join unions, their inclusion would seem to weaken the validity of the findings—how much, I do not know.

Next, columns (5) and (6) refer to comparative extent of union membership. The method of computation is not clear to me, nor is the underlying evidence set forth. Do I assume correctly here that a value of unity in some given year would mean one hundred per cent unionization in Group A, and zero unionization in B? Again, I do not know.

I am also unclear about the meaning of columns (7) and (8), the estimated relative wage effects of unionism over the years. Lewis says that the effect is expressed in common logs "per percentage point difference" in comparative unionization, presumably of the two sectors. If so, the reference may be to a regression coefficient per point of difference, which would be an estimated constant, I should suppose. But since the quantities in columns (7) and (8) are varying over time, other factors besides percentage point differences may be involved. Would one of these be the actual decimal point differences in unionization, year by year?

I come to a more important problem. What is the basic equation relating logs for relative wages to the variables upon which wages are said to depend? How were the unemployment and price level variables estimated and treated? How good a fit was obtained for this relationship? And how is this missing equation connected to the labor demand and supply equations on page 7? Do we have, in fact, a simultaneous equation model in which all three are solved together, and their reciprocal interactions hence recognized? If we take the two demand and supply equations and rearrange terms slightly to get rid of the brackets, we are confronted with a puzzle. The coefficient a turns up in both, first as part of the term $\log W_t$ on the demand side, and again as part of the term $B_t P_t$ on the side of supply. Does this mean, as it suggests to me, that the relative wage effect on labor demand is the same as the relative unionization effect on labor supply? There must be an underlying theory to this, but I do not find it here.

However, the main conclusions following from the aggregative study are not ones with which I would quarrel. I think it correct that unionism has raised relative wages, and has lowered relative

employment. But I wish that the exposition were fuller and more understandable.

I have a few words to say regarding Lewis's findings for the bituminous coal industry. To estimate the employment effects of unionism here, he splits them into three components. One of these is the substitution effect. He adopts the assumption that constant elasticity of substitution prevails. Presumably this was in the form developed by Arrow, Chenery, Minhas, and Solow (*Review of Economics and Statistics*, August, 1961). Are we then to assume, as I understand these authors' formulation, that in bituminous coal perfect competition, equilibrium, and constant returns to scale continuously prevailed in this period? If so, that is a large assumption indeed.

Part V

**RESEARCH FOR ORGANIZATION
THEORY AND MANAGEMENT
ACTION**

RESEARCH FOR ORGANIZATION THEORY AND MANAGEMENT ACTION: INTRODUCTION

R. A. DUNNINGTON
International Business Machines Corporation

We were pleased when Bill Whyte suggested some months ago that we discuss our research experiences in IBM. We thought it would be useful from our point of view and, hopefully, interesting from your point of view.

Involvement in coping with the day-to-day problems of developing and conducting research, maintaining effective relationships and trying to keep abreast of new developments in the field, have kept us from reporting on our experiences. Just as important, however, is the fact that we are still learning and trying to understand the dynamics of doing research as members of an organization. We have many loyalties and ties in that organization and a very strong feeling of personal responsibility for what we do or say—for both professional and personal reasons. For this reason, the challenge of today's session has been a very real one for us—a challenge, we think, faced by anyone doing research of the kind we will be discussing today.

Our major goal will be to focus on the utilization of research by the organization. There is no lack of methods, ideas, concepts or well-documented research findings in the behavioral sciences. The problem, as we now see it, is one of utilization of research for organization improvement. We hope that what we have to say can be generalized to other organizations—government and voluntary organizations, as well as other companies.

We will discuss five general topics, each from our peculiar or unique circumstances of doing research from inside the organization.

1. How the research activity was started.
2. Our experiences in designing and conducting studies.
3. Some of the findings of the research.
4. Use of research for organization change.
5. And, our role as catalysts for change.

The approach will be that of a case study. To understand some of the impetus for research, it is important to have some background information about the company. As you know, IBM develops, manufactures and markets office equipment.

Early in its history it produced tabulating equipment and time equipment. This was a period of steady growth. During the past fifteen years, however, the company has experienced accelerated growth and change. Since 1946 the membership of the organization has grown from 17,000 to over 80,000 employees. During the period of 1950 to the present, eleven new plants and nine new laboratories have been opened.

There have been major changes in technology. During the fifties, the change from electromechanical card equipment to computers and electronics came about. New generations of computers came in rapid order. In addition, the company moved into the field of smaller office equipment—typewriters, dictating equipment, accounting machines.

The implications of these events are evident. Many changes occurred in the work which was done by plant employees, salesmen, and maintenance personnel. New occupational groups emerged, such as programmers and systems engineers. New disciplines and greater numbers of people with graduate and advanced degrees have been employed.

Midway during this period of growth came increased competition which accelerated pressures for innovation and over-all organization effectiveness.

As many of you know, top management of IBM placed, and still places, great importance on providing good working conditions, good benefits, good pay, and job security. Also, there are no “hourly” employees; all are on salary. During the thirties, layoffs were avoided by building inventories of parts and products. Traditionally, advancement has been from within. Systems of upward communication through an “Open Door Policy” and a Suggestions Program are given a great deal of attention, and as the company has grown larger, these have been supplemented by other mechanisms of upward, downward and lateral communication.

This over-simplified and thumbnail sketch of the organization will perhaps provide some understanding of the environment in which we have been doing research. Now, for a description of the particular origins of the activity we will be describing. With growth, change and increased competition came problems—and with problems came search behavior. Many things were done, among them the expansion

of the Personnel function, including the introduction of Personnel Research.

This took the initial form of industrial and counseling psychology. Development of selection testing programs, an appraisal program, and the introduction of opinion surveys, were among the activities. Behavioral scientists were all things to all people. Most of us were "fire fighters"—used as consultants on immediate and pressing problems.

But it was also a period of role definition. Here was an emerging new role in an organization which had had real success in previous years without the use of "head shrinkers" as we were called. What had we to contribute to an already successful enterprise?

A small group of us were called together in 1958 to develop a proposal for the future course of Personnel Research in IBM. There were seven of us representing the disciplines of industrial psychiatry, industrial psychology, industrial sociology, counseling, and educational psychology. We reviewed the use of social science by other companies, emerging university research and our own experiences in the company. With the assistance of representatives of line and staff management, we catalogued some of the long and short range personnel research needs of the organization.

After several days of deliberation, we proposed that there be individuals and activities primarily concerned with short-range, applied research and consulting activities. We also recommended the establishment of a group concerned with more fundamental, long-range research. I want to stress the word *research*. The assumption at that time was that doing research and reporting on this research would be the *primary* and *only* responsibility of this group. As you will see, this definition has since been modified. Thus was launched the concept of the work we will be discussing today.

To say that any one person was responsible for the development of "fundamental, long-range research" would be an error. Many people both inside and outside IBM have contributed to shaping what now exists. The concept has changed during the past three and a half years from an emphasis on research to an equal emphasis on processes of utilization of research results. This does not mean giving specific recommendations, but rather trying to establish appropriate benchmarks, trends and generalizations as well as developing a climate conducive to social change and improvement. It is this story we propose to relate.

There are many threads of influence woven into the work as it now exists. Members of management—some through interest, some through skepticism, some through direct support—have provided input, challenged us and stimulated us. Books and articles published in recent years have helped define our potential role.

Among people outside IBM whose ideas we have found useful are: Chris Argyris from Yale, who worked closely with the division that sponsored the first research project; Don Marquis from MIT, who consulted with us during the first two and a half years of program development on the Corporate Staff; Ren Likert and the staff of the Institute of Social Research at Michigan provided a background of invaluable research experience. It is significant, perhaps, that three of the five of us listed on the program today did graduate work with Bill Whyte. He provided a vision for what such an activity might do and be in an organization.

There are other sources of influence, both from within and outside, too numerous to mention. As the IBM Company has been characterized by change—so is this research activity, and we hope that it will so continue. However, let me say at this point that the primary responsibility for our successes and failures, and there have been both, must rest with the men who have designed and conducted the research and provided feedback of results to the organization. It is through their work that the present definition of the activity is emerging.

What kinds of people have we employed? Dr. Sirota was the first. He started in the fall of 1959. I recall that we confidently talked to him of autonomy, basic research, colloquia, and publishing as being a part of the environment we were going to establish. His first position was in Endicott, New York, our largest and oldest manufacturing and product development complex. His job was to become familiar with the organization and design a study which would use his talents and address itself to relevant aspects of the IBM environment which could be studied. We did provide autonomy, he did design and conduct a study. But he was largely on his own—the seminars, discussions with colleagues was missing, it was somewhat of a shock for him.

Dr. Klein, in the midst of completing his graduate work at Cornell, joined Sirota in the fall of 1960. Together they worked on some of the studies to be described today. He subsequently

replicated and elaborated this work in other locations which will also be reported.

Dr. Goldner joined IBM on the Corporate Staff in November of that year from the University of California at Berkeley. His background and interests were in studies of management and organization relationships.

Dr. Ritti came in 1961. A graduate of Cornell, with research experience in another large industrial organization, his research interests were with scientists and engineers. But, of most immediate help, he knew a great deal about the use of computers for sophisticated data reduction. He has performed an invaluable service in guiding the development of our data processing capability.

As you may have gathered from the research interests of these men, we have studies concerned with non-professional employees, with scientists and engineers, and with management. This is by design rather than by chance. There are many ways a research program could be structured—we have chosen to do it on an occupational basis. In addition to these men, Dr. John Hinrichs is presently working with our sales organization.

It had been our hope that each of these men would talk about his own particular research activity. We found, however, that this was impractical—there was not time in this session for each person to do justice to his work. We abandoned this in favor of discussing the area of research, research with non-management, non-professional employees, where we have had the most experience and where we can best illustrate what we have learned thus far.

Let me say that we are reporting on IBM's experience in implementing the "long-range fundamental research" program defined in 1958. Another and equally important story could be told of the development of the applied and consulting activities, but we will not attempt to do this today.

A STUDY OF WORK MEASUREMENT

DAVID SIROTA

International Business Machines Corporation

Mr. Dunnington presented to you a general picture of the genesis and development of personnel research in IBM. Dr. Klein and I will describe some of our actual research experiences. We will limit our presentation to studies conducted in the company's manufacturing organization among production employees.

SOURCES OF RESEARCH

Our research had two general sources:

1. A theoretical interest in the variables affecting the congruence, between employees and management, in their perceptions of the legitimacy of various organizational goals and methods.
2. The desires of IBM management to obtain specific information about specific problems—information which they felt would be of practical use to them.

The fact that our research had two sources presented us with a dilemma in the preparation of today's presentation: on which of the two sources to focus. We decided to concentrate on the relationship of our research to the company's interests, that is, on the way our research was generated by the needs of management for certain kinds of information, and on the nature of the process whereby the results were fed back into the organization and acted upon.

From the company's point of view, the research was concerned with the introduction of a work measurement program. The core of this program was the development of work standards, i.e., the amount of time it should take employees to produce a given number of parts. In industry this activity is generally referred to as "time-and-motion" study.¹

What was the company's motivation in introducing work measurement, and what was the motivation to conduct research on work measurement? The answers to these questions are complex but, in the main, center around the issues of employee productivity and employee morale.

¹It should be pointed out that the approach used in IBM—"predetermined standard data"—has dispensed with much of the paraphernalia, e.g., the stopwatch, traditionally associated with programs of this kind.

IBM has traditionally been concerned with the morale of its employees. There is a great deal of observable evidence of this concern, e.g., good employee benefits, good compensation, and high job security. However, over the last decade or so, the company has been experiencing increasing competition, and this has resulted in a desire to improve efficiency—including the efficiency of manufacturing operations. A decision was made to introduce work measurement—among other programs—as an efficiency improvement device. It was felt that work measurement would improve planning and scheduling as well as provide management with accurate estimates of the productivity that should be expected from employees. Various controls and sanctions would be introduced to raise productivity to the expected levels.

IBM management was not naive, however. They knew that, on the whole, work standards have been unfavorably received by industrial workers. There was little question, therefore, but that the introduction of a program such as this could adversely affect employee morale in IBM. The company found itself in a dilemma, a dilemma derived from the apparent incompatibility between the path to higher efficiency, on one hand, and the desire to maintain high morale, on the other.²

It was at this point that the personnel research people were called in and requested to conduct a study. The company's purpose in this request was very simple, namely, to ascertain the effect—if any—which work measurement was having on employee morale. At the time of this request—the fall of 1960—work measurement had been in effect about a year and a half, and roughly 50% of the jobs in the plants had been covered by work standards.

ADDITION OF "EXPLANATORY" GOALS

Although the company's purpose in asking us to do a study was very specific, we broadened the goals. This broadening was based on information which we had obtained in a number of exploratory interviews with employees. These interviews revealed that:

² It is important not to minimize the degree to which high employee morale is a goal in IBM. There are many reasons for this. One of these is the strongly held belief on the part of many important figures in management that an organization in which there is high satisfaction will, on the whole, be a more effective organization.

- 1) Employee reactions to the program were not uniform. Some employees responded very negatively, while others did not.
- 2) There was also variability in certain methods of introduction and management of the program—variability both between plants and within plants.

Based on this information, we added to the objectives of our study the following goal: to try to account for the differences in employee reactions to the program by correlating these attitudes with methods of introduction and management of the program. Our study thus moved from one which had *descriptive* goals to one which also had *explanatory* goals; from merely describing attitudes to attempting to account for attitudes. We felt that explanatory analysis would be the more useful mode—both theoretically and practically.

ADMINISTRATION AND FEEDBACK PROCEDURES

The questionnaire was administered in April 1961, to approximately 6,000 employees in five plants. Administration was on company time, the questionnaire taking about an hour for the average employee to fill out. The data were processed on the IBM 7090.

Time limitations do not permit us to describe our data feedback procedures in detail. Briefly, they were of two kinds: descriptive and explanatory. The bulk of the remainder of this presentation is devoted to the explanatory material, and we will get into this shortly. For the descriptive feedback, the computer provided us with the response distributions, for every item in the questionnaire, for every formal unit in the organization. That is, the data were broken down by plant, by functions within plants, by projects within functions, and by departments within projects. Every manager received the data for his unit.

RESULTS

We have time today to present just a very small portion of the results. We selected those findings which we felt would be of most interest to you from the point of view of organizational response to research results.

On an over-all basis, employee attitudes toward work measurement were not found to be favorable, and there had been some decrement in morale. This was not surprising. What was surprising to

many, although not to us because of our exploratory work, was that despite the generally unfavorable picture, there still was a considerable degree of variability in attitude. Our explanatory design, of course, was meant to take advantage of precisely this variability. To repeat, our goal was to account for differences in attitude by differences in methods of introduction and management of the program.

The analysis method was simple. The population studied consisted of 50 departments (about 1,000 employees) doing relatively routine machining and assembly work. All of these departments were under work measurement. The departments were rank-ordered from high to low on a managerial behavior dimension. This distribution was then divided at the median into two groups: "high" on the dimension and "low" on the dimension. The average morale scores of the two groups were calculated and the scores compared to each other. This comparison provided us with a measure of the degree to which employee reactions to the program could be accounted for by managerial behavior.³

Today we shall present data on two managerial behavior dimensions and briefly discuss two others.

We labeled the first dimension "responsiveness to employee complaints." This was a measure of the degree to which an employee felt that he could get a fair hearing from his manager if the employee had a complaint about a work standard. We found large differences between departments in this regard. Our objective was to determine whether these differences in responsiveness to complaints could account for any of the variability in employee reactions to the program.

The departments were divided into "high" and "low" on "responsiveness," and the morale of these two groups calculated.⁴ The data are presented in Figure 1.

³We are aware of the problems involved in inferring causality from this kind of data analysis. We are, however, reasonably well convinced, because of our observations in the company and other research evidence not to be presented today, that the direction of causality is as we state it.

⁴For purposes of brevity in our presentation today, we have combined a number of different measures into a single, over-all morale index. This index includes items tapping satisfaction with the company, with work measurement, with the job, with work expectations, and with the immediate manager. Note that although morale, as commonly used, has many different meanings, our operationalization of the concept is restricted to items measuring *satisfaction with work environment*.

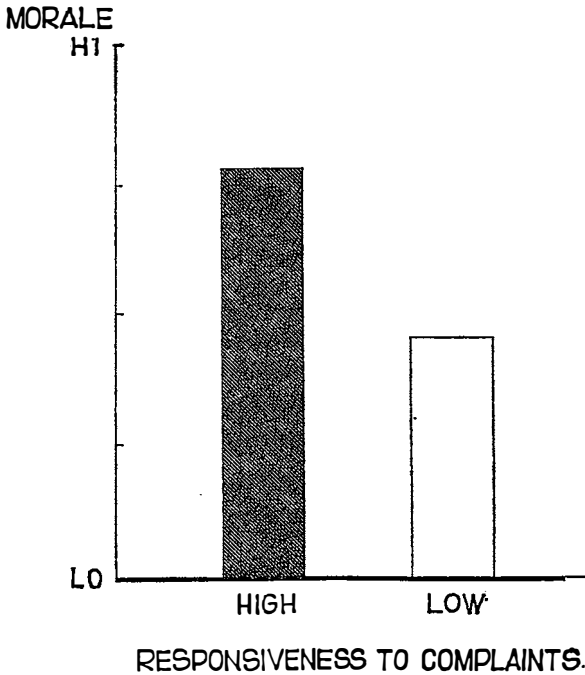


FIG. 1. Responsiveness to complaints vs. employee morale.

The difference between the "high" and "low" groups is large and statistically significant (beyond the .01 level). Incidentally, the morale of the "low" group, while less than that of the "high" group, is still higher than that which we have observed in most other companies where similar attitude questionnaires have been administered. Thus, while responsiveness to complaints does make a difference, factors such as benefits, pay, and job security produce a generally high morale picture throughout IBM.

The reactions of management to our data were interesting. Although there was very little disagreement with the analysis and conclusion, it must be said that nobody was terribly excited either. As one manager put it: "Did you expect managers who were more responsive to complaints to have *lower* morale?"⁵

⁵ Although superficially valid, this criticism is unfair in one respect. Until we did present our findings, very few in management had given much thought to the relevance of the responsiveness concept for the morale problems associated with work measurement.

This lack of surprise—in some instances, one might say boredom—generated by our analysis was frequently accompanied by the feeling that the managers who were responsive were the “soft” managers, i.e., those who, for the sake of “happiness,” would no doubt sacrifice productivity. To test this hypothesis, we compared the average performance (measured against the work standards) of the two responsiveness groups. The data are presented in Figure 2.

Figure 2 shows no relationship: responsiveness does not appear to either favorably or unfavorably affect performance. It therefore does not seem to be true that the responsive managers were the “soft” ones—if by “soft” is meant the kind of management which, because of its concern for morale, de-emphasizes the importance of high productivity.

The second dimension on which we will present data today is termed “stability of work expectations.” This dimension can best be described by simply reading to you one of the items used to

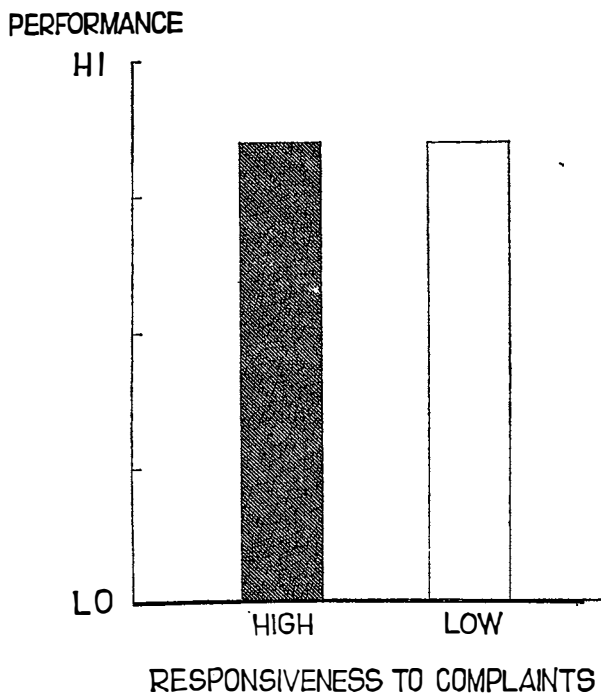


FIG. 2. Responsiveness to complaints vs. employee performance.

measure it: "Suppose that during the next month or two you did *more* work than your manager had asked you to do. Would your manager then require that you keep up this high level in order to be considered 'satisfactory'?" With this and other items, we hoped to measure the degree to which employees perceived stability in work expectations, that is, that "beating" the standards would not result in a "tightening" of the standards.

The departments were divided into "high" and "low" on this dimension and the morale and performance scores of the two groups calculated. These data are presented in Figures 3 and 4.

The relationships are nearly identical to those obtained with the responsiveness variable: a positive association with morale, but no association with performance.⁶ It is interesting that those managers who are perceived by their employees as asking for "more, more,

⁶The responsiveness variable was partialled out of these relationships. Similarly, stability of work expectations was controlled for in the relationships dealing with responsiveness (Figures 1 and 2).

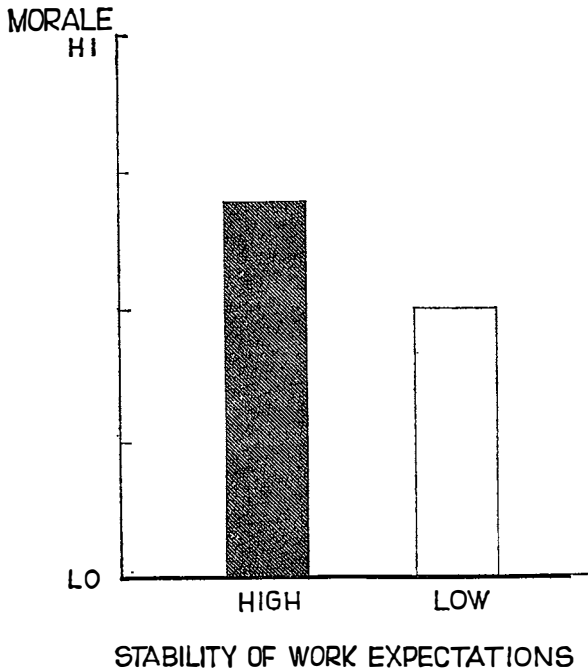


FIG. 3. Stability of work expectations vs. employee morale.

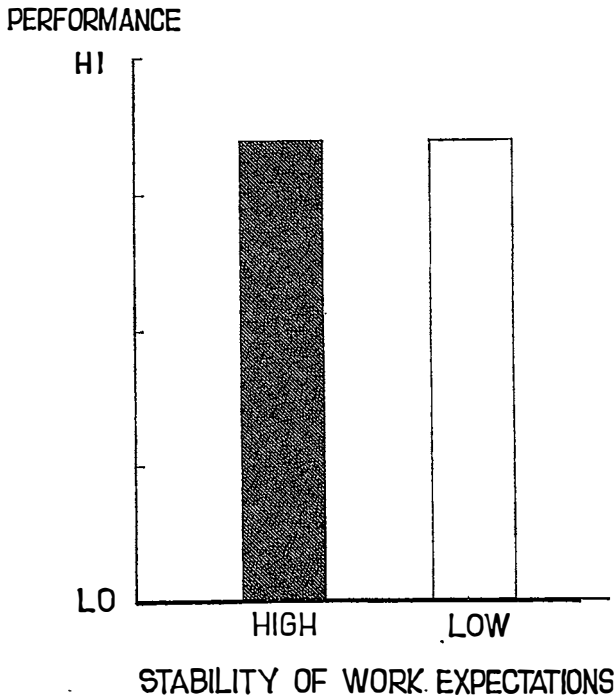


FIG. 4. Stability of work expectations vs. employee performance.

more" achieve no higher performance than those managers who maintain a relatively stable set of work expectations.

The above facets of managerial behavior were two of many studied. Our time limitations today permit us to just briefly mention two additional dimensions. These two, while expected by many to relate positively to employee morale, did not. The two were: "managerial friendliness" and "adequacy of communications about work measurement." The lack of relationship of these two variables to morale cast some doubt on a pervasive mythology about the variables which affect employee commitment to organizational methods and goals. It is often believed that the way to reduce resistance to a new program is primarily through improving a manager's "human relations" skills. These skills are frequently defined as being personable and being communicative. For example, we often heard that the reason many employees expressed unfavorable feelings about work measurement was that they didn't really "understand"

the program. Our findings indicated that those employees who had a great deal of information about the program were no more positively disposed to it than those employees who did not.

The variables which we *did* find to relate to morale seemed to be of a "guttier" quality than friendliness and communicativeness. The two variables—"responsiveness to employee complaints" and "stability of work expectations"—can perhaps best be understood as aspects of a more general concept, namely, the amount of *control* an employee has over his work environment. Responsiveness to complaints relates to the influence he can exert on that environment. Stability of work expectations relates to the degree to which the environment is predictable and not arbitrary.

The importance of employee control in this situation derives from the great significance of work measurement in a production employee's life. This is not just "another program." The work standard has a strong influence on the way the production worker is evaluated, and a good deal of the external reward system is geared to this evaluation. For example, salary increases are, in large measure, a function of performance (on a sustained basis) measured against the work standards.

The standards are thus of great moment to employees, and it is not surprising that those employees who were able to exert influence on the ways in which the standards were applied to their jobs felt, on the whole, less threatened by the standards. They had the security of knowing that if a standard was unfair, they would receive a fair hearing for their complaint. They also knew that the work expectations would not be changed at the whim of management.

It was clear therefore that any action taken on the basis of these results would need to be in the form of basic, i.e., "structural" modifications. It was not enough to send managers through another "human relations" course where they would learn how to be courteous, friendly, and communicative. This was not enough because, first of all, our data indicated that these well-worn social graces had little relevance for the problem at hand, and secondly, because further analysis showed that the core problem was only in part one of the relationship between first-line managers and employees. Dr. Klein, in his presentation, will show you some data demonstrating that the problem of control was one of the *total* management system. Con-

centrating merely on the first-line manager—in the hope of developing his “skills”—would, therefore, be inadequate.

REACTIONS OF MANAGEMENT

How did management respond to our analyses and interpretations, and what effect, if any, did our work have on the organization? The degree of superficial acceptance of what we were saying was generally high; most of our findings “made sense.” However, there was little observable effect on the truly important belief patterns of management—that is, the patterns which determine the actual, rather than the desired, policies of the organization.

This is not to say that many steps were not taken as a result of the 1961 survey. Numerous things were done. But these action steps were based primarily on the descriptive, rather than the explanatory materials, and were responses to localized problem situations. For example, a good deal of discontent was found in one of the plants, and immediate steps were taken to correct the situation. In a study conducted in 1963—two years after the initial survey—we found that morale in this plant had, indeed, improved considerably. There are many illustrations of this kind of rapid—and often highly effective—action.

However, management at that time was thinking primarily in terms of individual problem plants, and individual problem managers, and individual problem departments. There seemed at this stage to be little grappling with basic concepts and the relevance of these concepts for broad company policies and practices.

Although there were still a number of skeptics, many in the organization had by now come to view our work as having value. But the aspect of our work perceived as most valuable seemed to be the descriptive, not the explanatory, materials. We began to doubt our initial assumption concerning the relative utilities of these two kinds of analyses. Inasmuch as explanatory analysis was the more interesting and professionally satisfying mode for us, this was a time of some frustration and pessimism.

As we look back now, we see how naive we were in our understanding of the variables affecting an organization's response to research data. We had assumed that once the explanatory materials were presented, widespread activity would quickly be generated. Things just don't happen that way—at least not usually. A company

does not respond to researchers as a computer would to a programmer—in a literal and immediate fashion. There are numerous and complex forces operating on members of management, and we now see that management was simply not ready to act at that time.

Although our initial reaction was one of pessimism, succeeding events have demonstrated that pessimism to be, in large measure, unwarranted. Our study had, in fact, helped to lay the groundwork for a rethinking of basic concepts and approaches. About a year later, in the spring of 1962, this rethinking was greatly accelerated by a study conducted by Stuart Klein. He will describe this study for you now.

TWO SYSTEMS OF MANAGEMENT: A COMPARISON THAT PRODUCED ORGANIZATIONAL CHANGE

STUART M. KLEIN

International Business Machines Corporation

Dr. Sirota illustrated that under a work measurement program it is possible to obtain high morale and high productivity at the same time, if certain management principles are adhered to. He also mentioned that, in general, the introduction of work measurement had some negative effects on employees' morale.

These data were available for approximately two years before much was done about them. The Work Measurement Program proceeded very much the way it had before we came up with our data. Action was taken only on a localized "fire fighting" basis. Nothing was done to change the more basic, structural aspects of the program—changes that might have produced more "responsiveness to complaints" or "stable expectations." This was true despite the fact that many people in management were concerned about the direction in which employee morale was moving under the Work Measurement Program, and our data suggested ways of halting this movement. Why was so little done?

Basically, no change forces had been created by us or by any of the management persons concerned with employee morale for restructuring the program. In fact, most of the organizational forces were in the direction of continuing with and expanding work measurement. Work measurement was rationally accepted by the highest levels of management as a tool to meet goals of increased efficiency. Interest groups from top management down to the people who were actually administering the program were solidly behind the push for cost reduction. The rewards for these interest groups came from pushing ahead to increase productivity, to get greater efficiency and to increase the number of people and jobs under the program.

In addition, at that time we had not given management a yardstick as to where the morale of manufacturing employees should be under a cost-conscious, efficient productivity setup. The comparisons that we had made illustrating the deleterious morale consequences of work measurement were between groups that had gone under the Work Measurement Program and groups that had not. Even though

we had demonstrated to management in both a cross-sectional analysis and a change-over time analysis, that those under work measurement had lower morale than those not under work measurement, the program *had* increased efficiency. The Corporation did not want to move back to a pre-work measurement situation if this meant losing much efficiency.

We did perform analyses using departments as our units, that demonstrated situations when both high production and high morale occurred simultaneously. Dr. Sirota described two of these. However, while some superficial action was generated, these analyses were at a fairly abstract level, using unknown departments. The differences were passed off as idiosyncratic to individual managerial style and not generalizable to whole *systems* of management, and thus did not serve as readily apparent yardsticks of where morale should be under a high production orientation.

This absence of concrete and meaningful yardsticks was a critical factor in the relative lack of utilization of our data. Where there were yardsticks, as when plants were compared to plants or when departments were compared to departments, the data were used. If a plant or a department showed low morale relative to other plants or departments, then the management responsible was highly motivated to bring its unit up to the others. There are numerous instances of use being made of the data at the departmental level where low departments could be compared to high departments on various indexes, and the managers of these departments could be counseled and trained.

We recognized that this absence of a yardstick, contributed to the lack of use of our data, so we set out to get one within the corporation. This led us to a focus on a plant that henceforth will be called "Plant A."

THE PLANT A STUDY AND ITS EFFECT

Plant A had had an excellent record of reducing costs even though the plant management had rejected the work measurement approach¹ to cost reduction. We were thus provided with an ideal counterpoint to the populations under work measurement.

¹ This refers to the Work Measurement Program previously described that includes predetermined standards based on time and motion study. Plant A has standards, but they are based primarily on the experienced average historical output for the job, not on time and motion study.

Management of Plant A rejected work measurement because of a philosophy that included two basic concepts. First, the management felt that people were strongly motivated to get ahead in both salary and position and that they would set appropriately high productivity goals for themselves if they felt that the attainment of these goals would lead to advancement. Second, they felt that the person who does the job on a day-to-day basis is the one who knows that job the best. They rejected the assumption that a trained engineer could go in and study a job and come up with the "one best" method. According to the plant manager who had come up through the ranks himself, any operator worth his salt would know the subtleties of the job so well that he could outsmart any engineer who came in to set methods and standards.

The management of Plant A set this philosophy into operation by making increased productivity a precondition for a pay increase. Moreover, a precondition for any promotion or transfer to a better job was *high* productivity. Thus, increased productivity was the best means of achieving a pay increase and high productivity was the only means of being considered for a promotion or transfer to a better job.

In order to buttress their position that the person who does the job is the one who knows it the best, management gave every person in the plant, including the plant manager, at least twenty hours of work simplification training. The work simplification training included many of the principles and concepts that industrial engineers use when studying a job. I will not go into detail since there is a great deal of literature available that describes work simplification in depth.

Thus, the philosophy of Plant A management was operationalized by making high productivity the path for getting ahead and by buttressing the innate sophistication of the job operator by twenty hours of work simplification training. These things together were designed to produce high efficiency and low costs without making an appreciable dent in employee morale.

Now let us look at the datum that compares the two populations on an over-all index of satisfaction. The index of satisfaction is comprised of two indexes—one that deals with satisfactions toward the company and the other that deals with satisfactions toward management. These are combined into one over-all index of satisfaction. (See Figure 1.)

It is clear that Plant A is superior to the population under work measurement in terms of satisfactions. The difference is large and statistically reliable. There is no question in our minds that Plant A is a high morale plant compared to the work measurement plants. I would like to state at this time, though I will not show the data, that when we compare Plant A with work measurement on the two variables that Dr. Sirota talked about (i.e., responsiveness to complaints and stability of standards), we find that Plant A is much more responsive to complaints and has more stable standards.

In sum, Plant A as compared to the work measurement population has higher satisfactions, feels more responsiveness to complaints, and perceives more stable work expectations. In addition, according to the best estimates of industrial engineers, Plant A has as high or higher productivity. Thus, for the first time we had data illustrating that morale could be at a higher level even though there was a hard drive for production efficiency. Plant A was our yardstick.

As one can imagine, the first showing of these data was shocking and threatening to those responsible for the Work Measurement Program. Here was a direct confrontation between the work measurement approach to cost reduction and the Plant A approach to

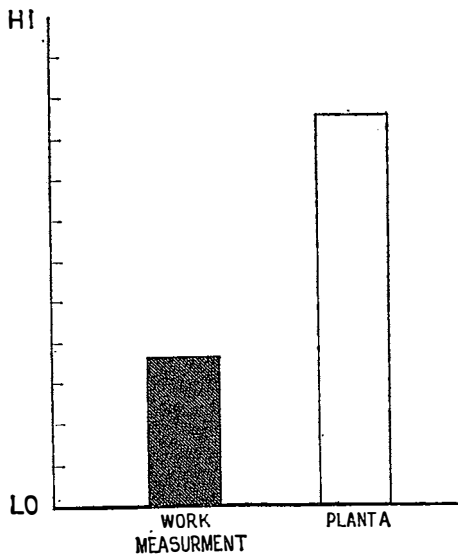


FIG. 1. Comparison between Plant A and work measurement on satisfactions.

cost reduction. The data illustrated that it was possible for a management, adhering to a certain policy, to move an *entire* operation along the path of high productivity and high morale. The management groups that were committed to work measurement attempted to shove the data under the rug through attacks on us and on our data. We were accused of comparing apples with oranges, of biasing our questions, and so forth; and these attacks had enough face validity to bring the use of our work to a temporary impasse.

However, we kept at it. We continued to report the information to various management levels both verbally and by writing reports. Soon we started noticing some behavioral changes. There were forays made to Plant A whose mission it was to understand what was going on there and to come back with certain guidelines by which a restructuring of the work measurement program might be made. So, despite opposition, skepticism and inertia, changes were being considered.

We had succeeded in creating some change forces by changing to some extent the reward structure of the people responsible for manufacturing. We showed that low morale need not be an inevitable consequence of a push for productivity and that this push could not be offered as an excuse for having low morale. Because of this, important management groups started asking questions as to why work measurement generally produced low morale and why something wasn't being done about modifying the program to get higher morale. Since Plant A would not disappear by fiat or fancy, it served as a constant reminder that these questions needed answers. In this way, the reward structure for those administering the Work Measurement Program took on a different flavor. New criteria of effectiveness were introduced, based on what modifications were made in the program and how the various units looked in subsequent attitude surveys. Even so, most of the use of our data did not occur until 1963, when a resurvey of the plants in the population under work measurement showed that one plant had a substantial decrement in morale. Mr. Dunnington will describe this to you in some detail later.

SCIENTIFIC VERIFICATION VS. ORGANIZATIONAL CHANGE

This brings us to a central point of our discussion. There may be a built-in conflict between scientific verification and the creation

of change forces in the organization. We believe that the study of Plant A was the turning point insofar as the utilization of our work is concerned, because it helped to define new criteria that if met, would produce rewards for management. Yet, the Plant A study as reported to you would not have been satisfactory if our objective was to demonstrate cause and effect. The analyses that are satisfactory from this point of view involve many units using complex statistical procedures and controls. Moreover, because scientific work is often conducted at a theoretical or conceptual level and usually is not concerned with application, the communication of these analyses is by necessity at a high level of abstraction, removed from day-to-day operations. It is often beyond the training of management people who are used to grappling with concrete problems. The question: "What do we do?" is inevitable. More often than not we do not know what to do. Most importantly, this places us in the untenable position of having to collect and evaluate data and at the same time suggest policy based on this evaluation. Thus our professionally respectable work is not apt to produce change. Since *our* rewards come from our profession as well as from management, we are in the dilemma of having to serve two reference groups whose evaluation of our work is based on different and often conflicting sets of criteria.

Perhaps the way out of this dilemma involves what we have so far shown you. That is, to perform analyses at several different levels at least one of which contains a sufficient impact to produce change forces in the organization. This should include a clear avenue for action that management can pursue without our explicitly telling them what to do. The Plant A study served this purpose because it demonstrated that in the corporation there was a highly efficient *total* operation that had a high level of morale. Moreover, Plant A had a clear management philosophy that carried with it an operational structure that could be emulated.

A second level of analysis should be a scientifically oriented one that can both buttress our organizationally-gearred work and make some contribution to social and behavioral science at large. Dr. Sirota described briefly some of this work, but perhaps an example of some other work we have been doing since the Plant A study would help to illustrate this point.

LOCUS OF CONTROL

A question that was raised by the Plant A study was: What are the dynamics behind the situation? Why did Plant A have more responsiveness to complaints and more stable standards even though they were producing at a very high level and were exceptionally productivity oriented? At this time we believe we are on the track of at least one of the answers to this query. It involves a concept that we call locus of control.

What do we mean by locus of control? First of all, in our lexicon, control is equal to the amount of "say" various people have over pace and methods of work. It is operationalized by asking the employee how much "say" a given person (e.g., himself, his manager, the industrial engineer) has over the work method and work pace. For each of the persons asked about, we have computed an index of "amount of control" that is based on the perceptions of the employee.

Locus of control simply means where the control resides and to what degree. Does it reside mostly within the department in the hands of the employee or the hands of his manager, or does it reside mostly outside of the department in the hands of the engineer? The concept of control is closely akin to the concept of "participation" (See Coch and French,² Bennett,³ Vroom.⁴) We have shifted the focus away from the absolute control the employee has vis-à-vis his manager. Instead, we have focused on the amount of control that resides at certain levels of the power structure.

We have moved in this direction for the three reasons. In the first place, the index of employee control correlates hardly at all with any of our indexes of satisfaction. The correlations are around .20, which accounts for about 4% of the total variance. Thus, the practical significance is almost nil. Moreover, when we compare these correlations with the correlations that we get between satisfactions and responsiveness to employee complaints and stability of standards, we find that the latter correlations are somewhere between .50 and .60. Thus, employee control over pace and method per se is a comparatively unimportant variable insofar as it predicts to employee satisfactions.

² Coch, Lester, and French, John R. P., Jr., "Overcoming resistance to change," *Human Relations*, (1948) 1, 512-532.

³ Bennett, Edith B., "Discussion, decision, commitment and consensus in 'group decision,'" *Human Relations*, (1955) 12, 24-31.

⁴ Vroom, Victor H., *Some Personality Determinants of the Effects of Participation*, (Prentice-Hall, Inc., 1960).

In addition, we performed a number of factor analyses, and we found that the amount of engineer control and the amount of engineer control load on the same factor but in opposition to one another. The amount of manager control does not load at all on this factor, but rather loads on a separate and uncorrelated factor. This suggested to us that we should be examining the amount of employee control relative to the amount of engineer control *rather* than relative to the amount of manager control.

Third, when we asked the employees how much "say" *should* the various people have over pace and methods, they felt that their manager should have the most control of anybody including themselves and that the engineers should have the least control of anybody.

Thus, in our population and with our measures; a) the absolute amount of control that employees have over their job does not relate strongly to satisfactions; b) the employee's control is in opposition to the engineer's control, not to manager's control; c) the employees feel that it is legitimate for the managers to have the most control. This set of findings led us to the conclusion that we should be examining the concept of control within the total power structure and not as personal attribute of the employee in the man-manager relationship. This was new to us, though the importance of manager power as a conditioning variable has been documented by Pelz.⁵ We will be investigating this new conceptualization in some detail in succeeding months, though in its present form the concept locus of control has helped us to better understand the Plant A work measurement comparison.

The reader will recall that Plant A has better morale, shows more responsiveness to employee complaints, and shows more stable standards than the work measurement population, even though both of the populations are equal in efficiency orientation. By invoking the concept "locus of control," we can partially explain the differences that exist between these populations on our two predictor variables, responsiveness to complaints and stable standards.

Throughout IBM the manager is the first person that an employee is supposed to complain to. No matter what the complaint, the manager is charged with the responsibility of satisfying the employee, and the employee is exhorted to go to him first. If the manager has

⁵ Pelz, Donald C., "Influence: A Key to Effective Leadership in the First-line Supervisor," *Personnel*, (1952) vol. 29, pp. 209-217.

little power to take care of this complaint, the procedure is fruitless. However, if he has the power to take care of the complaint, there is a higher probability of his doing so. Moreover, if the major share of standard setting lies in his own hands, he can't demand hard work and place the blame elsewhere. If he wants people to work hard, he must accept the responsibility himself, and that is harder to do. Precisely the same reasoning holds true with regard to the "stability of expectations" variable. Thus, when the manager has substantial control, the employee is afforded a greater opportunity to affect his environment by either complaining or by meeting work expectations without being subjected to an escalation of these expectations.

If we examine the amounts of control various people have within the power structure, I think we can better understand the employee's relationship to his job and to his environment. As a start in this direction, let us look at a comparison between Plant A and work measurement on the variable "locus of control." (See Figure 2.)

When we look at the differences⁶ between the populations for

⁶ All differences discussed are statistically significant.

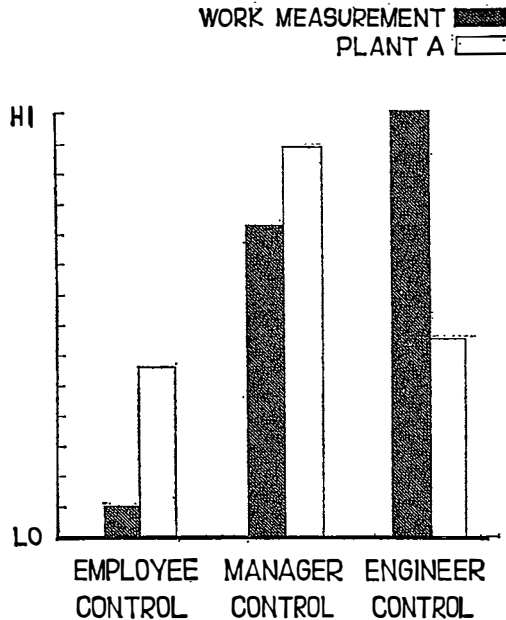


FIG. 2. Comparison between Plant A and work measurement on locus of control.

each of the three people enumerated on the horizontal axis of the chart, we find that the employee and the manager have more control in Plant A than under work measurement, whereas, the engineer has more control under work measurement. In addition, comparing the relative power within each plant, we find that in Plant A the manager has the *most* control; whereas, under work measurement the engineer has the *most* control. Thus, it is clear that in Plant A the locus of control resides within the department, and that under work measurement the locus of control resides outside of the department. If our previous reasoning is correct, this could explain why there is more responsiveness to complaints and more stable standards under the Plant A system than under work measurement, even though the efficiency orientation is equal across populations. A tentative theoretical model would include "locus of control" as a central independent variable that affects the probability of certain personal interactions at the department level. These interactions in turn affect the relationship between the employee and his job environment, and this is the ultimate predictor to morale. Perhaps all of these predictor variables can be subsumed under a general variable "environmental control."

Obviously, there is still a great deal to do, since our conceptualization raises more questions than it answers. We do feel that the locus of control goes a long way toward explaining some of the dynamics that occur on the manufacturing floor. Moreover, it has provided the basis for some action in one of the manufacturing plants. Mr. Dunnington will describe this to you.

UTILIZATION OF RESEARCH: CONCLUSION

R. A. DUNNINGTON

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The previous presentations by Dr. Klein and Dr. Sirota have described a series of studies done in 1961 and 1962. A third study was conducted in 1963 which included employees in the five manufacturing plants surveyed in 1961. As in the 1961 study, one of the goals was to obtain an assessment of employee response to work measurement.

The pattern of designing the study and feeding back descriptive data in general followed the pattern established during the 1961 study as described by Dr. Sirota and Dr. Klein. The one major innovation, however, was the direction given from corporate and division headquarters to the locations outlining the approach to be taken in data utilization.

Where necessary, action for improvement within the purview of the location was to be taken as in previous surveys. Equally important, however, each location was encouraged to look at the survey results with a view of recommending changes in established corporate policies and practices, if such changes would lead to goals of "high morale" and "high productivity."

Again the results revealed a picture of variability among locations and departments. Of particular interest, however, were two locations: At one there was dramatic change in a positive direction, at another there were significantly more negative reactions.

How were the data used?

THE SITUATION OF PLANT B

Although all locations engaged in careful review of the data, Plant B, the plant which showed a decline in morale will be discussed as a case in point. An initial feedback presentation was prepared by Dr. Sirota and made to top management of each of the locations. He stressed the highlights of the findings, showing interplant comparisons and trends.

The reaction of Plant B top management to the survey results was one of great concern. Although the plant was scheduled for a

vacation of two weeks, top management stayed on the job during this period of time to thoroughly review and analyze the study findings. Analytic reports were studied. Visits were made to Plant A, as well as other plants using engineered standards where employee morale had improved. Results of the survey were discussed with first-line supervision and staff groups, following the vacation period.

The analysis and recommendations of Plant B, along with those of other locations, were presented at a meeting with division and corporate staff members. Again the researchers intervened to establish a climate for change. Both corporate and division management, who had the authority to accept or reject the recommendations, were thoroughly briefed by the researchers regarding the survey findings which included trend as well as comparative data. The analytic reports had been reviewed with them. Dr. Klein and Dr. Sirota did considerable consulting with location, division and corporate management. In addition to this, suggestions were made regarding the structuring of the meeting which would encourage the fullest possible elaboration of location plans for action and policy change.

Representatives of Plant B outlined an approach to the introduction and implementation of work standards which returned the locus of control to the department. The survey revealed that employees perceived the industrial engineer to have greater influence in the amount of work and methods with which work was to be done than either the department manager or employees. It was in these departments that the greatest decline in morale occurred. The problem management grappled with was how to retain work measurement, which was considered to be essential for planning and scheduling a highly varied product and job mix, but return the locus of control to the department.

The solution proposed emerged after a thorough re-evaluation of the concept of work measurement. Work measurement was redefined in terms of "job measurement" and "man measurement." Translated into action, this meant that industrial engineers would continue to have responsibility for establishing production standards—job measurement. The first-line manager, however, would have the authority to remove any individual from measurement or change any prescribed method if, in his best judgment, the standard or the method was inappropriate. He could initiate action for the indus-

trial engineer—requesting a re-evaluation of the job. It was expected that employees, knowing their manager now had the power to act, would feel freer to take a complaint to the manager and would expect quick action or assistance.

You will note that two of the three major variables elaborated in the analytic reports were being considered: locus of control and responsiveness to complaints. Although the concept “locus of control” embodies elements of participation, management of Plant B reasoned that a carefully planned and implemented program of work simplification similar to that of Plant A would encourage employees and management to assist in the work of industrial engineering. It would teach them the basic tools for analyzing a job and reward them for innovation through the suggestion system, as well as through the merit pay program.

Top management of Plant B was not unaware of the magnitude of the job ahead of them. Increasing the authority and power of the manager, perforce demanded high levels of competency of individuals in these jobs. The plan changed the role of the industrial engineer in the direction of a consultant, which meant behavioral as well as attitudinal changes on his part. A comprehensive training program which had support of management at all levels needed to be planned and implemented, which, although including elements of work simplification, emphasized the basic concepts which our research highlighted as essential to the success of the change. All of these had to be done with minimum productivity loss.

In summary, the survey results stimulated an analysis of the technical-social system in the plant by local plant management. Analytic reports pointed to action possibilities based on general concepts derived from analysis of data obtained from within IBM. Careful preparation of the organization for the study and appropriate intervention by the researchers established an administrative climate which encouraged change. As a result, the complex process of change has been started. New patterns of interaction between employee, manager and industrial engineer are starting to emerge, organizational roles are being redefined, former beliefs and attitudes are being reappraised, but perhaps most important is the development of a commitment to change, which includes the dual goals of productivity and morale.

CONCLUSION

In this presentation, we have tried to describe some of our experiences in conducting and utilizing behavioral science research in IBM. As mentioned earlier, research is being done with other population groups in the company, but time did not permit an elaboration of this work today.

I would like to stress again that our mission has changed from one of primary concern with *research* to an equivalent emphasis on the *process of research utilization*. There is much we don't know, there is much to be learned by all of us engaged in the change process both within IBM and outside. We are greatly encouraged, however, by our experiences thus far.

Part VI

**THE UNIONIZATION OF WHITE
COLLAR AND PROFESSIONAL
EMPLOYEES**

THE PROSPECTS FOR OFFICE EMPLOYEE UNIONIZATION

ALBERT A. BLUM *
Michigan State University

Two facts stand out when one examines the prospects for labor's growth. One is the ever-increasing number of white collar employees, and the second is the lack of recent expansion in union membership. Both facts have been and are closely connected, for the prospects for the growth of white collar unionism are, in truth, the prospects for the growth of American trade unionism.

The problem of union growth fascinates many scholars of the labor movement. Some, perhaps suffering from a form of infantile regression, build models or theories to study labor's potential expansion or decline in which they use such sticks as short term and long term trends to predict what will happen. Then, the BLS, or some other group, perhaps suffering from another infantile regression, smashes the model by publishing statistics or introduces new trends. Other students of or participants in the labor movement are products of an Age of Faith or perhaps still believe in the inevitability of progress. They are convinced of the value of unionism and therefore have faith that it is only a matter of time before the white collar employee will come to recognize that he ought to sign a membership card in some trade union organization. And there are those, of course, who believe the complete reverse.

Let me at this point give my opinion. I commenced upon my research not sure whether or not unionism would expand in the white collar field. After my research, I still do not know whether unionism will grow among this group of workers. What I attempted to do was to examine some of the techniques followed by management to keep their white collar employees out as well as those practiced by unions to attract them into labor's camp. In addition, I looked at the arguments used by those involved and tried to measure them against the facts of industrial relations, the experiences of

* Associate Professor, School of Labor and Industrial Relations and Social Science Department, Michigan State University. This paper stems from a study I have just completed, *Management and the White Collar Union*, to be published by the American Management Association. The AMA is not responsible for any of my conclusions.

firms and unions, and the test of logic. The results are some comments on the prospects for white collar unionism—or, more specifically, on the prospects for office employee unionism. In this article, my point of reference will be that of unions. Elsewhere, I have discussed the issue from the vantage point of management.¹

MONEY AS A CARROT

“Do you know that a laborer who belongs to an AFL-CIO Union gets paid more than a stenographer who is not in a Union?” asks a young lady in a piece of union organizing literature. She also sadly comments that “a union janitor gets more than a Class A typist.” The lesson to be learned appears clear—at least to the union. Stenographers and typists ought to sign a union membership card if they want to be treated as well as laborers. Why is it then that the office employees did not respond to this pamphlet in the way anticipated—and it is a typical piece of labor propaganda? The answer to this question will give us some insight into the failure of organized labor to attract the white collar employee into its fold.

It is not that the facts in the pamphlet were wrong. Surely, from 1939 until 1955 (the year of the AFL-CIO merger), the gap between the salaries and fringes paid office employees and those paid blue collar workers had grown more and more narrow. Between 1939 and 1955 the median annual salary paid clerical and kindred workers increased by only 172.3 percent or from \$1,421 to \$3,870, while operative and kindred workers had their wages raised 256.1 percent or from \$1,007 to \$3,586. Also, fringes that had often been given only to salary people had rapidly found their way into blue collar workers' compensation plans.²

And it was not that the white collar employees were unaware of this narrowing gap. In 1950, for example, the Opinion Research

¹ See the author's *Management and the White Collar Union*, American Management Association, 1964, *passim*. Examples of unionization literature used in this article are from this book and from the Bureau of National Affairs, *White Collar Report*, hereafter cited as *WCR* unless otherwise noted.

² Robert K. Burns, “The Comparative Economic Position of Manual and White-Collar Employees,” *The Journal of Business*, Vol. 27 (October 1954), p. 260; Jean A. Flexner and Anna-Stina Ericson, “White Collar Employment and Income,” *Monthly Labor Review*, Vol. 79 (April 1956), p. 407; U.S. Department of Commerce, *Current Population Reports Consumer Income Series P-60*; Anne Somers, “The Changing Impact of Fringe Benefits on Industrial Relations,” *Labor Law Journal*, Vol. 13 (March 1962), p. 246.

Corporation discovered that 69 percent of the white collar people surveyed did not believe that they had done as well in terms of income as other groups since the Second World War. Why then did white collar employees not flock into labor's house?³

There are many reasons, but only the major ones will be discussed here. First, most unions did very little. Second, what they did was wrong. Third, they did it too late.

At the 1961 AFL-CIO Convention, George Meany, repeating a demand that union leaders had been steadily making, called upon the labor movement to "intensify our organizing efforts . . . to bring about a break-through into the major groups, such as the white collar workers, where the benefits of union organization are largely unknown."⁴ Some four years earlier, 77 percent of those office employees surveyed by the Opinion Research Corporation who did not belong to a labor organization reported that they had not heard any talk about a union where they worked. This appears to have been the normal pattern of union inactivity in organizing those people whom they claim so desperately to want.⁵

But even when labor tried to attract clerks with a golden carrot, they used an approach that frequently proved ineffective. Clerks perhaps wanted less plebeian food.

In the organizing literature mentioned earlier, the union had compared clerical salaries with those of janitors and found the latter higher. The purpose was to indicate that the clerk's economic position had been deteriorating relative to the janitor's. But why did they use the janitor as an example? Because it added another ingredient—snob appeal. After all, a stenographer should be making more than a janitor! Labor claimed credit for the janitor's success. But it kept strangely quiet about who was to blame for the clerk's failure to secure adequate increases. Somehow management's role in the determination of salaries was kept mute, with some exceptions. In fact, some unions in white collar drives did not blame executives but rather made excuses for them. "The boss might be a fine fellow, but he's busy," stated one union.

³Opinion Research Corporation, *Wartime Implications of White Collar Thinking*, (Princeton, 1950), p. 2, hereafter cited as ORC, *Wartime Implications*.

⁴"President's Report," *Proceedings of the AFL-CIO's 4th Constitutional Convention*, 1961, Vol. 2, p. 4.

⁵Opinion Research Corporation, *White Collar Employee Loyalty* (Princeton, 1957), p. A-12, hereafter cited as ORC, *White Collar Loyalty*.

It is not surprising that since unions, in organizing clerks, did not blame executives for their state of affairs the white collar people, who tend to identify anyway with management, did not either. When asked, in 1950, whether their salaries (determined by management) were as high as they should have been, 61 percent of the white collar people concluded that they were.⁶ Labor's approach reinforced this feeling. Moreover, by emphasizing the snob appeal, unions probably added still another dimension. White collar people, believing that managers had been paying them as much as they could, may have concluded that the blame for their not getting more rested on unions. Labor, through its power, had forced executives to divide the pie available for wages and salaries so that a greater share went to wages than to salaries even though management (who the office employees believed was on their side), would have preferred the division to be different.

Gradually, however, if attitude surveys are any index, the white collar employee became more and more bitter. In 1957, a greater percentage than in 1950 felt their salaries were too low and that executives paid more concern to the production worker.⁷ But this was more a reaction to the past or to the period before 1955 rather than to the period after the mid 1950's. By then, management had changed its course and for whatever reasons, be they good personnel policies or fear of unions, had begun to compensate their office employees better. Clerical salaries increased from 1955 to 1961 by 28.9 percent as compared with a 21.1 percent increase for manual workers. In 1955, the gap between clerical employees' median annual salary and those of manual workers had been only \$284. By 1961, clerks were making \$646 more. A consciousness grew among management concerning the need for sound salary structure and company after company began to reevaluate its salary scheme.⁸

A chance had been lost by labor when it could have justifiably pointed to the sad situation among clerical salaries. It could have pointed to examples of labor's successes in raising organized white collar employee income or noted inequities in the treatment by management of various groups of office employees within the same firm. Instead, labor emphasized comparisons with blue collar workers.

⁶ ORC, *Wartime Implications*, p. 2.

⁷ ORC, *White Collar Loyalty*, pp. A-6, 7.

⁸ Department of Commerce, *op. cit.*, Series P-60.

Salaries were and are a symbol of status for salaried people. Taking credit for lessening their value, and not blaming someone else for the changed state of affairs, appear not to have been particularly successful organizing approaches and offer little hope for future prospects for office employee unionism.

IDENTIFICATION WITH MANAGEMENT

Unions' fears concerning attacking management stem from their justifiable concern with white collar identification with management. More than three-fourths of the white collar employees in a 1957 study answered that they looked upon themselves as belonging more with management than with production workers.⁹ It is perhaps for this reason that one union tells prospective members that company executives "had indicated many times" that they would join the union if they worked in an office. During the 1930's, labor had attempted to attract members by saying the President of the United States wanted them to join; in the white collar field, this union tries to tell clerks that the presidents of the companies want them to sign a union card. Unions have been and are perplexed concerning this issue: should they try to use or destroy this identification with management? In George Strauss' terms, should they use a working class approach or a middle class approach in organizing?¹⁰ But now, many labor leaders are convinced that the question in the long run is being settled for them. They are convinced that automation and technological change are so altering the nature of white collar work that the white collar is now grey and will soon turn blue. Many labor leaders are convinced that this change in color will come about as the clerk's dream of upward mobility takes on a greater and greater sense of unreality; as his work becomes more and more like that of blue collar workers; as his fears mount concerning job security; as the individual treatment he desires is manipulated by management to his disadvantage; as he recognizes his lack of protection from unilateral management action; and as he feels that there is no loss in status involved in joining unions.

⁹ ORC, *White Collar Loyalty*, p. A-8.

¹⁰ George Strauss, "White Collar Unions Are Different!", *Harvard Business Review*, Vol. 32 (September-October 1954), p. 75.

UPWARD MOBILITY

Surely one of the major sources of potential discontent among white collar employees is their possible awakening from their dreams of upward mobility and discovering that they were, in fact, only dreams, not reality. In studies of white collar attitudes, the "opportunity to train for higher skills" and "firm promotion policies" stand near or at the top of the list of desirable management programs. Unions recognize this and demand the end of "red apple clubs" or favoritism in promotions.¹¹ Yet, labor has the disadvantage of bearing the reputation of favoring mainly seniority as a basis for promotion while white collar employees tend to favor merit. This issue remains unsettled. Unions' optimism continues, however, the same: that automation will block upward mobility and that firms will not promote fairly, as in the following case.

A company installed a piece of automated equipment and consequently needed some highly skilled employees. As a result, it hired them from the outside. This caused the firm's office employees to grow resentful; consequently, a white collar union was able to launch a successful organizing drive. With the installation of more and more of such equipment, labor unions have become more hopeful. But is this feeling of euphoria justified?

First, many companies recognize this problem and are trying to train their present staff for the new jobs and to promote fairly. Second, many office employees are women who do not aspire to move upwards as much as men. Moreover, they have historically been less susceptible to unionism. A firm may need only a few people for higher skilled jobs. If it promotes the men, and lets attrition (mainly of the women employees) take care of the remainder, management need have less fear and unions less hope that the white collar employees will sign a union card.

INCREASED SIMILARITY WITH BLUE-COLLAR JOBS

But unions not only believe that technological change will block mobility; they also expect it to make white and blue collar jobs more alike, and, in addition, to increase worries concerning job security, thereby prompting more union membership. They tend to agree with

¹¹ C. Wright Mills, *White Collar* (New York, Oxford University Press, 1956), p. 307; ORC, *White Collar Loyalty*, p. 9; Charles E. Ginder, "Unionization in the Office," *Office Executive*, Vol. 36 (January 1961), p. 13.

Jack Barbash that "when the white collar person becomes a baby sitter for an automated machine, pride of work gets drained out of his job and he is going to try to join with his fellows."¹²

Unions emphasize this approach in organizing literature. "The Age of the Robot" is coming to the office, warns the UAW, and will take over the clerks' job. It offers them a choice: ". . . either to be conquered by the 'robot' or to challenge the robot's right to disregard the human equation of life." The OEIU points a nervous finger at a "gnawing fear and doubt among white collar employees" arising from one question—"How long before my job is wiped out by the Machine?" Clearly to the unions, the answer to the challenge and to the fear is for office workers to secure a union contract that will protect clerks from the dangers resulting from automation.¹³

While unions take hope, management appears unafraid. Most industrial relations executives, in our survey sponsored by the American Management Association, did not believe that technological change will prompt any substantial march into unions, for companies will take steps to prevent job losses, and white collar people will benefit from these changes. But one thing troubles executives—that at least partially as a result of many of these changes, white collar people will come in closer contact with organized blue collar workers, and this, in turn, will bring about unionism. As proximity with management had prevented white collar unionization proximity with blue collar people may bring it about. But many executives are convinced that proximity, like familiarity, may instead breed contempt for the labor movement. For example, as Professor S. M. Miller once commented to an Industrial Relations Research Association audience, many workers who come from manual worker families may "be pro-union, because they have knowledge of what unions are and what they can do," but a number of them, however, "will be anti-union because they also think they know what unions are like and therefore do not want any part of them." As a result, firms believing this, regularly report to their white collar employees stories concerning corruption in the labor movement and joyously point to the McClellan committee findings as indicating what unionism really means. Further, executives paint a foreboding picture of frequent

¹² Cited in *WCR*, January 2, 1961, p. A-2.

¹³ For a good summary of the union attitude on this subject see Industrial Union Department, AFL-CIO "White Collar Workers in Industry," *Summary Report of Staff Seminar* (Washington: December 1-3, 1960), p. 4.

strikes. Unions try to answer the latter argument by playing down stoppages. The OEIU takes pride in noting that it is not a "strike-happy union." In fact, one organizer never refers to strikes. He calls them "economic sanctions" instead.¹⁴

INDIVIDUAL VS. COLLECTIVE BARGAINING

One of the other charges made against unions to which labor feels impelled to respond is that collective bargaining will destroy individualism. "One of the real problems facing us," comments the president of the OEIU, "is in our inability to get across the idea that unionization doesn't mean the loss of individuality."¹⁵ The AFL-CIO's director of organization also discusses the white collar employees' belief "that individual action is the key to personal achievement and happiness." But Livingston's answer is that the salaried person lives in a "complex work society geared to collective, coordinate action . . .—that it is through group action and group identification that his personal interest can best be realized." But assuming this claim is true, how does labor go about trying to convince the white collar employee while management is as yet effectively denying the charge?¹⁶

First, unions use ridicule. They point out that firms often talk about the need for individual bargaining but then refuse to talk about individual situations because of over-all company personnel policies fixed in the headquarters of the firm. Or they point to the fact that companies belong to organized groups—such as the NAM—and therefore the clerks ought to also. Or they argue that individual treatment often results in unfair or arbitrary actions by management and emphasize the need for a grievance procedure. Or they claim that management fosters regimentation or manipulates the individual and consequently one labor union placed at the top of most of its leaflets in an organizing drive this motto: "Dedicated to the Dignity of the Individual." And lastly they assert that a union membership

¹⁴ Blum, *op. cit.* Ch. 5; S. M. Miller, "Comments," *IRRA Proceedings* (December 1960), p. 214; *WCR*, March 6, 1961, pp. A1-A2; *Fortune*, Vol. 65 (February 1962), p. 200; Robert Bedolis, "Union Profile: The Office Workers," *Management Record*, Vol. 24 (June 1962), pp. 19-20; Lawrence Stessin, "Managing Your Manpower," *Dun's Review and Modern Industry*, Vol. 74 (August 1959), p. 48.

¹⁵ Office Employers International Union, *White Collar*, March 1961.

¹⁶ John W. Livingston, "The Answer for the White Collar Workers," *Labor Looks at the White Collar Workers* (Washington: AFL-CIO Industrial Union Department, 1957), p. 66.

card means a rise in individual status. After all, labor points out to potential unionists, Gregory Peck, Lawrence Welk, and even Princess Margaret's husband belong to a union. "Even with their individual ability," quotes one leaflet, "they recognized the need of their own unions to get the pay and conditions they deserve." In organizing literature, unions quote favorable remarks about unions from nearly everyone. Kennedy, Eisenhower, Lincoln, and Theodore Roosevelt are cited. Leaving absolutely no stone unturned, they even quote a college professor, the late Sumner Slichter, and a group of religious leaders. ("If unions are as evil as some have painted, would they receive such tribute from the leaders of our many faiths?")¹⁷

Is this the hope for labor in the white collar field—to sell unionism as industry sells soap; to place spot ads on a national TV program, telling how labor is 99 and 44/100's percent pure? This Madison Avenue type of program (often phrased in poor grammar) has been tried and so far has not been particularly successful. Other alternatives are needed, for despite the failure of labor's approaches (when any approach was made), the white collar employee is not as bitterly opposed to unionism as generally believed. In 1957, the Opinion Research Corporation found that while 17 per cent of those surveyed belonged to a union, an additional 14 percent reported that they wanted to join, for a total 31 percent. Moreover, 14 percent more felt undecided. In addition, 37 percent, in answer to another question, declared that they favored white collar people joining unions, 16 percent had no opinion, and 47 percent believed they should remain outside. Surely, to put this data in the most cautious terms, a large proportion of white collar people are not committed to being anti-union.¹⁸

A PROPOSED UNION PROGRAM

For these large numbers of as yet uncommitted office employees to join unions, they have to become discontented with their status, managers, jobs, and society. An economic recession or a tightening of the labor market for office employees might provoke this discontent. Management policies, or perhaps a lack of them, may also weaken their clerk's sense of self-importance engendered by their belief that

¹⁷ WCR, May 2, 1960; Retail Clerks International Association, *Retail Clerks Advocate*, May 1962, p. 6.

¹⁸ ORC, *White Collar Loyalty*, pp. 5 and A9 through A19.

they are a part of management. To many office employees, signing a union card is proof of lack of success, of defeat—an index of a decline of importance. Most executives, in the AMA survey, are resolved that this feeling continue and believe that, as a result, they must follow sound personnel policies. And many do. Yet, a good share, when asked specifically why they do so, answer in platitudes rather than in specifics. Thus, if labor waits patiently, it has one good hope: management errors and complacency. This, however, leaves matters mainly outside of labor's control. But there is something unions can do themselves—namely, provide inspired and imaginative leadership.

Walter Reuther, in a perhaps characteristic way, vaguely sets one of the courses which unions ought to follow. Reuther answered the question “what kind of appeal can the union movement make to the young generation of technical and office workers who have never experienced an economic depression,” by responding that “. . . the labor movement has to take on the character of a social movement. It is dealing more and more with the problems of the whole community and will have to enlist these people, give them a sense of consciously participating in shaping the great issues that will determine the kind of society in which we are all going to be living.”¹⁹ One indication that Reuther is at least partially right is that those white collar people who are sympathetic to unionism are more likely to be critical of the theoretical principles of the free enterprise system and favor more government intervention than do those who are opposed to unionism.²⁰

But besides developing political and economic programs, unions must take into account the fact that the white collar employee does desire this sense of importance; that he also wishes to “get along,” to “sell himself,” and to identify with others (as he has with management). These attitudes are labor's opportunity and it need not only wait for management errors.²¹ Poor salary schedules and the impact of technological change will not inevitably bring about unionism. Sound management policies can frequently prevent these factors from having any major impact, and even unsound policies

¹⁹ “The Corporation and the Union,” *Interviews on the American Character* (Santa Barbara: Center for the Study of Democratic Institutions, 1962), pp. 22–23.

²⁰ ORC, *Wartime Implications*, pp. A1–A17.

²¹ “Why White Collar Workers Can't Be Organized,” *Harpers*, Vol. 215 (August 1957), pp. 47–48.

may not, by themselves, prompt any impressive march into unions. The hope is in a massive labor drive to organize white collar people. But despite all the talk at union conventions, there is little evidence that there exists a real commitment by unions to organize white collar workers extensively.

But if office employees are going to see their desires for self-importance and their tendencies toward conformity satisfied by membership in a labor organization, then unions are going to have to stop merely glancing at the unorganized clerks and instead must focus their attention on them. This might involve the formation of a national White Collar Organizing Committee (WCOG), somewhat like the organizing committees set up by the CIO in the 1930's. The WCOG should have local divisions operating in the big cities where so many clerks work. Such a committee, headed by a prominent labor leader like Walter Reuther, and with a large amount of money and staff, might convince the clerks that the labor movement really does care. The conforming white collar employee should have something to which he can conform—that is, with other salaried people, who in large enough numbers, are joining unions; and with an organization, publicly and extensively committed to working for, with and by salaried employees, and not divided by the jurisdictional disputes that would now hamper any concerted program. As a result of such an organizational drive (and the drive in Los Angeles and elsewhere are distant cousins to this suggested approach), the number of unionized white collar people may increase, though probably not to the extent or with the speed of the unionization of industrial workers in the 1930's. In fact, it may be that what is needed is another CIO—a labor federation only for salaried employees.²²

But such an organization is not enough. It has to have a program. The social unrest that formed the background for the CIO expansion in the 1930's is not present today. But unrest among groups differs at different times and does not have to pervade a large part of society as it did in the wake of the Great Depression. The fear that is perhaps

²² Benjamin Solomon and Robert K. Burns, "Unionization of White-Collar Employees Extent, Potential, and Implications," *The Journal of Business of the University of Chicago*, Vol. 36 (April 1963), pp. 160-163; for figures on union membership in the white collar field, see *ibid.*, pp. 141-160; Solomon Barkin, *The Decline of the Labor Movement* (Santa Barbara: Center for the Study of Democratic Institutions, 1961), pp. 42-45, 67-74; Solomon Barkin and Albert A. Blum, "What's to be Done for Labor? The Trade Unionists' Answer," *Labor Law Journal*, March 1964.

a needed component of white collar unionization is one concerning loss of status, of importance. For example, there are some indications that companies are tightening up on their salaries. If unions emphasize this issue, and try to convince the clerks that it is management that is cutting their income and thereby lowering their status, and that the WCOC will be the mass organizing group that will help give them back their status and salaries, then it may be that unions among these employees may expand. As another example, if such a labor group can break down some of the political and social ideas held by clerks and further their acceptance of more government intervention in economic life, this too may result in more white collar unionization. Without the Marxist overtone, labor has to convince the clerks of the world that by joining a union they have nothing to lose but their typewriter ribbons and IBM cards.

Thus a mass organizing drive that fosters discontent and focuses upon examples of management malpractices, plus some of the changes that are now taking place in white collar work place and in society which may make this a more fertile field to sow these seeds of discontent, are perhaps the major hopes for white collar unionization. But one must add that all this appears quite unlikely. First, unions are not as yet really committed to any such drive. Only some of its research and education directors, and a few officials appear so committed. Second, management knows far more than it did in the 1930's and is doing a much better job. And last, there is the white collar worker who even when discontented may not move into unions. He did not in the past. He may do nothing except keep dreaming dreams of when he will become an executive, or just mutter over his dry martini (not beer as his blue collar brother) about the effects of the machine. Or more dangerously, some may answer the question, "Little Man, What Now?" the same as many members of the German middle class who when asked that question in the 1920's responded by moving to the radical right. But some may respond by signing a union card; and this of course, is labor's hope—perhaps its last one if the union movement is to expand.

SUCCESS AND FAILURE IN ORGANIZING PROFESSIONAL ENGINEERS

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After a burgeoning beginning in the forties and a national flowering in the fifties, most engineering unions in recent years have faded and a number have died. Union leaders and labor scholars are wont to explain the failures of such white-collar workers to support collective bargaining as a result of illusory professionalism and middle-class dreams. They see engineers seeking professional dignity as an escape from the industrial bureaucracies and the impersonal mass employment in which they are caught. Some scholars assert that since assembly line workers in Detroit and the millhands of Pittsburgh long ago recognized the value of collective action, in time the massed ranks of draftsmen, the serried rows of engineers, and the timid technicians will also recognize it. If the engineers' dreams come true, however, and if through individual bargaining they can satisfy their claims to be professionals, the assertion will not be validated.

Whatever may happen in the future, at present there is little to encourage engineers to organize for *collective bargaining*. An examination of their work scene and conditions of employment reveal ample opportunity for individual bargaining. In fact, it was not the attractiveness of collective bargaining that originally led to the organization of engineering unions; the engineers sought to protect their individual bargaining position from an encroaching collectivity.

I

Quite clearly the engineers backed into organizing. The fear of being incorporated into blue collar unions rather than any expectation of what collective bargaining could do induced them to form unions. Even the professional societies helped in the formation, and many managements either encouraged the organizing efforts of the engineers or carefully did nothing to discourage them. Collective bargaining was simply an accompaniment of organization; it was apparently

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a necessary but not a welcomed part of the strategy of forestalling "outside" unionism.

Once organized, most of the engineering unions could find no role to play except to supplement individual bargaining. At best, collective action was able to influence the minimums upon which individuals could bargain for further gains. For example, the union negotiators might bargain over the limits of the various salary ranges, but each engineer negotiates for himself his own pay within the range. Thus individual gains secured by moving within a salary range may be of more importance than a raise of the limits. Managements have also insisted upon maintaining great flexibility in the administration of layoffs, transfers, promotions, and overtime procedures which allows, and in fact requires, engineers to bargain on their own.

The overall impression gained by engineers—members and non-members alike—is that collective bargaining has little relevance to them. More than those of the union, their own actions influence the decisions vital to their pay and work. The president of one engineering union in an electronics firm described collective bargaining in this way:

We bargain only for the broad outlines and let the individuals fill in the details. It is like school. The professors present a curriculum, but the students can choose what courses they want to suit their purposes. They also get the opportunity to strive for A's or B's or C's in grades. We are trying to control only the broadest aspects of standards—like the doctors. They negotiate with each patient for their fee but within the overall limits set by their professional body.

One may question the validity of the analogies used but the point for engineers is clear. At best, collective bargaining provides common minimums, leaving a wide area for individual bargaining.

The unions also have almost no services to offer in the handling of day-to-day problems. The president of an engineering association in a large airframe company dismissed grievance procedures and representatives by saying, "To have them would be superfluous. . . . It would be a phoney; they would be performing only play-like activities because there is nothing to do." By the standards of other unions, grievance activity is certainly conspicuous by its absence. In one aircraft plant that has employed between five hundred and one thousand engineers over the last ten years, only three grievances have ever been filed. The executive officers of a union in a communications

plant of two to three thousand engineers could recall but one grievance. It had arisen seven years earlier. In a recently built missile plant where about two thousand engineers are employed, the industrial relations manager reported that "in the past years we haven't received more than ten grievances." In another aerospace company that has grown from four to ten thousand engineers over the past thirteen years, the union brought one grievance to arbitration, and not one could remember any others.¹

A few union officers have bitterly commented that engineers were being conceited in thinking they can bargain for themselves, but the evidence suggests that individual bargaining is possible and profitable for the engineers and further that the organizational and structural prerequisites for carrying on any more comprehensive collective bargaining do not exist.

Once hired, engineers have not found themselves entering well established organizations with fixed work groups and carefully drawn procedures. Among the electronic, communications, aerospace, and aircraft companies, change, upheaval, sudden cancellation, new developments, unexpected breakthroughs, and almost continual expansion are the usual accompaniments of daily work. While some jobs have disappeared and others have shrunk in importance, the net effect of all the changes for a majority of engineers has been a plenitude of opportunities. A man may lose if he is on a project such as the cancelled B-70 chemical bomber, but many more have ridden high on projects such as Saturn, Apollo, and BMEWS, advancing in rank and pay while challenged by new and exciting problems of engineering.

Besides confronting engineers with an ever changing array of opportunities for individual exploitation, rapid expansion of engineering has produced a kind of supervision peculiarly vulnerable to individual bargaining. Managers usually choose their new supervisors for their technical qualifications, not their competence in directing men effectively and efficiently. While fulfilling the hopes of the engineers who want to rise to managerial positions, the choices do not always fulfill those of top management. Unsophisticated in the art of managerial persuasion, they are often susceptible to the importunity of subordinates. Inexperienced in administration and leadership, they

¹ Richard Walton also found few evidences of much grievance activity among the engineering unions. *The Impact of the Professional Engineering Union*, Graduate School of Business Administration, Harvard University, Boston, 1961, pp. 311-312.

also often find the performance record of their sections or departments particularly dependent upon the cooperation of those they lead.²

A supervisor in charge of a team of good engineers is usually reluctant to let any member leave, either to transfer within the company or quit for a job elsewhere. Men of equal or better ability may be available in a company, but in the constant change of projects and work, they are not easy to locate. Unwilling, thus, to lose engineers with whom they have worked successfully in building their own record, supervisors tend to bid for the man who is "looking around." The man may thereby gain a higher merit rating, a raise, or a better job position. If he does not secure any extra benefit from one supervisor, he can usually wangle a transfer to another group and try there for better rewards. A second-level supervisor in a department working on missile designs related this incident as an example of the bargaining or "dickering" he is involved in almost daily:

This engineer has a background in cryogenics; he's probably taken some advanced work in it at the University and he was unhappy about turning out designs on mechanical activators. He told me he'd like to transfer to [the company's big project] so that he'd have a chance to push out and do something original. Well, I wanted him and we dickered. I agreed to let him use twenty per cent of his time for research and the rest on his regular job. We're trying it out now.

That such deals as this one might occur occasionally would not be surprising, but engineers and supervisors were almost unanimous in their conviction that they are a major ingredient in the managing of engineers. Management by "dickering" thus, is not merely the result of inexperienced supervisors, though they contribute to it. Experienced supervisors bargain and "dicker" too, in all departments and at all times, not just when manpower shortages occur, according to the men involved.

Another, and more basic, influence appears to have encouraged, if not required, engineers to bargain for themselves at the place of work—the mode of management. Typically engineering firms permit supervisors to exercise their own judgments in treating subordinates, imposing but few limiting rules and providing even less guidance.

² See Walton, *The Impact of the Professional Engineering Union*, pp. 333-334. He discusses the balance of forces that produce bargaining between engineers and supervisors.

Particularly is this true in merit rating and performance reviews. Supervisors are asked to rate men according to vague guides on complicated forms. Instead of setting forth clear standards, the firms require one supervisor to second-guess another. Sometimes the supervisors are of equal rank and at other times of different. It is their personal, subjective and not infrequently inexperienced judgments, rather than objective rules or clearly understandable guides which direct their decisions regarding transfers, promotions, merit rating, salary raises, job assignments, and layoffs. Of course, departmental budgets and contract specifications provide limits but even first line supervisors may exercise authority over engineering careers with latitude and autonomy.

Engineers seldom work under supervisors who alone wield direct line authority. Most engineering firms have adopted a dual form of supervision by combining the project and systems form of organization.³ Engineers specializing in particular functional areas are under the technical direction of their system (i.e. functional) supervision, but under the administrative direction of project supervisors who coordinate the overall development of a project, be it an aircraft, a missile, or a communications network. Engineers can thus specialize in particular technical areas, increasing their efficiency for the company, yet be used flexibly to work on a variety of large complex projects over time. (If projects are small, a systems group may even work on more than one at the same time.)

In theory the project supervisors have full authority over all engineers working on a project, but in practice the administrative authority has to be shared with the systems supervisor and as frequently with the engineers themselves. The expert, technical knowledge and sometimes critically-needed functional skills possessed by engineers may give them enough influence to override, or at least modify, decisions made by project supervisors. An engineer working on servo-mechanisms in an antimissile missile gave an example of how technical authority can be used to challenge administrative authority. He had become unhappy at the way his overtime was being scheduled.

I couldn't tell [my immediate supervisor] that they had to change the way things were set up, but I could go to the project engineer

³E. S. Arndt and others, *Engineering Manpower: How to Improve Its Productivity*, (3rd ed.), Graduate School of Business Administration, Harvard University, Boston, 1957, p. 11.

and bring up technical matters on which he'd back me. He knew that I could enforce cooperation because I had some authority based on my past performance and technical ability. Administratively I had no authority, of course, but where do you draw the line between the two? A systems engineer can make technical reports and suggestions on lots of things and his nominal superior disregards the advice at his own risk.

Another engineer working on the mathematical analysis systems of a missile project was dissatisfied with his merit increases of recent months. With no advance notice he told his technical supervisor he was going to resign.

I told him that the review he had sent in on my work had been ignored when the merit increases were made. He knew my accomplishments and I told him frankly what I expected. I let him know that I give my best when my morale is high. He told me he'd speak to the project engineers and not to submit the resignation; I already had filled it out. He came back with a doubled increase.

A supervisor of ten years' experience in an aircraft firm said that each section in the engineering department where he worked operates more or less by itself,

a little like a small firm doing subcontracting from the big company. It's all very human and understanding. I had one man, for example, who was average but didn't deserve a merit increase, I think. He complained and continued to do so. I finally recommended him to a salary which made him just eligible for a parking pass. Then he had only to walk 4 blocks instead of 7 and that quieted him.

The constant shifting of systems group from one project to another and the change in the make up of the groups seldom allows the engineers to become familiar enough with formal channels of communications and authority to use them regularly or efficiently. The pressures for speed in clearing up difficulties and the problems of coordinating highly interdependent systems designs puts a premium on informal relations. Thus, engineers have opportunities to approach both higher and lower supervisors, technical as well as administrative. As a chief engineer in a plant making aerospace equipment said,

In this business the organization of the groups is not real hard and firm. A man can't really get out of bounds in this sort of organization. The engineers and lead men and supervisors feel pretty free to handle things their own way within limits and to work out problems among themselves.

The informality and loose procedural arrangements, combined with the diffusion of authority within engineering departments provides a fertile ground in which individual bargaining can flourish. Many engineers are encouraged to play off one supervisor against another, led to question the subjective, often poorly informed or hasty ratings, and tempted to draw the attention of higher level superiors to their work as they angle for other positions and assignments. Consequently engineers and their supervisors spend a noticeable amount of time and effort in their individual negotiations, politicking and dickerings.

Engineers engage in individual bargaining willingly, not because employers insist or because they have no alternative. No more than a minority show any interest in restricting the use of individual bargaining. Some complain that it is seldom equitable or fair—merely a way for supervisors to reward apple polishers and friends. A few are convinced that it favors the “politicians” and “squeaky wheels” rather than those of merit and men with real engineering skill. Not every engineer gains when he bargains for himself, and merit is not always rewarded, true, but on the whole the system works tolerably well. Only a minority of engineers see any need to supplant individual bargaining.

The minority, who look with some favor on collective bargaining and join unions where they are available, tends to be drawn from the higher or middle engineering ranks; engineers in the entering grades are not attracted to union membership.⁴ Closer examination of the characteristics of members show that length of company tenure is probably the single, most important correlate of membership. No other characteristic, such as social background, size of work group, or kind of work performed, appears to be significantly related to union membership.⁵ The data collected for this study shows that length of tenure is even more important in determining membership than the amount of education received. College graduates, as a group, uniformly show lower membership and express stronger opposition to unions than those with no degrees, but comparisons between engineers of the same tenure in the two groups indicate that a college education is not a significant influence working against membership.

⁴ Where engineering unions are available membership typically runs from about 20 percent to barely 50 percent of the bargaining unit. Only a very few exceptional unions enroll as many as 60 percent, and two that enjoy even higher membership are discussed below.

⁵ Bernard Goldstein and Bernard P. Indik, “Unionism as a Social Choice: The Engineers’ Case,” *Monthly Labor Review*, Vol. 86, No. 4 (April 1963), pp. 365–369.

Mere passage of time on the job or in a company does not, in itself, arouse an interest in engineers to join unions and favor collective bargaining. The length of time an engineer has been on his job, however, can adversely affect his position and opportunities, thus turning his attention to group gains and improvements. The salary growth curve for almost all engineers rises rapidly for the first five to eight years and then levels out. An outstanding man may find his salary continuing a rapid rise, but for most, wage increases decline markedly in frequency and amount after the early period of employment. The leveling out of salaries is an issue about which the unions make much; disturbed by the slower pace of salary advancement, the longer term engineer may for the first time listen to the union message.

Perhaps more disturbing than their relative loss of salary status is the decline in opportunities for continued advancement as length of tenure increases. The company's production needs and the engineer's personal interests can lead a man to specialize narrowly, foreclosing new jobs and types of work. Specializing can make individual bargaining more difficult, if not impossible. As one engineer who has been with an aerospace company since World War II remarked:

You're always in danger of reaching a level and getting pegged. . . . You don't necessarily get stuck there because of your capabilities, but because you're tagged as that level of engineer. If you're lucky and don't get pegged you will reach your level of capability—but even then your salary levels off just the same.

Another disturbing concern which tends to interest engineers in the union is the imprecise but alarming threat of obsolescence.⁶ Engineering technologies are changing rapidly; a man who has specialized in aircraft design, say in engine pods or wing structure, may find little demand for his skills in missile design where pods and wings are not used. Or an engineer, expert in the problems of radio tubes or electrical circuitry of fifteen years ago may be poorly equipped to exploit the opportunities of tunnel diodes and optical lasers today. An industrial relations officer of a major aerospace company observed that:

The older and more senior engineers are often disturbed at the lack of attention and consideration they get in the new promotions and advancements within the company. But to be truthful, I think that the new engineers are more valuable than the older men. . . . These men have got to keep up to date or the field will rush them by.

⁶ A discussion of this threat is found in Gordon S. Brown, "New Horizons in Engineering Education," *Daedalus*, V. 91 (Spring 1962), pp. 342-343.

Another officer in the engineering department of a company building space capsules commented that "the engineering here is done by the young men, that is, those of less than five years' experience. . . . If we should ever have a sizeable layoff, a lot of older guys will be laid off. [They've] been out of school for a while, like me, and we're out of touch with the newer techniques of engineering."

The number of older, longer-tenure engineers who are prime candidates for membership has been, and probably still is too small to provide a broad majority upon which to support unions. Engineering staffs have grown so fast that a large proportion of the engineers are both young and short of experience. In a 1958 nationwide survey, forty percent were found to be *under* thirty-five years of age and half had begun their present job less than four years ago.⁷ Another survey in 1956 found that thirty-five per cent of all engineers were between the ages of twenty and thirty; one-third of all of them had had less than five years' experience and two-thirds had had less than ten years.⁸

II

In a few exceptional situations engineering unions have been able to recruit into active membership an overwhelming portion of the men in their bargaining unit. As in the quiescent unions, the membership has a significantly higher proportion of long-term engineers, but they have secured the support and loyalty of many of the junior men as well. An examination of two of these strong, militant unions, one with an eighty per cent membership and the other with a union shop and thus one-hundred per cent, throws additional light upon the conditions that encourage and allow unions to provide useful services for the workers they represent.

Even a casual observer cannot help but be struck by differences between the active unions and the other quiescent ones. The bustle in the offices, the loud voices of men conferring, the ringing of telephones, continual comings and goings indicate a high level of daily activity at union headquarters. The contrast with the quietness and solitude of the typical engineers' union office is unmistakable. Of more significance was the contrast in the kind and availability of services for members. In the active unions collective bargaining was a continuous process,

⁷ A. J. Jaffe, *Characteristics of Men Employed in Engineering Jobs in the U.S.*, prepared for the U.S. Census Bureau, January 1961, mimeographed, Table 4, p. 11.

⁸ Booze, Allen, and Hamilton, *The Making of Company Policy* (1956).

not just negotiations of a labor agreement from time to time. It is rather the daily administration, adjudication, and grievance bargaining that makes up a full comprehensive union service. Another contrast that is marked is the willingness of the unions to strike. Each of the active ones has struck in support of demands several times. In fact, both have struck more times than the production workers in the same plants.⁹

Neither union was organized with the purpose of militantly pursuing collective gains. Engineers organized the first union to avoid inclusion in a technician's union. They hoped:

to create a consultative board that could represent [them] in discussions with management. It was envisioned that these groups would serve as a "sounding board"—without becoming involved in the complications of formal "unionism." Exploratory conferences with company representatives, however, quickly dispelled any thoughts of this type of idealized relationship—since the Company indicated that it could not (or would not) deal with an organization of engineers unless it was officially accredited . . . as a legal bargaining unit.¹⁰

At company insistence the engineers formed a union and then returned to negotiate a labor agreement. According to the union's newsletters, the company also insisted "that the first step in our negotiations shall be the setting up of a grievance procedure." If any disputes arose during the course of negotiations, they could thus be settled quickly and smoothly without interrupting consideration of the larger problems.

The engineers devised a rather sketchy kind of grievance procedure which would have been little different from the then current, informal methods of bringing complaints to one's supervisor. The company rejected such a procedure as inadequate and proposed in-

⁹ Different as these unions are in their activities from the typical engineering union, they are not otherwise unlike them. Their members perform the same kind of work, being employed on aerospace projects of the Defense Department and also commercial electronic and communications equipment. The companies employing the members are large and have greatly expanded their engineering departments since the unions were formed. Like the typical engineering union, the two active unions were encouraged at first by management to forestall unionization by production unions. In membership too, they resemble the typical engineering union. One of the unions limits membership to professionals only and the other includes both professionals and technicians. Of the quiescent unions some are all professionals and others are of mixed membership. In short, the two unions quite clearly are different from the typical engineering unions, but the reasons for the differences are not causally obvious.

¹⁰ Quote from a union handbook which gives the history of the organization.

stead the kind of detailed grievance system commonly found in regular labor agreements. Grievances were defined, time limits set for processing, a hierarchy of hearing levels established, and the form of records were set forth. The company officials not only insisted upon a grievance system but also established the rules, standards, and procedures which in administration and interpretation would give rise to grievances. They began job analysis, job evaluation, and merit rating programs for engineers and other salaried employees. Jointly management and union worked out factors on which engineers should be rated and agreed that each man should receive a record of his ratings. Any disagreement with the rating could be grieved. The company also suggested or accepted (the record is not clear) a layoff system in which seniority was the dominant consideration. Only at the insistence of the engineers was weight given to education and ability as well as length of service in the seniority measurement.

The company is a large, leading electrical and electronic equipment firm, well-established, and soundly administered by professional managers. It had fought union organization in the middle thirties, provoking bitter conflict which led to the death and injury of several strikers. Appalled at the consequences of its anti-union policy, management decided to accept unions and live with them in peace, if not always in harmony. From then on, management made the unions a stable, regular part of the company, agreeing or insisting that it should assume a recognized role in the daily activities of the organization.

As negotiations continued, the engineers brought to management's attention a number of questions about salaries. The first dealt with rates paid to engineers in one department who held rank equal to men in another department but who received lower pay. The discrepancy was remedied immediately by adjusting the lower rates. Other such adjustments led the engineers to experiment further with their new grievance procedure. In the first three months after the agreement was signed in early 1946, the parties processed eight grievances, five on merit rating and two on reclassification. In the succeeding years grievance work grew, becoming the mainstay of the union. Active members performed their apprenticeship for higher offices as grievance committeemen, and all engineers learned that the union could help an individual who had a question or complaint about the way rules were enforced and standards applied.

A comparison of the provisions in the union's agreement with those

of a quiescent union's agreement, emphasizes the potentially broader grounds for raising and sustaining grievances. The quiescent union's agreement states that merit rating decisions "represent the *opinion* of the [engineer's] administrative supervisors:" "the result of each annual review will be *discussed* with the employee;" and "an employee may file a grievance . . . [for] any violation in the *administration* of the [rating]." ¹¹ Under the agreement of the active union, supervisors are expected to base their decisions upon reasonable and demonstrable criteria, required to give a copy of the rating to the engineer after he has read and signed the company's copy, and an engineer may grieve the *decision* not merely the *administration* of the rating procedure.

As engineers began to use the grievance procedure, at first skeptically and tentatively, their familiarity with it increased as did management's. Handling and processing grievances became an accepted part of daily work as did the shop activities of union officers. There were many newly hired engineers each year as the company expanded its engineering department eight-fold in fifteen years, yet they quickly and readily took out membership. The union conducted no membership drives and has always used a soft-sell approach on new hires. The acceptance of the union by engineers and management and the usefulness of union services is apparent without any explicit propaganda. From the first, joining the union has been the thing to do.

The company whose engineers organized the second union was not stable, well established, or soundly administered. It had been a small engineering and producing firm making special equipment for the Navy until World War II. The two founders ran the company out of their hats, in a paternalistic and highly personal way. Personnel policy was chaotic, subject to change any time a new idea or a new advisor caught the fancy of the two founders. After the war and the drop off of war contracts the company nearly foundered. A larger company took over control and appointed new managers, but the old policies or lack of policies continued. By the late forties the company had recovered financial strength when it received government contracts to develop equipment which was to become a vital part of nuclear submarines and missiles.

As the company prospered from the additional contracts given to it after the beginning of the Korean War, the engineers and workers languished. The swift inflation of 1950-51 ate away at wages and the

¹¹ Italics added.

absence of any coherent personnel, wage, and work policy produced confusion, inequities, and bitterness among all employees. When the American Federation of Technical Employees and the I.U.E. attempted to enroll the engineers late in 1950, management encouraged the engineers to form their own union. Disgruntled as they were, they needed little encouragement. In early 1951 they began their first negotiations.

The engineers negotiated with managers who had been with the company less than a year and who left a few months after the first agreement was signed. In general whatever the engineers asked for, including the union shop, they got; and they asked for a lot, having combed a variety of union agreements to find items that looked worthwhile. Besides liberal pay increases and generous overtime pay, vacations and other fringe benefits, they also received a full grievance procedure, arbitration, and ample pay for union officers and committeemen performing grievance work.

For the next several years the company did not have stability or continuity in its management. Manager followed manager; a soft policy succeeded a tough policy in labor relations and back again. A manager in conference with a group of engineers last year suggested some changes in a particular personnel policy. A union officer pointed out to him that under an interpretation agreed to earlier, the change was not possible. "Well, which one of my seven predecessors agreed to that?" he exploded. "It's a damned hard job figuring out what went on here before me."

The manager had reason to be exasperated, but he was not accurate. The job of finding out what has gone on in the company is not hard, only embarrassing. He need only ask the union leaders; they know company policy well, having devised most of it, and administered it for a longer time than has any manager. In this company the engineering union performs many of the personnel activities usually carried on by managers in other firms. The union, not management has brought order, stability, and regularity to wage, job and personnel policy. It has been responsible for most of the procedures through which standards are established and enforced; it has had to stabilize and organize employment conditions in order to survive. In the process it has created for itself a large and important role in the administration of employment and personnel policies.

The union participates in many activities other than grievance

handling. Jointly with management it works out job descriptions for technicians. It helps administer the filling of all engineering vacancies, qualified engineers having the right to bid for vacant positions by seniority. It eventually reviews major and minor personnel policies and suggests changes which management has sometimes found wise to adopt. The union also examines all salary data and salary changes with the aid of electronic computers, often making more detailed, careful, and revealing analyses than the company. The union is so active and so perceptive in many of its criticisms of management that managers have at times fallen back upon an argument which hardly enhances their prestige—the right to mismanage. The director for industrial relations summed up his attitude towards the union this way:

I'd say that the union has developed some very astute individuals. These men are as good or better than the management men—then and now. The company was disorganized [when the union began] and its effect was to regularize employment. . . . They've brought order to the plant. We can all agree to that.

III

The two active unions demonstrate that professional engineers can and will support collective bargaining if it provides a useful service for them and if they are allowed to become familiar with the nature of union service. Unions can win the continued support of a large portion of the employees within their scope of organizing, however, only if they can play a recognized role in regular company processes, providing benefits to the employees, to management, or to both.

Unions can thrive in quite disorganized situations by providing procedures and a measure of order which bring some stability and predictability to the work scene as in the case of the second active union. They can also flourish in highly structured organizations as the first active union has. But if unionists have to try to establish collective bargaining in business organizations only partly bureaucratized and have to operate within a loosely defined management structure, they will probably not enjoy much success. Too much scope for individual bargaining is possible in such cases.

The analysis of engineering unions presented here suggests that the future of unionism and collective bargaining among white collar workers will not be bright as long as the structuring of management

and enlarging opportunities allow individuals to gain reasonably satisfying rewards from their own bargaining. Should such bargaining become less rewarding, unionization could spread fast. If for reasons of economy, or otherwise, engineering managements are forced to tighten control over their professional employees and try to regulate them more closely or if loss of Defense contracts should demoralize management and produce chaotic, completely unregulated conditions of work, collective bargaining could become as common for engineers as for musicians, actors, and airline pilots.

PROFESSIONAL ENGINEERS LOOK AT UNIONS

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THE PROBLEM

The purpose of this paper is to sum up what we know about the perceptions of unionism held by engineers. The question is relevant for several reasons: since post World War II the occupation has assumed characteristics which in an earlier period were associated with widespread unionization of somewhat similarly placed skilled craftsmen; the flurry of organization among engineers in the later 1940's and 1950's apparently failed to strike permanent roots; finally, given the shifts in the occupational composition of the labor force that have taken place, the prospects for numerical growth in the trade union movement rest in part on the attitudes of professional and technical employees toward collective action through unions.

The 1960 census counted 854,000 employed male engineers, an increase of almost 65 percent over 1950; during the same period the labor force as a whole increased by 15 percent. Some 88 percent of the engineers work in industry, 10 percent are employed by the several levels of government. Most of the remainder are employed in universities while a very small proportion are still to be found in private practice.²

Engineers are now primarily salaried employees in large bureaucratic organizations. This concentration is a product of the technological expansion which initially accounts for the over-all increase in numbers. The tendency toward large units is reinforced by the emphasis on weapons research and development, with the Department of Defense constituting a major buyer of engineering services.

In face of the job related problems to which these developments have given rise, engineers can be said to have been somewhat less than enthusiastic in embracing collective bargaining as an instrument. Engineering unionism even at its peak represented only about 5 percent of the professional engineers in the United States. Today the figure is somewhere between 3 and 4 percent.

¹ Professor Jack Chernick's critique of this paper has been very helpful both to the logic and clarity of its presentation. Any remaining deficiencies are the responsibility of the authors.

² Scientific Personnel Resources, National Science Foundation (Washington: Government Printing Office, 1956) p. 14.

WHO ARE THE PROFESSIONAL ENGINEERS?

Engineers are not a homogeneous category. Some engineers work in relatively routine drafting functions; some work as production engineers; others spend their time on scientific research projects; while still others hold management or quasi-management positions. Some engineers work in mechanical engineering while others are civil, chemical, electrical, electronic or design engineers as well as other specialties too numerous to mention.

Although the occupational category includes men who achieve the title through long experience on the job, most engineers are at least college graduates; a small proportion hold advanced degrees; and some have received training on the job and have attended evening college.

Furthermore, engineers differ greatly not only in the kind of work they do, but in their degree of identification with management, their employee status and their professional status. Because of these differences one must observe some caution in making any general statement about "engineers." However, so far as broad socio-economic status is concerned, it is accurate to say, as Goldstein³ has noted, that engineers by and large fall into the "middle class." They are predominantly white collar, salaried employees with above average yearly income (\$10,025 median income for 1962) with a range from about \$6,000 to \$25,000 per year;⁴ and they tend to own homes in the suburbs of our large metropolitan areas.

We know, in general, that white collar middle class employees tend to be relatively less inclined to accept unionism. Solomon and Burns⁵ report that about 56.4 percent of the blue collar potential is organized as against only 13.0 percent of the eligible white collar workers. Within white collar categories we find differential percentages. Office workers are approximately 9.3 percent organized. Kindred and peripheral workers (railroad clerks, letter carriers, telephone operators, etc.) show about 30 percent of their potential

³ Goldstein, Bernard, "The Perspective of Unionized Professionals," *Social Forces*, Vol. 33 (May 1959), pp. 323-327.

⁴ Engineering Manpower Commission of the Engineers Joint Council, *Professional Income of Engineers 1962*, (New York: Engineers Joint Council, 1963).

⁵ Solomon, B. and Burns, R. K., "Unionization of White-Collar Employees: Extent, Potential and Implications," *The Journal of Business of the University of Chicago*, Vol. 36 (April, 1963), pp. 141-165.

as union members. Public school teachers show about 4.6 percent of their potential as union members.

The occupational variation in rate of unionization, shown in Table 1, seems to be related directly to social status of the occupational category. These data also show some general agreement with Kornhauser's data⁶ on non-manual workers.

TABLE 1
Social Status vs. Percent Unionized

	Rank in social status ^a	% Unionized ^b
Blue Collar	5	56.4
Railroad Clerks, Letter Carriers, etc.	4	30.0
Office Workers	3	9.3
Public School Teachers	2	4.6
Engineers	1	3.5

^a North, C. C. and Hatt, P. K., "Jobs and Occupations" in Bendix, R. and Lipset, S. M., Editors, *Class, Status and Power*. (Glencoe, Illinois: Free Press, 1953). pp. 411-426.

^b Solomon and Burns, 1963, *op. cit.*

To be sure, there are exceptions like the heavy unionization of professionals in entertainment and the highly paid airline pilots. But, by and large, engineers come from economic and social class categories that historically have shown negative attitudes toward unionism and low rates of unionization.

Over and above the attitudes common to these categories, an additional barrier to acceptance of unions has operated among engineers—the proposition that collective action is incompatible with their professional status. Many sociologists⁷ have tried to define the attributes of a professional role but as yet complete consensus has not been reached. However, the status enhancing value of describing oneself as a "professional" is clear.

Certainly, from our own studies there is no evidence of a con-

⁶ Kornhauser, Ruth, "Some Social Determinants and Consequences of Union Membership," *Labor History*, Vol. 2 (Winter 1962), pp. 30-61.

⁷ Definitions appear in the following among others: Carr-Sanders, A. M. and Wilson, P. A., *The Professions*, (Oxford, 1933) p. iii; Parsons, T., "The Professions and Social Structure," *Social Forces*, 17 (1939) pp. 457-467; Kornhauser, W., *Scientists in Industry*, (Los Angeles: University of California Press, 1962); Hughes, E. C., "Professions," *Daedalus*, Vol. 92. (Fall, 1963), pp. 655-668; Barber, B., "Some Problems in the Sociology of the Professions," *Daedalus*, Vol. 92. (Fall, 1963), pp. 669-688.

sistent conception of what a professional is among engineers themselves; in fact there is considerable skepticism among some as to whether some engineering in industry should be considered as professional engineering since it is so routine and lacking in challenge to the initiative of the engineers involved and leaves so little discretion to the practicing engineer.

One of the most consistent arguments of the professional engineering societies and engineering managements has been that professionalism and unionism are contradictory.⁸

Whether or not this position is logically tenable, professionalism vs. unionism has been a focal point in many of the certification and decertification elections in situations where engineers have attempted to maintain or gain collective bargaining rights. The evidence is that the notion of professionalism has been effective in discouraging engineers from joining engineering unions.⁹

In two studies¹⁰ of engineers in plants where engineering unions existed, we found that members of engineering unions much more strongly endorsed the statement, "There is no conflict between professional ethics and membership in an organization such as the local union" than did non-members.

Presumably then, the tendency is that if an engineer "feels" that he is a professional he will be rather negative toward unionism even though many of the professional engineering unions have worked for increasing the professional status and goals of salaried engineers. Prominence of the issue of "professionalism" is clear from an examination of the history of collective bargaining among professional engineers.

⁸ *A Professional Look at the Engineer in Industry*, (Washington: National Society of Professional Engineers, 1955), p. vi.; Forrest, T. Carr Jr., "Professionalism or Unionism—Facing the Issue," *American Engineer*, (March, 1954), p. 24; Hartsook, E. A., "Are We Meeting the Union Challenge," *Chemical Engineering*, Vol. 67, (February, 1960), pp. 145-146; Morse, G. E., "Engineering Ethics—From the Viewpoint of Industry," *Journal of Engineering Education*, Vol. 45, (November, 1954), p. 216.

⁹ Examples occurred in the elections of the Council of Western Electric Professional Engineers in 1952, 1960 and 1963; the decertification election of the Federation of Honeywell Engineers; decertification election of the Engineers Association of Sperry, 1960; and the recent decertification elections involving chapters of the Engineers and Architects Association on the West Coast, 1963.

¹⁰ Goldstein, B. and Indik, B. P., "Unionism as a Social Choice. The Engineers' Case," *Monthly Labor Review*, Vol. 86 (April, 1963), pp. 365-369.

HISTORICAL PERSPECTIVES

Here we are not interested in a detailed history of collective bargaining among engineers. Such accounts are available elsewhere.¹¹ We are interested in the insights the history affords into the perceptions of unionism held by engineers.

Most engineering unionism has taken the form of independent unions that seemingly have come into being through the feeling that group action was necessary among the engineers for solving their problems in the salaried bureaucratic organizations in which they found themselves, but status considerations seem to force them mainly outside of the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO).

Salary "compression," lack of personal recognition, job specialization and fragmentation along with the engineers' feelings of lack of control over their own fate and large-scale management's lack of experience with dealing with large numbers of professional personnel tended to increase the prevalence of engineering unionism in the 1950's. On the other hand, the recent decline may be attributed to several factors: 1) engineering management seems to be learning how to handle engineering personnel in large organizations; 2) the engineering unions have been relatively ineffective in collective bargaining because of their lack of union security provisions, inactive grievance systems and their preference for the use of gentlemen's logic rather than the pressure tactics that managements have come to expect from and react to in dealing with collective bargaining organizations.

CHARACTERISTICS OF ENGINEERING ASSOCIATIONS—UNIONS

While only approximately three and one-half percent of professional engineers are represented by certified collective bargaining organizations and these mainly at large engineering installations, it is interesting to see what these organizations are like, to what degree they reflect their engineering membership and to what degree they reflect unionism as found elsewhere in our society.

¹¹ Histories appear in Goldstein, B., *Unions for Technical Professionals: A Case Study*, unpublished doctoral dissertation, University of Chicago, August, 1957; Walton, R. E., *The Impact of the Professional Engineering Union*, (Boston: Harvard University, 1961); Shostak, A. B., *America's Forgotten Labor Organization*, (Princeton: Princeton University, 1962).

Unlike blue collar unions, by and large, most engineering unions have not experienced a period of militancy; they emerged as a defensive move against industrial unionism and/or as a reaction to an accumulation of shared problems facing groups of salaried engineers in industry or in government.

Non-militancy rather than militancy has been characteristic of these unions. While there have been strikes by engineering unions, the number both of strikes and of man days lost is extremely small as compared to other unionized occupational groups. It should be added, of course, that except for production engineers, the strike is not an especially effective weapon for engineers. Only if production employees respect the engineers' strike can it be immediately effective since engineers produce ideas, plans and designs and not hardware. The strike, then, for an engineering union is but a demonstration usually having more effectiveness indirectly (through Washington pressure—government contracts) than directly on the company's short run ability to produce. Further, engineers are very reticent to approve such strike action even when they are union members, and have felt that they were aggrieved. To strike has been seen as too violent, too irrational and too unprofessional.

Similarly, the grievance procedure is used much less in engineering unions than in other unions. Basically, the individual engineer is reticent to open himself to management as a "problem." Since many of the unions are relatively weak, the engineer feels in the long run he needs management's support. In addition, he may feel that eventually he will be part of management.

Very few engineering unions have union shop provisions in their contracts. Most bargaining unit membership figures run between 50 to 75 percent members. From our recent studies it is the unions with 75 percent or more of their bargaining unit as members (and very few engineering unions ever reach this figure) that have active grievance procedures for their members and who have the strength to take stands for their members.

These unions have been interested in the general welfare of their membership and have moved toward improving merit system programs. They have pushed for percentage salary increases, more management support for professional activities such as paid time off for attendance at technical conventions, support of further technical training and refresher courses, as well as better utilization of man-

power. These are characteristics not often found in other unions.

The engineering union member sees relatively little implicit conflict between his union and management. The engineer generally aspires to upward mobility and expects it. On the average his allegiance to the union is split with his affinity to management and his value system is not too different from that of management. A number of engineering unions seem to be in part a training ground for engineering management; a large proportion of the leadership of these unions tends to move on into engineering management. Two-thirds of the members of one union's executive board, over a twelve-year period, are now members of engineering management.

In general this points to another characteristic of engineering unions, namely high leadership turnover. To the union there is a continuing problem of new, relatively inexperienced people in need of training in key positions. This characteristic reflects in part the general high turnover of engineers and along with them those engineers active in union affairs. It seems to be accepted that a leader will devote a limited period to the work of the union and return to engineering. Career commitment is to engineering; very rarely to unionism. There are relatively few paid union positions. Many posts are held on a purely voluntary basis and some are on a "lost time" basis. Financially, there is little or nothing to be gained by taking on the job of union leader; and he gives up little or nothing financially if he returns to his position as an engineer.

These characteristics have led to democratic union organizations¹² with leaders whose appeal is less emotional and more rational, intellectual and geared to the professional. The member is very frequently expected to have a high level of training, knowledge (see the prolific amounts of statistics in engineering union publications) and reading capacity (as evidenced in volume of information—flyers, newsletters, etc. sent to members). The member is kept well informed if he has a mind to read. There is also a reticence on the part of these organizations to accept and use the label "union" as well as a reticence toward union tactics and terminology. Thus, "union" becomes "association," "strike" becomes "economic sanction" or "collective demonstration."

¹² These data are in support of Lipset, S. M., "The Political Process in Trade Unions: A Theoretical Statement" in Galenson, W. and Lipset, S. M., *Labor and Trade Unionism*, (New York: John Wiley and Sons, 1960) pp. 216-244.

The above then reflect the patterns of engineering unionism and indirectly the engineers who are the members of these collective bargaining organizations.

PERSPECTIVE OF THE INDIVIDUAL ENGINEER

As has been pointed out earlier, the engineer really should not be spoken of in a generic sense. There are, however, some general statements that can be made, as well as some general *caveats* that should be clarified.

Engineers today are salaried professional employees in bureaucratic organizations (industrial, governmental and university). They seem to choose as points of social comparison other professionals such as doctors and lawyers as was noted by Lee Hansen.¹³ The earning position of engineers relative to other professional groups has declined. But Blank and Stigler¹⁴ and Hansen¹⁵ also note that while the salary position of engineers as compared to male workers in manufacturing had been declining from 1947 to 1953, that from 1953 to 1960 relative increases in median income for engineers seem to be favorable to engineers. The longitudinal data on engineer unionism seem to show a peak around 1955 and a slow decline since. The salary compression explanation also loses its impact on engineering unionism after 1958. The economic explanations do then seem to be part of the answer but other factors are clearly important.

Riegel¹⁶ has reported data on attitudes toward collective bargaining among engineers (and some few scientists) in ten "well managed and well established companies" that have no professional unions. He found that 79 percent of the 264 respondents replied as being anti-collective bargaining, 3 percent were neutral, 10 percent were favorable and another 8 percent were favorable but only through their professional society. Riegel¹⁷ also reported that those favoring collective action seemed to be predominantly those dissatisfied with salaries.

¹³ Hansen, W. L., "Professional Engineers: Salary Structure Problems," *Industrial Relations*, Vol. 2, (May, 1963), pp. 33-44.

¹⁴ Blank, D. C. and Stigler, G. J., *The Demand and Supply of Scientific Personnel*, (New York: National Bureau of Economic Research, 1957).

¹⁵ Hansen, 1963, *op. cit.*

¹⁶ Riegel, J. W., *Collective Bargaining as Viewed by Unorganized Engineers and Scientists*, (Ann Arbor: University of Michigan, 1959).

¹⁷ *loc. cit.*

Various studies¹⁸ have shown significant but differing amounts of job dissatisfaction among engineers. The amount varies with the study population, none of which are random samples of a large representative population. Danielson's study¹⁹ shows a low of 9 percent dissatisfied, whereas, the Deutsch and Shea study²⁰ shows a high of 26 percent dissatisfied with their jobs.

The data we have obtained from two sites where unions for professional engineers existed (Site A, N = 318; Site B, N = 387) showed that the correlations between extrinsic job satisfaction (including satisfactions with salaries) and attitude toward unionism in general was $r = -.21$ for Site A ($p. < .01$) and $r = -.09$ for Site B ($p. < .05$) and between intrinsic job satisfaction and attitude toward unionism in general was $r = -.14$ for Site A ($p. < .05$) and $r = -.09$ for Site B ($p. < .05$). That is, both intrinsic and extrinsic job satisfaction seem to be small but statistically significant negative correlates of attitude toward unionism.

We found that attitude toward unionism in both sites related significantly and positively to union membership in the local union. [Site A, $r = +.46$ ($p. < .01$); Site B, $r = +.41$ ($p. < .01$)]. Further, we found that attitude toward the local union correlated very strongly with local union membership [Site A, $r = +.66$ ($p. < .01$); Site B, $r = +.58$ ($p. < .01$)].

Thus, analyzing material from member and non-member engineers where engineering unions exist our data suggest that union membership is related to ideological and attitudinal considerations as well as the immediate features of the work world. It appears to be a rather pragmatic adjustment to an immediate problem situation that is consonant with their attitudes and ideological beliefs.

SUMMARY AND CONCLUSIONS

In this paper we have been exploring the variables that relate to engineers' attitudes and behavior with reference to unionism among

¹⁸ Studies by: Deutsch and Shea, Inc., *A New Look at Engineer Attitudes*, (New York: Industrial Relations News, 1961); Riegel, J. W., *Intangible Rewards for Engineers and Scientists*, (Ann Arbor: University of Michigan, 1958); Research Report of the Public Opinion Index for Industry, *The Conflict Between the Scientific Mind and the Management Mind*, (Princeton: Opinion Research Corporation, 1959); and Danielson, L., *Characteristics of Engineers and Scientists*, (Ann Arbor: University of Michigan, 1960).

¹⁹ Danielson, 1960, *loc. cit.*

²⁰ Deutsch and Shea, Inc., 1961, *op. cit.*

professional engineers. By attitude toward engineering unionism we have meant a system of positive or negative evaluations, emotional feelings and pro or con action tendencies with reference to unions.²¹ This is conceptually quite close to behavior with reference to engineering unions.

From our analysis of our own studies and the presently available literature we find that engineering unionism is a rather rare phenomenon and that engineers generally have negative attitudes toward collective bargaining for themselves. The reasons for this seem to be several. Engineers come from economic and social class categories in the United States that have shown negative attitudes toward unionism and low rates of unionization. Further, many engineers (whether accurately or not) see professionalism and unionism as contradictory.

It also seems apparent that engineering unionism was given some impetus during and after World War II by some rather special economic and political circumstances. These include relative hours and salary problems including salary compression, a spectacular growth in number of engineers and the transition of engineering to a salaried profession imbedded in large scale bureaucracies; presently a relative decline in engineering unionism can be attributed to a general adjustment to and resolution of these problems and to more understanding of engineers by their managements.

Another point is clearly evident. Engineering unionism has shown some clear differences from the usual trade unionism forms we have seen in other occupations. Primarily engineering unions are independent of the organized labor movement. They are not militant nor have they been.

Their use of the grievance procedure has been very limited, by and large. These collective bargaining organizations have been democratically operated and are interested in the general good of their members. Clearly, professional status and technical competence are highly positive desires of these organizations, as well as, percentage salary increases and job security.

For the individual engineering union member his membership has been an attempt at a pragmatic adjustment to immediate problems, such as relatively low pay, lack of recognition, misutilization and/or job dissatisfaction, that is consonant with his attitudes and beliefs.

²¹ Paraphrasing Kretch, D., Crutchfield, R. S. and Ballachey, E. L. *Individual and Society*, (New York: McGraw-Hill, 1962).

Part VII

**NEW APPROACHES TO
MANAGEMENT
DEVELOPMENT**

THE EFFECT OF LABORATORY EDUCATION UPON INDIVIDUAL BEHAVIOR

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Training in awareness of self and social processes by laboratory methods has been going on for most of two decades. While current approaches are diverse and innovation is continuous, both the behavioral scientists who staff training laboratories and most of the managers, leaders, and educators who participate in them have in common an aspiration to promote more effective action in groups and organizations. More than in most educational enterprises, in laboratory training, increased intellectual understanding of the subject matter and altered attitudes are not enough. The aim, whether an individual or an intact organizational group is the unit in training, is to enable participants to make adaptive changes in their perceptions and behavior in their "back-home" organizational setting. From the theoretical perspective underlying this type of training, adaptive changes are likely to be those which improve self understanding and the capacity for open, meaningful working relationships with others—relationships in which both collaboration and conflict can be rendered productive.

Inquiry into training processes and outcomes has paralleled the development of laboratory educational methodology.² Of the many studies which have investigated training-laboratory phenomena, however, few have explored long-range consequences in the work environment. One such investigation reported by Miles³ was the point of departure for this study. In comparing a group of public school principals who had participated in a laboratory training workshop with both matched and random control groups of principals who had not,

¹ This article is drawn from research conducted by the author with Matthew B. Miles and Eric Knowles under the support of the National Training Laboratories, Washington, D. C. A monograph reporting the entire study in detail is in progress.

² Dorothy Stock, "A Summary of Research on Training Groups," in Bradford, L. P., Gibb, J. R. and Benne, K. D., (Eds) *T-Group Theory and Laboratory Method*. (New York: John Wiley & Sons, 1964).

Lewis E. Durham and Jack R. Gibb, *An Annotated Bibliography of Research* (Washington, D. C. National Training Laboratories, 1960).

³ Matthew B. Miles, "Human Relations Training: Processes and Outcome," *Journal of Counseling Psychology*, Vol. 7, No. 4 (1960), pp. 301-306.

Miles, using an open-ended, perceived-change measure, found that experimentals were seen to have changed significantly more over a ten-month period than controls in "sensitivity and behavioral skill." "Change," he writes, "was more apparent in organization and group-relevant behavior than in global attributes of the self."⁴ These results provide evidence that changes initiated in the laboratory setting can be applied over time in work relationships in the home organization. Similar results have been obtained from research on internal training programs reported by Argyris⁵ and the Personnel Research Department of a Canadian utility.⁶

This study represents an effort to determine whether Miles' findings relative to behavior changes among school principals can be extended to an occupationally-diverse, larger group of participants in training laboratories. A second purpose of this inquiry is to provide an empirical explication of the dimensions of change in on-the-job performance which might be associated with laboratory education. The focus of the inquiry is upon changes in individual behavior, but the research methods are designed to tap those types of change which are most visible and organizationally consequential.

Six separate educational conferences were selected to be evaluated. Though they were all conducted by the National Training Laboratories at Bethel, Maine, in the summers of 1960 and 1961, the staff of each conference was different, and the training design for each was unique in some respects. The three conferences conducted in the summer of 1960 were three weeks long, while those in 1961 were shortened to two weeks. In each summer, two of the programs were general Human Relations Training Laboratories, having a heterogeneous population including participants from industrial, governmental, religious, educational, medical, and social service organizations. The other program included each summer was a special session conducted for educational leaders, ranging from superintendents of school systems to assistant principals, and including a few senior classroom teachers. With staff, training design, and participant characteristics all varying, we should still recognize the invariant components of the

⁴ *Ibid.* p. 305.

⁵ Chris Argyris, *Interpersonal Competence and Organizational Effectiveness*. (Homewood, Illinois; Irwin-Dorsey, 1961). See Chapter 10.

⁶ J. B. Boyd and J. D. Elliss, *Findings of Research into Senior Management Seminars*. Hydro-Electric Power Commission of Ontario, Internal Document, June 1962.

educational situation which might be critical to the change induction. Detailed descriptions of training methodology are available elsewhere,⁷ here it should suffice to say that the basic educational device in each of these conferences was the 10 to 15 person training group devoted to the analysis of social process and experimentation with new ways of working with others. The participants, though diverse, were for the most part self-selected; most having some at least tentatively favorable predisposition toward this type of education experience. The training staffs overlapped somewhat, with a few staff members being involved in as many as three of the six conferences while others worked in only one.

RESEARCH DESIGN AND METHODS

Miles⁸ has correctly observed that laboratory training research shares problems with other kinds of treatment evaluation research in social science. These include the difficulty of obtaining comparable control groups, the problem of separating treatment effects from "normal" or base rate change and growth, and the perplexities involved in selecting a criterion which is at once measurable and operationally meaningful. Confronting these difficulties, efforts were made to deal with them in a way which would provide data with which we could assess the effects of laboratory training. Basic elements of the design were adaptations from Miles⁹: a matched-pair control group was obtained by asking each experimental subject to nominate an appropriate control subject from his back home setting, and an open-ended perceived-change questionnaire completed by several describers for each subject was the primary data source. The most important methodological innovation in this study is an objective coding scheme which increases scoring reliability and permits an assessment of the types of changes making up each subject's total-change score.

DESIGN FOR DATA COLLECTION

The focus of the inquiry being change on-the-job, participants were first asked to cooperate in the study eight to ten months after they had returned to the job setting. Beginning the collection of data

⁷ L. P. Bradford, J. R. Gibb, and K. D. Benne (Eds) *T-Group Theory and Laboratory Method*. (New York: John Wiley & Sons, 1964).

⁸ Miles, *op. cit.*, p. 302.

⁹ *loc. cit.*

after this much time had passed enabled us to tap whatever durable effects had survived the waning of immediate post-training enthusiasm and the erosive effects of organizational constraints. The separation of training and inquiry also had the advantage of reduced contamination of data from awareness of the training activity on the part of others in the organization who would be asked to provide change descriptions. At the same time, of course, the lag permitted a number of other events to intervene. Some of these (e.g., relocations and promotions) were reported, thus reducing the size of the research population; others (e.g., changes in organizational structure or participation in contaminating training activities), unknown to us, probably operated with mixed effects upon our criterion for both experimental and control subjects.

The general strategy was to obtain self-descriptions from both experimental and control subjects and for each, an additional set of five to seven descriptions of observed behavior changes from peers, superiors, and subordinates. Control subjects were nominated by the experimentals on the basis of the following criteria: (1) identity or close similarity of organizational role to that of the participant; (2) no prior participation in the type of training program being evaluated; (3) openness or readiness, in the judgment of the nominator, to participate in laboratory training if the opportunity were offered. (This stipulation was added to reduce the probability that basic differences in orientation toward self and others might exist between members of the control and experimental groups.) Describers were selected by asking all subjects to submit the names of 10 people with whom they had continuing working relationships which dated back at least 15 months. From these names seven people were randomly selected to receive questionnaires.

CRITERION DEVELOPMENT

The open-ended question for subjects took the following form: "Over a period of time, people may change in the ways they work with other people. Since May of 1960 (or 1961) do you believe you have changed your behavior in working with people in any specific ways as compared with the previous year? Yes..... No..... If 'Yes,' please describe." A similar item was used to elicit descriptions of subjects from their associates.

The great volume of verbal material contained in responses to these

questions required that we employ an objective method of classifying and counting the responses so as to permit statistical comparisons. While our first inclination was to impose a previously used, theoretically meaningful set of categories upon the data, the notion of developing new categories inductively, and thus learning something about the kinds of dimensions intrinsic to the descriptions also seemed reasonable. We followed the latter course on the ground that the more important discriminations were those made by people in the organizational settings in which we are trying to assess change. This was consistent with the prior decision to make the form of the question open-ended in order to permit respondents to describe behavior changes using constructs that are both personally meaningful and organizationally relevant.

Following a long period of inductive derivation and testing, category specifications were determined and a team of coders were trained.¹⁰ The scoring task involved assigning each mention of a specific change to one of 21 content categories. For each protocol a maximum score of one was assigned for each category in which there was one or more mentions. The categories were sufficiently fine that this did not waste any data, and the ease with which the scorers could make the present-absent discrimination had a salutary effect upon the inter-scorer reliability. Following training, the percentage of agreements between scorers in assignment of mentions to categories was consistently above 90 percent.

Protocols were stripped of group-identification prior to scoring so as to ensure a blind-process. Also, at the end of the 18-month data collection period a mixed sample of 1960 and 1961 responses were independently re-coded by two persons to check drift in the use of the categories. Score stabilities over this period of time again exceeded 90 percent in individual coding decisions.

QUESTIONNAIRE RESPONSE

Since the rate-of-return for mailed questionnaires tends to be very low and the resultant problem of subject self-selection is so destructive of otherwise well conceived research designs, special efforts were made to avoid this difficulty. The simplicity of the questionnaire, accompanying explanatory letters, numerous reminders, and commitments to

¹⁰ The author was assisted by Eric Knowles, Ethel Hutchings, and Fritz I. Steele in the development and application of the scoring system.

provide a summary of research findings likely combined to give quite astounding response statistics. Only a third of the control subjects and less than one-quarter of the experimental subjects did not reply or refused to cooperate. After others were eliminated because of job-changes and intervening or preceding training experiences, 346 or 56 percent of both the original experimental and control groups were included in the study. The describer response-ratios are even more satisfactory. Eighty-four percent of nearly 2,400 describers who re-

TABLE 1
Inductively Derived Categories for Content Analysis ^a

-
- A. Overt Operational Changes—Descriptive.
1. Communication.
S. Sending—shares information, expresses feelings, puts ideas across.
R. Receiving—more effort to understand, attentive listening, understands.
 2. Relational Facility—cooperative, tactful, less irritating, easier to deal with, able to negotiate.
 3. Risk-Taking—willing to take stand, less inhibited, experiments more.
 4. Increased Interdependence—encourages participation, involves others, greater leeway to subordinates, less dominating, lets others think.
 5. Functional Flexibility—more flexible, takes group roles more easily, goes out of way, contributions more helpful, less rigid.
 6. Self-control—More self-discipline, less quick with judgment, checks temper.
- B. Inferred Changes in Insight and Attitudes.
1. Awareness of Human Behavior (Intellectual comprehension), more conscious of why people act, more analytic of others' actions, clear perceptions of people.
 2. Sensitivity to Group Behavior—more conscious of group process, aware of subcurrents in groups.
 3. Sensitivity to Others' Feelings—more capacity for understanding feelings, more sensitive to needs of others.
 4. Acceptance of Other People—able to tolerate shortcomings, considerate of individual differences, patient.
 5. Tolerance of New Information—willing to accept suggestions, considers new points of view, less dogmatic, less arbitrary.
 6. Self-Confidence.
 7. Comfort—relaxed, at ease (must be specific as to setting or activity).
 8. Insight into Self and Role—Understands job demands, more aware of own behavior, better adjusted to job.
- C. Global Judgments—gross characterological inferences, noncomparable references to special applications of learning, and references to consequences of change.
-

^aScoring depends upon an explicit statement of qualitative or quantitative difference. Changes may be positive or negative reflecting increases or decreases in quantity and greater or lesser utility. Precise category fit according to scoring conventions required for sets of categories A and B.

ceived questionnaires returned usable responses. On the basis of these figures, subject self-selection can be eliminated as an important source of error variance in this study.

CHANGE SCORES

By combining cell values (zero or one) in the matrix of categories and describers for each subject, a variety of scores were obtained. The most comprehensive indices are a total-change score based upon the matrix sum, and a verified change score developed by counting the number of observations of a particular subject in which two or more describers concur. Separate scores for category-sets A, B, and C, and for self-ratings as differentiated from others' descriptions were also used.

RESULTS AND DISCUSSION

GROUP COMPARISONS USING SUMMARY SCORES

The first analytic slice into the data is a comparison of total-change scores for those who had participated in laboratory training with those who had not. Examination of Table 2, which presents this analysis with the distribution divided into thirds, permits us to say that a significantly greater proportion of experimental subjects than controls were in the middle and top thirds of the distribution of change scores. The probability of a value of Chi-square as large as that obtained is less than .001 if the groups were not different. Further, when the same type of comparison is made independently for 1960 and 1961 data, subject and describer scores, and category-sets A and B, the pattern of results in Table 2 is reproduced.

Only when the experimental-control comparison is applied to set C data do we find no differences. A straight-forward, though somewhat after-the-fact interpretation of this negative result provides a reason to believe that the positive results obtained with total change scores are not mere methodological artifacts. Category-set C is the global and miscellaneous bottomless pit into which relatively non-specific and other marginally scorable descriptions of change are cast. When respondents are asked to accommodate a researcher by providing a change description and they want to oblige, but do not have a concrete and specific behavioral referent, they may tend to put down vague and global descriptions. This happens for both experimental and control describers with about equal frequency and is likely an

TABLE 2
Distribution of Experimental and Control Subjects,
According to Total Change Scores

	<i>Experimental subjects</i>	<i>Control subjects</i>	<i>Total</i>
Upper 9-23	99 (43.2%)	16 (14.3%)	115
Middle 5 to 8	81 (35.4%)	34 (30.3%)	115
Lower -3 to 4	49 (21.4%)	62 (55.4%)	111
N	229	112	341

$$\chi^2 = 45.88; (d.f. = 2)$$

$$P(\chi^2 = 45.88) < .001.$$

important component of the base-rate of change. These set C results are instructive in their contrast with other findings, and the emphasis they give to the discriminating power of scores based upon specific change descriptions.

Before we assume that the data in Table 2 are compelling enough to permit us to conclude the matter, let us take another cautionary look. Could not these results be attributed to describer bias induced by awareness of the subject's participation or non-participation in laboratory training? Keeping this question open, let us consider another: Is it parsimonious to assume that describers could easily contrive a set of descriptive specifications of situationally-relevant behavior changes or that describers would be motivated to do so? On the face of it, I think not, but let us look at more data. Table 3 presents an analysis of group differences using verified change scores. Two-thirds of the experimental subjects as compared with one-third of the controls had one or more specific observations of change confirmed by concurrence among the reports of two or more describers. The occurrence of describer agreement with this frequency for both groups of subjects indicates that a good portion of the change-reports are objective. The difference in proportion of agreements between the two groups supports an interpretation of the data in Table 2 as more substantive than artifactual.

In our examination of Table 4 we recognize a familiar pattern, but here the comparison is somewhat different. Verified changes occur more frequently for experimental subjects than expected, even when the expectation is based upon the total number of changes

TABLE 3
The Number of Subjects with One or More Verified Changes.
(Percentages in parentheses)

	<i>Experimental group</i>	<i>Control group</i>	<i>Totals</i>
One or more changes verified by describer concurrence	152 (66.7)	37 (33.3)	189
No verifications	76 (33.3)	74 (66.7)	150
Totals	228	111	339

$$\chi^2 = 33.75, \text{ d.f.} = 1, P(\chi^2 = 33.75) < .001.$$

TABLE 4

Chi-square Comparison of Experimental and Control Groups with Respect to the Number of Verified Changes Expected Based on the Total Number of Changes Mentioned for Each Group.

<i>Group</i>	<i>Observed frequency</i>	<i>Expected frequency</i>	$\frac{(O-E)^2}{E}$	χ^2
Experimental	292	275	1.04	5.12
Control	54	71	4.07	

$$P(\chi^2, \geq 5.12) < .05 \text{ (Two-tailed test).}$$

mentioned for all subjects in each group. These data permit us to place some confidence in the pooled observations of the several observers for each subject, and further indicate that the verified-change score is an even more powerful discriminator between experimentals and controls than the total-change score.

LABORATORY LEARNING AND JOB CHANGE

One of the principal pedagogical assumptions underlying laboratory education is that laboratory provides a setting in which participants may more freely experiment with behavior, and—under conditions of emotional support and access to knowledge of results—find alternative ways of dealing with their interpersonal environment. If the assumption fits reality, adaptive changes in the laboratory context should be mediating processes for later behavioral change in the organizational setting. We should expect then that ratings of learning made in the training group should be correlated with change scores obtained in the work environment a year later. Miles¹¹ reported a product-moment

correlation coefficient of .55 ($P < .01$) between his laboratory scores and organizational change measures.

In the summer of 1961, Harrison¹² conducted a study of training processes and immediate learning outcomes at Bethel using some of the same subjects included in this study. By pooling his data with ours, we were able to investigate relationships between individual differences among subjects in their training groups and our long range change measures. The original measure was based upon a rating by peers in the learning-group of the amount of behavior change evidenced over the two-week training period. The product-moment correlation coefficient between this measure and our verified-change score was .32 ($P < .01$; $N = 57$). The laboratory rating was also positively correlated with total change score ($r = .23$, $P < .05$) and with a composite score for category-set A ($r = .24$; $P < .05$). These data are presented in Table 5.

While the coefficients are not extremely high, their magnitude and levels of significance are impressive in view of the time span between

¹¹ Miles, *op. cit.* p. 305.

¹² Roger Harrison, "The effects of training on interpersonal perception: Bethel, 1961, (Yale University, 1962). Unpublished mimeograph paper and personal communication.

TABLE 5
The Relation Between an Immediate Measure of Laboratory Learning and Long Range Change Scores

		<i>Verified changes</i>			
		<i>L</i>	<i>M</i>	<i>H</i> ¹	<i>Proportion of each row sum in H column</i>
A. Laboratory learning score	H	8	5	11	.458
	M	9	3	5	.294
	L	9	6	1	.063
		<i>Total change score</i>			
		<i>L</i>	<i>M</i>	<i>H</i>	<i>Proportion of each row sum in H column</i>
B. Laboratory learning score	H	6	4	14	.583
	M	8	5	4	.235
	L	6	9	1	.063

¹ The distributions were divided as equally as their truncated nature would permit into Lower, Middle, and Upper Thirds for visual presentation. Statistical relationships are reported in the text.

measures, the differences in settings, and the number of intervening factors which would tend to wash out learning outcomes. These data permit an interpretation adding support to the proposition that individual learning outcomes from laboratory education are transferable to other environments and relationships. Inspection of Table 5 indicates that most of the co-variance is attributable to those in the upper third of the distribution of scores based on ratings of adaptive change in the laboratory.

THE NATURE OF INDIVIDUAL CHANGES INDUCED BY LABORATORY TRAINING

Except for recognition of the special status of scores in set C, all our attention has been given above to comparisons using summary scores. We announced at the outset, however, that one of the purposes of this study was to increase detailed knowledge of the kinds of changes people make in transferring laboratory learnings to organizational settings. Though the whole list of A and B categories provides gross information about the types of change participant-observers attend to in organizational environments we must turn to the analysis of individual category scores to take the next step. In Table 6 we see that 11 of the 15 categories discriminate between experimental and control subjects beyond the .05 level of significance. The large number of sensitive categories and the fact that the most popular category includes less than half of the experimental subjects may be interpreted as indicating that laboratory training outcomes tend to be rather individual and varied. These differences in the nature and direction of change can be very important. For example, examination of particular descriptions informs us that changes for some subjects taking the form of an increase of assertive behavior and more willingness to take a stand are considered adaptive; while for others, subjects, decreases in aggressive behavior, and increases in sensitivity to other's feelings are approvingly described.

While seven of the eight categories in set B discriminate at the .05 level or better and only four of the seven in A have comparable power, this may reflect the cognitive preferences of the describers in addition to qualitative distinctions between the two sets of categories.¹³ There are both theoretical and empirical links among some of the categories. Category A-4 (Increased interdependence) includes references to democratic leadership and delegation as well as encouraging participation.

TABLE 6
An Analysis by Scoring Category of the Differences Between Experimental and Control Groups in Proportions of Subjects Reported as Changed

Scoring category label	Proportions perceived as changed		
	Experimentals	Controls	Differences
A-1 Sending	.3275	.2328	.0947
A-1 Receiving	.3406	.1638	.1768**
A-2 Relational facility	.3581	.2069	.1512**
A-3 Risk taking	.3188	.2241	.0947
A-4 Increased interdependence	.3843	.2741	.1102*
A-5 Functional flexibility	.2271	.1293	.0978
A-6 Self control	.2620	.1552	.1068*
B-1 Awareness of behavior	.3362	.1638	.1724**
B-2 Sensitivity to group process	.2402	.0862	.1540**
B-3 Sensitivity to others	.3450	.1034	.2416**
B-4 Acceptance of others	.4934	.2931	.2003**
B-5 Tolerance of new information	.4192	.2328	.1864**
B-6 Confidence	.2882	.1897	.0985
B-7 Comfort	.3624	.2328	.1296*
B-8 Insight into self and role	.3581	.2414	.1167*

* $P < .05$.

** $P < .01$.

The only categories with which it is significantly correlated are B-4 (Acceptance of others) ($r = .50$, $P < .01$) and B-7 (Comfort) ($r = .34$, $P < .01$). These correlations may be loosely interpreted as reflecting antecedent-consequent linkages, or they may indicate different kinds of inferences made by describers in reaction to a commonly viewed sequence of behavioral events.

CONCLUSIONS

These data constitute evidence that new perceptions and behavioral capacities acquired through laboratory education can be translated into adaptive behavior changes in the participants' home organizations. These data do not permit us to say that all persons learn through laboratory training, or that those who do can automatically apply their learning in their work setting. The nature of the changes which were characteristic of experimental subjects, and the fact that such changes

¹⁸ Descriptions scored in A categories tend to refer to overt behavior (people do more or less of something, or act more often in a particular way), while Set B tends to include responses based upon first-order inferences from behavioral cues to internal states of the subject (e.g., attributions of insight or of sensitivity to group process).

were visible to others in the organization leaves room for the presumption that these individual effects had organizational impact. We cannot assert, however, that industrial or governmental organizations can be grossly altered through such isolated individual changes alone.

Change is a condition of life and may be facilitated by a variety of experiences and events. A base level of individual change and growth is indicated by our data. The data also indicate, however, that individuals may use such social inventions as laboratory education to accelerate adaptive processes and to obtain better control over them. Self-directed and planned change becomes feasible as people gain access to both internal and external information relevant to the achievement of individual and conjoint goals.

Part VIII

**LIBERALS AND THE LABOR
MOVEMENT**

LABOR AND THE ACADEMICIANS

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This paper will deal with the changing relations between labor and those liberal academicians (both students and faculty) who have been concerned with labor.¹ For the most part these academicians have been labor economists, or have worked in university industrial relations centers, but the group also includes a small number of sociologists, psychologists and political scientists. (During the New Deal period it even contained some from the philosophy and literature departments.)

ACADEMICIAN'S ROLE BEFORE AND DURING THE NEW DEAL

Perlman has made the point that by and large intellectuals have played only a limited role in the labor movement. Through most of American history, it is argued, intellectuals have been critical of labor² and labor has been suspicious of intellectuals.³ But this point can easily be exaggerated. True, except during the New Deal, liberals and labor have rarely had a hand and glove relationship. They have cooperated only to the extent that the visionary interest of the liberal overlapped the practical interest of the labor leader. Liberals, academic and otherwise, have tended to have political interests; labor, during most periods, has had narrowly defined interests, the betterment of its own members. Nevertheless, even though liberal academicians might criticize the selfish, limited and sometimes corrupt activities of certain labor leaders, by and large they supported labor as a healthy force in our society. Similarly, labor leaders, for all their suspicions, recognized the value of intellectuals, particularly academicians, in creating a political and legal atmosphere favorable for union growth. Thus, labor and liberals made common cause in attacking the labor-restricting rulings of the Supreme Court, and there can be little question that without strong academic support the Norris-LaGuardia Act might never have been passed.

¹ I wish to express my appreciation for valuable criticism to Joyce Brown, Sidney Ingerman, John Hutchinson, Van Dusen Kennedy, Arthur Ross, and Harold Wilensky.

² Maurice Neufeld, "The Historical Relationship of Liberals and Intellectuals to Organized Labor in the United States," *The Annals of the American Academy of Political and Social Science*, Vol. 350 (November 1963), pp. 115-28.

³ Russell Allen, "The Professional in Unions and His Educational Preparation," *Industrial and Labor Relations Review*, Vol. 16 (October 1962), pp. 16-29.

In any case, even during the 1920's labor economists such as Commons and Witte at Wisconsin and their colleagues elsewhere had begun to inspire a whole generation of academicians with an interest in social welfare and labor relations. Many of these became emotionally involved in their subject and some later became active supporters of the CIO.⁴ Institutional economics flourished through this period and with it a value-oriented social welfare approach to problems. Except for the immediate disciples of Perlman, academicians tended to despise the current AFL leadership, but the stage was set for the New Deal and the rise of the CIO.

The New Deal, of course, was the heroic period for both labor and liberals. They breathed a common air of hope, idealism and (in some cases) Marxism. "Moving in from the universities, from government and the professions, and from the radical movement (which also generously seeded the other categories), the intellectual worked in staff and line positions shoulder to shoulder with his non-intellectual fellows. . . . Not only were there emerging industrial unions vociferously active in politics (as were many AFL unions), but many intellectuals and professionals in government and universities counted themselves in and helped to lead the social movement."⁵

Some professors left their ivory towers to battle personally in the front lines of labor, and others did so vicariously. Certainly many students left school to join the labor movement. When I entered college in 1940, unionism was still a romantic cause. In our eyes unions could do no wrong; many of us aspired to be labor leaders. Walking the picket line and the distribution of organizing leaflets were normal extra curricular activities. We had one student whose primary claim to fame was that his foot was stepped on by a horse in the Westinghouse strike. And there was a girl who won notoriety by her sly allusions to what happened to her on a date she had with a *real* union steward.

THE PROCESS OF ALIENATION

Why were we so involved then? What happened later to our faith?

⁴ "When the labor movement was an outgroup with respect to the general community, the labor specialist often tended to be not quite respectable academically. For one thing, he had to be something of an expert on radicalism as part of his field of interest, and many of the early writers on labor were part-time reformers." Walter Galenson, "Reflections on the Writing of Labor History," *Industrial and Labor Relations Review*, Vol. II (October 1957), p. 92.

⁶ Allen, *op. cit.*, pp. 17-18.

To answer the first question, it seems to me that academicians expected five things from unions :

1. Unions would give the average working man a new sense of dignity and a code of human rights on the job.
2. Unions would correct inequities in the distribution of income and thus reduce poverty and degradation.
3. Union would raise wages and thus stimulate employment.
4. Unions and their members would be models of democratic purity and somehow breathe a new era of idealism into our society.
5. Unions would enter actively into politics, perhaps establish a new political party, and thus pave the way towards some sort of welfare state or socialist commonwealth.

What has happened to these dreams? In part they have been realized. Unions have succeeded in their immediate goals, if not in the more idealistic objectives set forth for them by liberals. Unions are now pretty well accepted in our society (barring a few Neanderthals) ; tyranny in the plant has been pretty well eliminated ; organized workers are today far better off materially than they ever were. Labor's very success has helped it lose academic support.

Other issues have captured the emotional identification of liberals today—race relations and world peace above all. Action minded students no longer walk picket lines or distribute leaflets at plant gates: they join the Freedom Riders or the Ban the Bomb campaign. The young idealist who joined the CIO organization staff for \$15 a week twenty-five years ago would be more likely to join the Peace Corps today.

Further, intellectuals are less likely to be politically oriented. Like most Americans they feel little sense of moral urgency in this year 1963. And for those still interested in politics, issues are no longer etched in black and white clarity.

How do the five objectives which academicians set for labor in the 1930's stand today?

1. The code of human rights on the job has been largely realized. But under the threat of technological unemployment these human rights are being converted into job or property rights. Unions are becoming a conservative force, resisting change. Regardless of the justice of their course, it is hard to develop academic support for

protecting the jobs of railroad firemen (as three railway boards testify).⁶

2. Unions are no longer looked on as forces for reducing income inequality. At least until recently the wages of organized labor tended to rise faster than those of unorganized workers (particularly when fringe benefits are taken into account). The impoverished groups in our society now include unorganized workers, such as those in agriculture, laundries, retailing—and above all, the unemployed, aged, and minority groups. Understandably academicians develop little enthusiasm when electrical workers strike for a twenty-hour week or plumbers seek \$7 an hour.⁷

3. With a few exceptions liberal economists no longer argue that higher wages are the answer to unemployment. Instead the debate centers on whether it is possible to increase aggregate demand without a wage-price spiral. A principal union suggestion for handling unemployment—the shorter work week—has received little support from academicians.

4. Academicians are still interested in the relationship between unions and democracy. But instead of arguing that unions introduce a note of democracy into our larger society, professors now delve into the problems of union corruption and membership apathy. They note with sorrow that many unions are but lukewarm on the race issue.

5. Finally, neither labor nor intellectuals show much interest today in a third party or a socialist commonwealth.

The disaffection of intellectuals from labor has been much discussed. But it would be a mistake to assume that all intellectuals reacted in a similar manner. As the years marched by, many of the idealists of the 1930's merely become more cynical and pragmatic. Others are still passionate, but have focused their political interests in directions other than labor. For liberals whose emotional commitment to unions was deeper the rupture was more painful. For a few it was not only a social but a personal tragedy. Great love affairs

⁶ Another view is that labor's role as a constructive force is seen perhaps more vividly today than ever before as it struggles to insure that automation is introduced in an orderly fashion and with regard to human, rather than purely economic, values.

⁷ A certain aristocratic, anti-mass culture, anti-bourgeois strain prevails in American radical thought. Understandingly some radicals become upset when labor itself becomes bourgeois and middle class. In addition, much liberal support in the past represented a lady-bountiful paternalistic love of the great unwashed. Labor is less romantic when it is no longer downtrodden.

rarely break up without scars. Or to draw a possibly inaccurate analogy: former Communists are rarely dispassionate about their experience; neither are former union activists.

Non-labor intellectuals can easily turn their interests in other directions: labor intellectuals find this solution more difficult. A number of respected labor intellectuals, primarily research and educational directors, have left the movement altogether for university or government jobs.⁸ Others have joined in what Irving Bernstein calls the CIO "higher criticism"; soul searching and breast pounding have filled the pages of *Encounter* and *Dissent*, as do anguished cries for a moral rebirth, a new agenda of goals, etc.

Understandably, the sharpest liberal criticisms of labor have come from those who once were closest to it.⁹ A number of these individuals now work for universities, but the connection has been recently established. With few exceptions, career academicians have been relatively dispassionate in their criticism. In part this may reflect the academician's relative lack of passion about anything, as well as the relative ease by which academicians were able to shift their focus from unions and find other meaningful areas of self-expression.

CHANGING CAMPUS INTERESTS

Students. Though it is commonly believed that students today are more conservative today than they were in the 1930's, I think it is difficult to generalize. Doctrines considered radical in the 1930's, such as Keynesian economics and racial equality, are now well accepted on most campuses (or do I generalize too much from Berkeley?). After the hiatus of the McCarthy period (during which some student radicals joined the anti-political Beatnik movement), there seems to be a considerable revival of campus political activity. The big difference may be a greater sophistication and cynicism in matters of politics,¹⁰ and a greater reluctance to adopt ideological or utopian solutions. The Ban-the-Bomb Marchers, the Freedom Riders and the Peace Corps are in a sense the equivalents of the American Student

⁸ The motivation of the various individuals who have left the labor movement is probably as complex and differing as are their personalities and the situations in which they worked.

⁹ But among the most eloquent are some professional social critics who have never been firmly associated with either universities or labor.

¹⁰ The idealism and passion on some campuses seems to center around such questions as the right to have dormitory "study dates" with members of the opposite sex.

Union and the Abraham Lincoln Brigade, yet as the nature of the first group of organizations suggests the politically oriented student of the 1960's looks for piecemeal reform rather than wholesale change in society.

Students still show enthusiasm, but not about the things which enthused the 1930's. The interest of liberal or radical students today is focused on concerns other than labor (indeed some student liberals look down on labor relations as a course of study because of its business school connections). Students in general view labor relations as just another field of study in economics and the business school. The typical non-liberal student tends to approach the subject of unionism with a considerable number of misconceptions, but with more apathy than hostility.

Faculty. Faculty interests have changed too, in part reflecting changes in society generally. Universities are going through a period of ethical neutrality in which the moralistic professor is something of an anachronism. In this environment, social scientists who work on practical problems have pretty low status. Sociology, which was once concerned with solving social problems, is today more interested in intellectualizing about social process.¹¹ The economist is prone to look on unemployment less as a social evil than as a technical problem to be analyzed with clinical detachment. English professors no longer show much interest in the proletarian novel or the literature of social protest.¹² Political scientists and sociologists with few exceptions now look upon unions as bureaucracies to be studied, not as movements with which to identify. And within the field now called industrial relations substantial changes in emphasis have occurred.

Labor economics was an exciting field in the immediate pre- and postwar period and attracted many of the brightest, most motivated economists. This was the period when most of the academic leaders of the field today were trained. Since then labor economics has lost its appeal, as has value-oriented economics generally. The high status field is mathematical and theoretical economics, with economic development running second. True, there has been considerable interest

¹¹ A colleague suggests that this intellectualizing is but a pose which masks deep social concern, as witness the popularity among sociologists of the journal, *Social Problems*. But, in reply, I might argue that even this journal shows a strong theoretical tendency.

¹² During the 1930's my undergraduate college was able to increase enrollment in "Victorian Essayists" substantially by retitling the course "Social Protest."

in the wage-price relationship, and recently studies of labor mobility have resumed prominence. Nevertheless, labor economics has been generally stagnant.

During the 1940's and 50's the study of industrial relations tended to move out of economics departments into separate industrial relations centers, many of whose faculties had joint appointments with the business schools. Here too the trend has swung away from the study of unions and collective bargaining.¹³ For example, see the growing number of studies in the fields of international manpower development and comparative labor movements.

For a while collective bargaining shared the interest of industrial relations centers with human relations. But then human relations, a worker-centered approach (even though its opponents argued that its objectives were merely those of manipulation) began giving way in business schools to decision-making theory, in which the worker *qua* worker plays a very minor part. To meet this new shift in academic interest, some former industrial relations men have begun to retool themselves as organizational theorists.

There is still a hardy few who retain their interest in collective bargaining. Many of these are arbitrators. Being an arbitrator does not require absolute neutrality, but neither does it lend to passionate commitment. Finally, an influential group of highly able men have become full-time deans and university presidents, thus leaving them little time for industrial relations activities.

Fewer Students. In short, the union movement has lost its sense of romance and academic industrial relations has lost much of its excitement.¹⁴ These two tendencies together seem to have contributed to a decline in the quality and probably in the quantity of industrial relations students. Statistics differ as to the gross number of students

¹³ For a discussion of changing patterns of industrial relations research, see Milton Derber and Rennard Davis, "Research at the Industrial Relations Centers," *IRRA Proceedings* (December 27-28, 1962), pp. 107-110; and Gerald G. Somers, "Constancy and Change in Industrial Relations Research Programs," *IRRA Proceedings* (December 27-28, 1962), pp. 111-115.

¹⁴ Perhaps one reason for the loss of student interest is the fact that the typical introductory course is badly out of date. The typical text reflects the problems of the 1930's and 1940's and deals largely with industrial unionism and hourly paid workers. It says little or nothing about salaried employees, the changing composition of the work force, unemployment, or international developments—yet these are the frontier areas of labor relations research today. See the forthcoming symposium, "Are Labor Courses Obsolete?" *Industrial Relations*, Vol. 4 (October 1964).

taking industrial relations courses,¹⁵ but my hunch is that the typical industrial relations student of today is of lower caliber and less excited with his field than was his counterpart of 15 or 25 years ago; certainly he is less likely to identify with the labor movement. There are a few anachronistic exceptions who still think of finding themselves jobs on union staffs, but the typical student expects to work for management or possibly for a university.

UNION REACTIONS

Labor leaders are, of course, aware of the change in intellectual attitudes. The subjects which now interest college professors—corruption, membership apathy, strikes which affect critical industries, discrimination against Negroes in the building trades, and the like—are hardly those about which academicians and labor leaders have common interests. Yet many labor leaders, frustrated by loss of membership and difficult problems imposed by automation, feel this is hardly the time for intellectuals to adopt a “holier-than-thou” attitude.

All this falls on the fertile fields of working class anti-intellectualism. As Harold Wilensky has pointed out, union leaders are endemically suspicious of impractical long hairs. “With the elevation of ‘pragmatism’ to a rule of union life, one finds at all levels of the hierarchy resentment against superior knowledge and competence, against new approaches to new problems (or new means of meeting old ones), against anyone—homegrown or imported—who wishes to put an unorthodox stamp on the pure-and-simple union.”¹⁶

Understandably there is a considerable resentment against intellectuals on the part of some leaders who were formerly quite hospitable

¹⁵ Dale Yoder reports that from 1959 to 1962 student enrollments increased (no figures are given for a longer period). “Changing University-Industrial Relations Programs: On-campus Teaching,” *IRRA Proceedings* (December 27–28, 1962), pp. 100–106. Joseph Gambatese states “Enrollment in labor relations courses has not kept pace with increased college enrollment and the courses are not attracting the better student. . . . A survey of leading industrial relations schools reveals that the number of graduate degrees granted from 1956–60 dropped 50 per cent below the number granted during the previous five years.” “Eggheads Are Leaving Unions,” *Nation's Business*, Vol. 51 (September 1963), p. 50.

A large proportion of the increased enrollment reported by Yoder may come from students taking personnel administration. In some schools organization theory is taking over many of the students who formerly would have taken personnel administration. As this trend continues, I would predict overall industrial relations enrollment to drop.

¹⁶ *Intellectuals in Trade Unions* (Glencoe, Ill.: Free Press, 1956), p. 259.

to them (witness Al Hayes' outbursts against outsiders meddling in the political processes in his own union, or Meany's suggestion that when academicians face the issue of "publish or perish" they often make the wrong choice). Though, as we have discussed, the sharpest volleys of criticism from the liberal side have come from non-academic liberals, much of the unions' anti-intellectual feeling is projected on the university, possibly because it offers a more solid target than the liberal movement generally.

WHAT ARE THE PROPER RELATIONS BETWEEN THE PARTIES?

Perspective. First, we need some sense of perspective. Academicians accuse labor of losing their crusading sense of morality. Labor accuses academicians of showing too much ethical neutrality. Yet the protagonists on both sides of the debate are largely products of the 1930's.¹⁷ Hard as it is to believe, the calendar moves on and the firebrands of the New Deal are at least close to their fiftieth birthday. For some, the changed social atmosphere combines with biological necessity: they slow down, lower their level of aspirations, and accept a limited, conservative role. Neither labor leaders nor industrial relations professors are any longer Young Turks. Having tasted substantial power from the days of World War II on, they are both well ensconced in the Establishment.

Sometimes the liberal-labor debate reminds me of an aging husband and wife, each accusing the other (with justification) of loss of passion.¹⁸ With increasing maturity there does come less passion. Cannot there also be greater tolerance and understanding? Neither side should expect a sense of emotional involvement, or a sense of crusading militance when it is no longer there.¹⁹

Mutual Tolerance. The parties must learn to respect the limitations

¹⁷ An observer who attended the sessions at which this paper was read commented that the average age of the audience was perhaps fifteen years greater than that at the competing session (chaired by Chris Argyris).

¹⁸ Jack Conway describes some criticism of the labor movement as evidence of "ideological obsolescence and personal senescence" and as "anxiety projections by people describing something within themselves." *Ideological Obsolescence in Collective Bargaining* (Berkeley: Institute of Industrial Relations, 1963), pp. 2, 4. His comments may apply to critics on both sides of the fence. A kinder comment would be to say that much of the criticism represents nostalgia for the joyous days of the New Deal.

¹⁹ A Berkeley graduate student (with an anachronistic point of view) says that while it might be understandable that *some* professors will lose their idealism as they grow older and financially more secure—they shouldn't be so smug about it, nor should they pooh-pooh the efforts of the few graduate students and assistant professors who have a little life force left.

of each other's roles. One trouble is that they expect too much from each other. Academicians for example, set higher standards for unions than they do for management, they are much more acutely pained by a Jimmy Hoffa than by a Billy Sol Estes—and rightly so.

Yet if unions sometimes fall short of the idealistic goals which intellectuals set for them, perhaps the goals are too ambitious. Certainly liberals are wrong when they "criticize unions for failures in the society or in the economy that are now more the responsibility of the unions than they are of the church, or the Congress, or the President, or the companies, or history itself."²⁰ Instead of concentrating on what unions have not done and what by their very nature they cannot do (and perhaps should not do) they would do better to concentrate on what is properly within the union's bailiwick.

Unions, for their part, must learn to respect academic limitations. Though academicians will continue to call the shots as they see them (regardless of frequent bad eyesight), most professors are more pro-union than pro-management. I've heard some labor people complain because professors today are not more passionately committed to the labor movement. Actually labor would be poorly served if professors were to gain the reputation of being kept men. (Further total commitment is neither emotionally nor intellectually satisfying to the professor.)

Nor should unions insist that academic research have immediate relevance for today's practical problems.²¹ To be sure, industrial relations research should eventually have some social relevance, but little is accomplished by asking professors to engage in applied research (or elementary teaching) which can better be produced in-house by labor itself.²² Unfortunately the kinds of research which labor asks for are largely local or specific in interest; they are not the kinds of research which will win prestige for the professor, or which are properly the function of the university.

²⁰ Conway, *op. cit.*, p. 20.

²¹ Business also complains that business school research is too esoteric.

²² This is not to deny the important role played by university extension programs. At best such programs can perform important educational services for unions as well as provide badly needed channels of communications between labor and universities. The role of extension, however, is far from settled. Rarely has it enjoyed a happy relationship with on-campus faculty, largely because many on-campus faculty look upon this function as being non-academic. Further, some union leaders suspect the program as a rival means of communications with the rank and file. In addition, attendance at labor courses suffers from the same apathy which affects the union movement and voluntary organizations generally.

What Can Academicians Do for Labor? They can provide responsible criticism; they can snap at labor's heels when labor relaxes too much. (Unions are often over-sensitive to criticism and thus prone to reject suggestions which will help them do their job better.) After all intellectuals would fail in their primary function if they did not criticize.

Academicians can apply perspective and theory to problems of realistic importance to labor. Four examples of how this can be done are: (1) the UAW's use of academic consultants in drawing up its GAW demands, (2) the pioneering and pragmatic work of the Armour Automation Committee (for all its heartaches), (3) the services provided by George Taylor and his associates in helping to set up the Kaiser Gain Sharing Program, and (4) the unique function performed by John Dunlop in the construction industry.

CONCLUSION

Liberals still need labor—in part because the liberal objectives of today can hardly be obtained without labor's support—and in part because the great dreams of the 1930's are still good dreams and labor is still a great leavening force in our democracy. Still, it may be healthy for both sides to recognize that their interests no longer overlap as much as they once did. Much as it may hurt the professional pride of both union men and industrial relations academicians, one must admit that industrial relations no longer occupies the center ring in the circus. Unions should not be too upset if intellectuals, realizing that unions are not all-purpose agencies designed to solve every social problem, transfer part of their attention elsewhere. But liberal academicians will continue to support the union movement to the extent that movement supports the liberal's values—which is to a very considerable extent.

THE INTELLECTUALS AND TRADE UNIONS

BRENDAN SEXTON
United Automobile Workers

I have been a local union officer or full-time staff member of unions for just about twenty-five years. I am, then, an intense partisan—strongly prejudiced in favor of the general economic, political and social concepts espoused—in resolution though not always in practice—by the trade union movement.

This is not to say that I look at events in a wholly biased, much less dishonest way. Insofar as I am aware of them, my motives seem about as pure as the next man's—somewhat purer, I suspect, than the motives of at least a few of the more virulent critics of trade unions.

Trying to discount my prejudices and conceding many failings and failures by trade unions, I nonetheless believe that labor unions strengthen the structure of democracy, bring large numbers of people into meaningful participation in American life, and make our social and economic systems more humane.

Before this group, surely there is no need to more than mention the democratizing influence of the union movement on the job. Stewards, grievors, and shop committeemen, by the thousands, are agents of democracy—acting for workers inside the shop in much the same way as professional advocates may in civil affairs.

Their administration of the remarkable system of contractual and common law, sustained by widely accepted precedent created in arbitration and mediation, has vitalized the phrase industrial democracy—a slogan of the Thirties.

Members of the Industrial Relations Research Association would be without professions or differently occupied if not for their employment in the huge quasi-public civil service recruited to administer the democratic forms created in response to organized labor's demand for increased participation in industrial decision making.

But the influence of unions reverberates beyond the shop. About 250,000 men and women, it is said, hold office in local unions across the United States. Many thousands more serve on local union negotiating, pension, health and welfare, wage scale, political action, education, community service and other committees.

Others sit on governing boards of community agencies, on boards of education, as members of city, town and county councils.

An uncounted, though very large, number of trade unionists are in public life. In Michigan, the state I know best, for example, about 150 trade unionists hold public office. Twenty-three trade unionists are members of the Michigan Legislature. Six of them still work in the shop, while most of the remaining seventeen are paid officers of trade unions.

The state's auditor general, and secretary of state, as well as one of its United States Senators, were union officers when elected to the positions they now hold.

The President of the Detroit Common Council, the Vice-Mayor of the city, is an International Union Representative on leave from his post.

Detroit's widely known Police Commissioner is a trade unionist, who ironically first won public attention when jailed for strike activities in 1937.

Trade unionists sit on the governing boards of two of Michigan's state universities. One of them until recently served as chairman of the board of which he is a member. A trade unionist is chairman of the State Board of Education.

The same or similar stories can be told of other communities and states.

It seems evident that persons of democratic persuasion should welcome this kind of participation in political life, and I rather doubt that many workers would be participating in the absence of powerful unions.

On balance, and in every sense, unions have made American life more democratic and our social system more humane. This assertion seems beyond challenge, needing no documentation—not before this group, at any rate.

Yet, though the continuing good works of trade unions are manifest, criticism of them is harsh, and nowhere more stridently expressed than by some intellectuals. (In fairness, however, I think I begin to detect a small shift, a mellowing of attitudes among some members of the group I will be talking about.)

If you press me, I shall find it difficult to define the group precisely. They are a small part of the intellectual community—but they are vocal, widely published and, because of their presumed special knowledge, somewhat more influential than one might expect based upon known scholarly achievement or demonstrated creativity. In

this category, *I do not include the critics who explicitly acknowledge union achievements*—but rather those whose public utterances are a continuing chant of condemnation.

The critics I speak of, affect an air of expertise, whereas they are often profoundly ignorant of, and lacking in curiosity about, the day-to-day activities of trade unions.

Yet, if we exclude the most extreme reactionaries—those even to the right of the gentleman from Arizona—no group has been more savagely critical of trade unions. I've said in another place that if, to make an objective and honest statement about trade unions, I were asked to choose between a vice president of the General Motors Corporation and some (not all, but some) of the people at the Center for the Study of Democratic Institutions, I would unhesitatingly choose the former.

In a sense, we in the trade union movement should be flattered. These people expect much from us. They assume that trade unions, and trade unionists will be more virtuous than others. Doing so, they pay us the highest compliment—but how many such compliments we can withstand is a question.

Currently, much of the criticism has to do with trade union failures in the struggle for racial equality. Union failures here are considerable. I know of no union that has earned total immunity from such criticism, and some have sinned beyond measure. On the other hand, if we except the civil rights groups, unions in general have been more steadfast in promoting equal rights than any other organizations, lay or religious, in the American community.

Even so, some intellectuals are focused only on the omissions of trade unions. They sometimes seem to be saying that bad attitudes and practices of trade unionists are the *only* barriers blocking overnight achievement of equality for all.

Now in truth, it appears to me that trade unions are in crisis:

We have not solved the problems created by the social upheaval consequent from automation.

We have not recently made dramatic progress in organizing white collar and professional workers.

We have not done as much for the poor of the nation as we could have and should have.

And, as I said earlier, we have not measured up on civil rights.

Many unions are not as democratic as they could and should be,

and a few trade union leaders live by codes appropriate in a bawdy house, bookie joint, or Las Vegas casino, but not in the trade union movement.

All this is well known, and no intelligent trade unionist will deny it.

I, too, am repelled by the trade union official whose badge is a black silk suit, dirty white-on white shirt, diamond ring on the little finger and black Cadillac sedan.

But novelists, biographers, historians are expected to explore the many planes of characters and events they write of. Not so, the disenchanting intellectual.

He cites every sell-out by a trade unionist—and some do occur—as proof that the labor movement has been corrupted. He discounts or ignores, on the other hand, the more than balancing fact that trade unions include in their ranks a fantastically large number of officers and staff members who stoutly resist the corrupting influences endemic in our society.

He not only notes, but rejoices, in the inability of trade unions to alleviate the suffering caused by automation and technological displacement. He mentions the fact that, except in oblique ways, trade unions are neither designed nor equipped to cope with developments so cataclysmic only when reaching for another argument to prove that trade unionism is dead.

Contemplating the vast and humane systems of private insurance negotiated by American trade unions, many intellectuals are more likely to criticize the plans for “exclusivity” than to note that they make life less burdensome for millions who otherwise would be unprotected against illness, untimely death and penurious old age.

They charge, and with some justice, that the established unions have failed to organize the white collar workers in their jurisdiction, but apparently don’t know that thousands of these workers do belong to the UAW, IUE, IAM, USW and other unions—and that those who do not belong have simply failed to answer calls that often have been well organized, heavily financed, and vigorously executed. They seem not to know also that the fastest growing unions in the AFL-CIO are basically white collar organizations.

While they denounce unions for failing the poor, these intellectuals rarely or ever mention the enormous difficulty—if not impossibility—of successfully organizing and bargaining with the marginal employers by whom so many of the poor are employed when they do find jobs.

Nor the fact that the drive for legislation to ameliorate the conditions of poverty surely would collapse if not for the political "muscle" supplied by unions.

If not among trade unions, one wonders where they find support for public works to give jobs to the unemployed, for youth opportunities, for tax programs that will fall least heavily on those least able to pay, for adequate minimum wages, for increases in social security, for humane welfare standards.

As all who care know, the fight to win medical care for the aging—to relieve suffering among one of the largest groups of poverty stricken in the nation—has been resolved into a debate between organized labor and spokesmen for organized medicine. And since almost none of those who will be affected by this legislation are dues-paying members of unions, does not organized labor's vigorous support thereof evidence a basic generosity of spirit and social concern?

Actually, when pressed, the sort of intellectual I've been talking about is unable to articulate a formal and reasoned critique of the labor movement. His complaints dissolve into incoherence if he is confronted with the truism that his criticism of the unconcerned and perverted can be more than balanced with proof of honest concern and achievement.

One of the better known of the type, asked by a trade unionist if "the labor movement has lost its original purpose, its real purpose?" responded by saying: "I think there were periods when it was a movement; but, to my mind, it hasn't been a movement for a long time. And when you ask what its original purpose was, I think it had a whole set of purposes. The old AFL unions, when they were first organized, had one set of purposes—to establish control over jobs and act, in a sense, as a monopoly force with respect to those jobs. There were other kinds of AFL unions that didn't have that kind of orientation but tended to broaden out and have more concern with their members. Then the CIO came with a still different kind of orientation. Later it changed its orientation."

That is about the limit of his lucidity on the subject.

In the same publication where the foregoing quotes appear another of our critics complains, "You made this country into a nation not of shopkeepers but of lathe operators. They're satisfied; they've joined the middle class."

This, no doubt, is the complaint of the aristocrat, since the man who uttered it attended the best schools, no doubt sends his children there too, has never missed a meal, and even now resides, with other retirees, in the rather comfortable climate and surroundings of Santa Barbara, California—far above the Pacific, if not the battle.

In such a person, one naturally assumes an extreme revulsion for the *petite* bourgeois.

The quoted publication, by the way, is passed off under the title: "*Labor Looks At Labor*," though the two men quoted, who were its editors, gave their own remarks more than one-third the lines printed, saving the remainder for the ten trade unionists who we are told had been looking at themselves during the reported discussion.

Nor did the editors say that the discussion was arranged and led by the Union's regional director in the area, nor that one of the discussants is an assistant to the president of the Union. They chose, rather, with an eye to the sensational, to depict the discussion as though it had taken place underground, and by candle-light, far from the supervising eye and ear of leaders of the union.

Actually, I believe, the complaint of many such intellectuals is much less with the failure of trade unions to perform effectively for their members than for failure to fulfill the dreams of the intellectual.

It is my view that these men often are basically authoritarian, lacking the will or capacity to cooperate with any who do not accept their own apocalyptic view of events and men.

They are more interested in ideas than people. They are strongly elitist in attitude.

They are drawn to, and often speak well of, the tough guy whose talk is marked with a side-of-the-mouth, small town, pool hall wisdom. He is as attractive to some of them as was the strong man of radical politics.

He transcends "bourgeois values" in the same way that some political leaders did; and, perhaps because he has the guts to do and say what they would if only they had the courage or were genuinely as amoral, he has the same exotic appeal. Association with him—actual or intellectual—makes it possible for one to live dangerously without ever taking a real chance.

The authoritarian temper is opposed to the democratic mood of the free and advanced sections of organized labor. Those of this temperament accept effete non-conformity and trivial bohemianism. They

welcome to their company the volunteers to poverty, the beat and the unwashed—but the ordinary worker who is trying to improve his grammar, never.

The central complaint of at least one critic seems to be distaste for the prose style of Walter Reuther.

They charge that trade unions are no longer “dynamic,” but they truly mean that they are no longer so flamboyant as they were in the hungry, anguished and bloody Thirties.

If “creative” is taken as a synonym for “dynamic,” a case can be made that unions are as dynamic as ever.

The efforts to devise novel solutions to collective bargaining problems, as at Kaiser and American Motors, the participation by unions in community life, the creation of college scholarship programs, the new educational ventures, the vast array of union health centers, the involvement in international affairs, the creation of overseas labor colleges to help train trade unionists from economically underdeveloped countries, all seem to me to be evidence of a true, if undramatic dynamism.

True, trade unions have not done as much as they might have—but they have done far more, gone much further than all but the most arrant utopians would have hoped for twenty-five years ago.

The AFL-CIO at its recent convention adopted resolutions dealing with Civil Rights and Civil Liberties, Health Care for the Aged, Electoral Re-Appportionment, Federal Aid to Education, Improved Manpower and Retraining Programs, Full Employment, International Affairs, Minimum Wages, and Social Security. This partial list of resolutions seems to confirm my belief that labor—with all its undoubted shortcomings and failures—has larger and more generous social and political concerns than most other organizations of substance in our society.

Yet, in face of the record, the litany of discontent continues to be recited.

For my own part, I hope criticism of the trade union movement continues. I believe that most critics serve us well, as they point to our lack of imagination and will. I do not believe, however, that democracy, the labor movement, or the intellectual community are well served by those whose every spoken word implies hatred for trade unions, and a sense of betrayal by organizations that have sensibly rejected their “prophetic” leadership and bad advice.

As I said earlier, however, I have begun to detect some small signs that a shift of opinion is occurring among certain members of the coterie.

Recently, for example, one of them wrote: “. . . we may begin to wonder whether the new prevailing tone of complaint is any more adequate for talking about Walter Reuther’s labor movement (by which he meant the Industrial Union Department of the AFL-CIO) than was the old tone of celebration. The inheritors of the old CIO are not as used up and exhausted as fashion thinks them. They may not even be as used up as they think themselves.”

It may be, of course, that what this writer believed to be “the fashion,” was no more than a vogue confined to the circle in which he traveled, and that the leaders of the old CIO never regarded themselves as “used up.” It could be, on the other hand, that he has begun to suspect what has seemed evident to many of us for a long time, that the democratic social and ethical values he treasures have some chance for survival in our time, only because most—not all, but most—trade unions and trade unionists hold to them also, and use their influence and power to prevent their submersion in the sea of corruption and totalitarian opinion that sometimes seems about to engulf us.

LIBERALS AND THE LABOR MOVEMENT: THE PARTING OF THE WAYS?

Summary of Remarks by JOEL SEIDMAN
on "The Liberal Position"
University of Chicago

Has there been a change in the attitude of liberals to the labor movement over a period of time? Discussion of a topic such as this must make clear which people we are talking about, and over what period of time we are comparing their attitudes. Since the topic was suggested largely because of the movement in recent years of staff men from unions to other institutions, often to universities, it seems clear that we are talking about a group of intellectuals, research men, educators, and the like, who were attracted to the labor movement in the 1930's and 1940's and who left it during the 1950's and early 1960's. Assuming that such a movement has taken place, it may be accounted for by one of several possibilities, or by all of them working together. One such possibility is that the people have changed, another is that the institution of unionism has undergone a transformation, and still another is that the climate of the times has changed.

Let me first say a brief word about the people. It should be evident that we are talking about a span of perhaps 25 years, or the difference between youth and middle age. Our typical case, it is apparent, went to work for a labor organization when he was in his 20's or 30's, only to leave it during his 40's or 50's. This is a time period over which youthful enthusiasm gives way to realism in some cases and to cynicism in others; it is a time over which a desire to change the world may be replaced by preoccupation with the size of one's salary check or pension rights; it is a time of growing conservatism in many, and in others a growing tendency to sit in a comfortable chair and talk about the struggles waged in a more heroic age and a more youthful period. Clearly any group of people would have changed over this period of time; one would have to compare changes in union staff men with changes over a comparable period of time in college faculty, government officials, management personnel, and others before one could be sure that it was the institution of unionism, rather than the onset of middle age, that was responsible.

We also have in mind, in all likelihood, a particular group of unions

that have likewise matured over this period of time. Intellectuals who sought and obtained union staff positions during the 1930's went for the most part to the emerging CIO unions, which offered more exciting possibilities than the more staid and conservative unions of the AFL and which also, for the most part, valued the intellectuals' contributions more highly. Unions tend to be both more dynamic and more democratic in their early years, as various students of the problem have pointed out, only to become more bureaucratic and more set in their ways as time goes on. Though the mass production unions still tend to be more innovating than the craft unions, the fiery zeal that characterized them in their youth, the sense of crashing barriers and challenging established modes of behavior, seems to have largely evaporated. Most of the great corporations have accommodated themselves to the industrial unions and to collective bargaining, as the members have grown accustomed to union protection and the officers have advanced from youthful enthusiasm to comfortable middle age.

Yet we are considering, not just a group of people and a particular set of social institutions, together making the transition from youth to maturity, but viewing them at particular points in our history. The 1930's offered a special climate, one never approximated before, and one may hope, never to obtain again. The 1930's, the period of the Great Depression, witnessed the collapse of business and with it the prestige of businessmen. Our economic system, and with it our entire social structure, seemed not merely sick but at the point of death. Unemployment ranged, during most of the decade, between 8 and 13 million, or between 15 and 25 percent of the labor force. Democracy, along with capitalism, was in retreat over much of the civilized world, as extremists of both the right and left gained ground. Fascism swept over important parts of Europe, and wars and threats of war were everywhere. There was little economic opportunity for anyone, and almost none for youthful intellectuals.

Unwanted by existing society, young intellectuals in large numbers sought to change the society that spurned them, gravitating toward one or another of the reform or revolutionary movements that sprang up or gathered strength. Many of them looked upon the unions, particularly the newly formed mass production unions, not merely as agencies for collective bargaining, but as the most likely vehicles for more fundamental social change. Desiring to reform or drastically change the economic system, many of the youthful intellectuals jumped

upon the CIO bandwagon, hailing it as the agent of the coming social revolution. If the CIO disappointed their hopes, perhaps it was because, in the special climate of the thirties, they expected too much of it; and yet many of them can scarcely complain, since with the recovery and substantial stabilization of the economic system, the intellectuals' hopes for social revolution faded too, as simultaneously their own economic situation improved. It is hard to sustain an interest in a social revolution while scanning the financial pages daily to see how one's common stocks are faring.

There could hardly be a more profound change than that from the climate of the thirties to that of the sixties. Although we have experienced four recessions since the end of World War II, and although there is substantial other evidence that one should not be complacent about the state of the economy, yet it is a fact that we have not experienced depression since the defense boom of 1940-41 put some millions of Americans back to work. We have now gone more than 20 years without a major downturn in the economy, a better record than we have enjoyed since the post-Civil War industrial boom ushered in our industrial system; and there are hopes that our built-in economic stabilizers, our system of protections and regulations, the watchfulness of our economic doctors, and the economic measures flowing from the political needs of the government in power will ward off serious depression in the foreseeable future. The record of economic achievement here, coupled with the excesses in the USSR in the Stalin period and the failure of partial nationalization to solve Britain's economic problems, have reduced the desire of all but the hardest left-wingers to achieve drastic change in our economic system. The men who started as adherents of one or another of the many radical groups of the 30's now find a common meeting place in the liberal wing of the Democratic Party, and promise to support President Johnson with much the same enthusiasm that they showed for Kennedy, and before him for Truman and still earlier for Roosevelt. Problems exist, needless to say, as in the five percent of our labor force that remains unemployed, and especially for the youth, the unskilled, and the minority groups who suffer from chronic unemployment well above the national average. Other economic problems are created by rapid technological advance and industrial relocation, but all these problems, while hardly minor, may reasonably hope for solution within the framework of the existing economic-social-political system. They

are not likely to rekindle, in the heart of the aging and well-paid intellectual, a desire to remount the barricades of his youth.

Meanwhile the labor movement, once his hope to usher in the brave new world, has had its share of troubles, with the result that its image no longer burns so brightly. The investigations of the McClellan Committee, following upon the heels of other inquiries, disclosed conditions of corruption, along with a host of other evils, in a relatively small but significant portion of the labor movement—disclosures that in the aggregate shocked many who considered themselves hardened, if not cynical, observers of the contemporary scene. Instead of pointing to unions as agencies of industrial democracy, it became fashionable to show that they could hardly hope to remain democratic, with advancing age, in their own internal structure and operations. The two wings of the labor movement, once so far apart in philosophy and objectives, gravitated toward each other, with the old CIO unions undergoing the more drastic change. Some of the unions with substantial power contented themselves, as in the past, with improvements in their members' economic lot and with policing their industries under collective agreements. Other unions, with limited economic power, could not attempt to do more than this, whatever the level of their aspirations. The labor movement became stabilized as an important but hardly dynamic institution in our society. Some unions remained interested in the fate of non-members and were ready recruits to any crusade for social justice, but more of them were motivated to act primarily when their own interests were involved. In a society concerned with the issue of survival, the contribution of the labor movement seemed partial and limited. Whereas the revolution of the 30's was the rise of industrial unionism in the mass production industries, the revolution of the 60's was in the area of civil rights; whereas a few unions participated actively in this latter revolution, most watched from the sidelines, while some served, along with many employers, as targets for the revolutionists.

Along with this there came a growing dissatisfaction, on the part of some union staff men, with their position of influence, or perhaps lack of influence, within the union. Few staff men other than lawyers found themselves influential when important developments were under way, either within the union or in the collective bargaining area. With no independent base of power in the union, they found themselves dispensable at best, and ignored at worst, when

important decisions were being made by the power figures. Some found the goals of the leadership of their union too limited, or the leaders themselves too stodgy, too corrupt, or too dictatorial; others found themselves with little access to the union center of power; and still others found themselves serving unions with limited power in the industry. Many suffered, in addition, from a routinization of their work, from a feeling that challenge was lacking now that the institution was securely established. Even worse was the discovery that there was a "party line" within many unions on internal union matters and also on political issues in the community, and that the staff man might lack the freedom of his academic colleagues to speak his mind on issues of the day without jeopardizing his position or his hopes for advancement.

This does not mean that all excitement had vanished from the union scene. Strikes still occurred, though they tended to be muted by comparison with the uprisings of the thirties; supplementary unemployment benefits, health and pension plans, sabbatical vacation leaves, and similar developments added to the zest of collective bargaining, and human relations committees in some industries, profit sharing in others, and automation plans in still others added their share of novelty. But the most exciting developments seemed outside the union sphere—in the civil rights movement, for example, or in such government innovations as the Peace Corps. And just at this time the colleges and universities, with their swelling enrollments, their traditions of academic freedom, and their improved salary structures, offered opportunities to a number of union educators and researchers to teach in regular or in labor education programs. Along with this went an opportunity to meet with and influence young people, to select one's own research or writing projects, and to think and speak independently of any party line. Small wonder that some of the union staff men whose qualifications fitted them for faculty positions found the prospects attractive.

Have liberals and the labor movement then parted company? Not in the sense that liberals have lost interest in the labor movement or fail to recognize and applaud its achievements. Liberals may have found that other institutions in society also contribute to progress and perhaps offer even more satisfying careers. Where they find unions tolerating corruption, denying democratic procedures, or engaging in other forms of anti-social behavior, liberals criticize the offending

unions, as they should. No institution in society is above scrutiny and criticism; unions, which came into being as agencies that criticized management, should help to safeguard the right of criticism, even when they are the objects of it. Criticism, in turn, it goes without saying, should always be responsible, based upon facts and reflecting values honestly held. Do the unions want to attract and hold staff members of the highest quality? There is a labor market for such types of competence, and the unions need merely meet the prevailing rates in terms of salary, security, influence, and freedom.

A final word might help to place the issue in historical perspective. Thirty-five years ago, when Selig Perlman published *A Theory of the Labor Movement*, liberal intellectuals had very little influence in the labor movement; nevertheless Perlman argued that their influence, distorting union goals from job protection to a change in the social order, needed to be fought. In the mid-1930's, as has been shown, the goals of liberal intellectuals and the needs of the emerging CIO unions for a time coincided. We can now see that the 1920's and the 1930's in turn, from this point of view, represented a special confluence of forces. We should bear in mind that, from the vantage point of history, the same may well prove true of the 1960's.

THE UNION STAFF INTELLECTUAL IN THE LABOR MOVEMENT

SYLVIA B. GOTTLIEB¹

U. S. Department of Labor

The role of the liberal in the labor movement has not been an easy or graceful one in recent years. Maurice F. Neufeld had described "liberals" as those who "have generally advocated democratic and gradual reforms, through the intervention of the State, for the benefit of the entire community." The "liberal" has served the labor movement from within generally in a professional-intellectual role. Professor Neufeld suggests that "intellectuals" are people who have "the capacity to develop ideas, the will to spend considerable time in the cultivation and exercise of that faculty, and the skill to express themselves with energy and conviction either in print or on platform."²

Using these brief but effective definitions as a frame of reference, it appears that the liberal intellectual, by definition, embodies characteristics which are in direct conflict with some of those necessary and desirable to participate effectively in a "movement."

Despite this basic and perhaps inescapable dilemma, union staff intellectuals have played and will continue to play a very important and meaningful role in American Trade Unions.

UNION PROFESSIONAL'S ROLE ANONYMOUS AND UNCHARTERED

Much of the work of the professional person within a trade union is anonymous and, therefore, cannot readily be measured or evaluated. This is not because union professionals have a special passion for anonymity but rather because the nature and structure of trade unions is such that the professional person's contribution is made through the words and actions of the elected representatives of the organization. Where the elected official is generous or understands interper-

¹ Mrs. Gottlieb, now Special Assistant in the Office of Productivity and Technological Developments, Bureau of Labor Statistics, U. S. Department of Labor was formerly Assistant to the President of CWA (AFL-CIO) and was associated with CWA also as Research Director and Research and Education Director.

² Maurice F. Neufeld, "The Historical Relationship of Liberals and Intellectuals to Organized Labor in the United States," *The Annals of the American Academy of Political and Social Science*, Vol. 350, November 1963, p. 116.

sonal relations, he sometimes acknowledges this contribution; in most cases he encourages and maximizes the anonymity of his professional colleagues. In addition the union staff man is frequently where he is more by chance rather than by deliberate planning. Solomon Barkin, the dean of trade union intellectuals by force of intellect rather than mere seniority, writing as early as 1949, observed that "the social scientist has (therefore) been introduced into the labor movement more as a result of circumstance than as a deliberate effort by trade unions to tap the skill and knowledge of this group of persons."³

Keeping in mind then that we are trying to measure contributions and relationships traditionally haphazard and obscured in the mists of anonymity, I would like to trace briefly the development of the liberal intellectual union staff person's role in the American Labor Movement as it appeared to someone living it.

THE GREEN YEARS

When the labor movement was young and fighting its battle for recognition, everyone's internal role was easier. We were all on the side of the angels fighting in a common cause—the establishment of industrial democracy in the United States. The particular union you were in was less important than the overall movement. In such an atmosphere, the opposition was well defined and the lines of separation between union member, elected officer, and union staff were at a minimum. Income, office space, traveling arrangements, and personal and fiscal security were spartan. Enthusiasm, sense of purpose, persuasive abilities, physical endurance and fraternal dedication were heroic. The leadership of unions at this point in history was not very far removed from the shop and not too long ago had been full-time workers at their respective trades. Most unions had a small staff in which the professional employee rated relatively high. All were relatively new to the work—the intellectual, the elected leader fresh from his industry job and the staff recruited from the industry who just a year or two ago also had worked at their trade. During these green years, no one stopped to think too long about what role was being played by each participant; the objectives were paramount; all contributions were eagerly accepted. Everyone felt involved and part of the overall

³Solomon Barkin, "Applied Social Science in the American Trade-Union Movement," reprinted from *Philosophy of Science*, Vol. 16, No. 3, July 1949, p. 195.

purpose; the unions and all staff and officers truly were part of a "movement."

THE MIDDLE YEARS

And then the battle for recognition was won, and we tried to secure the peace. A priority item was to negotiate decent wages and working conditions. We entered the "bread and butter" era.

The professional employee's contribution was extremely important at this time and his importance increased in geometric proportions as the unions moved into such relatively complicated bargaining subjects as pensions, guaranteed annual wages, health insurance, and other fringe areas and moved also into increased involvement in legislative and other activities not directly related to the primary union-employer relationship.

As Mr. Barkin and others have observed, the "use of professionally trained social scientists has been encouraged by the increased contacts of trade unions with government; the need for frequent and well developed written presentations to various public and private agencies; the demands for a critical evaluation of economic and social problems arising in negotiations; the expanding use of arbitration; and the wide recognition of the value of public support obtained through careful presentation of the union's case."⁴

I would place these two periods that I have described, the recognition period and then the "bread and butter" era, two periods characterized by high use of union professionals, as roughly during the 40's and early 50's.

The turnover among professional people within the trade unions during these periods was relatively low. There was some evidence of concern about where unions were going during the early 50's but for the most part, it came from nonunion sources. The union staff intellectual writing from within the union structure was sometimes critical, but he retained his institutional identity and continued to perform his professional union job hoping to influence needed changes from within.

Some Personal History

The union with which I was associated, the National Federation of Telephone Workers, which later became the Communications Workers of America, was a relatively new union. It affiliated with the CIO

⁴ Solomon Barkin, *op. cit.*, p. 195.

as late as 1949. I started out as Research Director and later served as Research and Education Director. Because of the size of the union and other factors, we had no separate Social Security or Pension Departments. As a result, it was my good fortune to be able to work in many different subject areas and to meet and learn from professional people in other unions who worked exclusively in specialized areas. For example, when I went to a union Research Directors' meeting, I was able to meet and work with the Research Directors of the other unions; similarly because of my multiple responsibilities, I was involved in meeting and working with union education personnel. Some unions had specialists in the field of social insurance and/or pensions and, since I also represented CWA in that capacity, I had the opportunity to work with these people. From this vantage point, I was able to observe the same good faces over the years. I am able to conclude from personal observation that the turnover was relatively low among professional-union people during the periods I have been discussing.

POST MIDDLE YEARS

Moving into the middle and late 50's and the early 60's, unions began to acquire new roles, new problems and new characteristics reflecting, as always, economic, political, and social changes taking place in society as a whole. The so-called union-professional sought his place within the changing scene and ran into some very difficult problems.

The "bread and butter" issues had been resolved for the most part. The pioneering work in the fringe areas had been accomplished. Labor's position on such basic legislative issues as minimum wages, national health insurance, taxes, foreign aid, education, etc. had been stated and well supported and documented. If new problem areas developed, the elected leaders and staff from the industry felt equal to the task. Trade union leaders regarded the problem of organizing the unorganized, despite the changing composition of the labor force, as one they could handle with tried and tested traditional techniques. After all, hadn't they organized a vigorous, powerful and successful movement from zero pretty much on their own? Automation could be coped with through collective bargaining and some legislation. Political action would give answers to further social legislation. The international battle against communism was the business of the practical unionist who could talk "worker to worker" with his brothers and

sisters in the emerging countries of the world. The old blueprints were still good. Professional-union people who were suggesting new organizing techniques, internal structural reorganization, dynamic, imaginative, and experimental approaches to what were really new problems, not just old ones in new costumes, were listened to politely but not really understood. Some of us pointed to the writings of Professors Clark Kerr, Richard Lester, Solomon Levine, Bernard Karsh and others, hoping that prophets outside the movement would be heeded more readily than those of us "in the family."⁵ We were not successful, for the most part.

A greater reliance on public relations staff, lawyers and outside consultants seemed to be developing. If the public relations people could improve the "movement's" public image, they would help solve many of the problems. White collar workers would join up if only they understood that unions were really their kind of organization. In addition, you had developing increased use of "ad hoc" solutions. Wherever collective bargaining seemed inadequate or frustrating, you established a study committee, a joint committee, a fact-finding group, sometimes solely within the union structure, sometimes with joint union and company representation and sometimes even with public members. Both the union and the company denounced government or third party intervention, extolled the solid and continuing virtues of collective bargaining, and protestingly but unavoidably embraced the "ad hoc" solution frequently sponsored by and involving government and other third parties. Accelerated use of attorneys and outside economic consultants accompanied this development. (The roles played in trade unions by public relations firms, attorneys and consulting groups are a worthy topic for a separate paper.)

Time and Success Affect Attitudes

During this same period, several conditions developed which were functions of both the passage of time and the relative past success of the American Labor Movement. The elected leader was no longer just

⁵ Clark Kerr, "The New Opportunities for Industrial Relations," Institute of Industrial Relations, Reprint No. 173, University of California, 1961.

Richard A. Lester, "Labor Policy in a Changing World," Industrial Relations Section, Department of Economics, Princeton University.

Solomon B. Levine and Bernard Karsh, "Industrial Relations in the Next Generation," Institute of Labor and Industrial Relations, University of Illinois, Reprint Series No. 91.

one or two years out of the shop. He had some 10 or 20 years' experience behind him. Further, because of the official recognition and acceptance accorded unions, he had had the opportunity and the enrichment which came with it, to meet and deal with leaders from all levels of government, business and the academic world. In short, he had access to and gained experience and confidence from dealing with the leaders from groups which had once been closed to him. Simultaneously, most unions had developed staff from the shop level who also now had 10 or 20 years of similar experience. In the early years, the professional's college training and resulting associations afforded him certain education and other advantages which placed him relatively high within union leadership ranks. As the union leaders broadened their experience and knowledge, as they shared greater personal involvement in international affairs, in top level government, academic and management circles and experienced other opinion and decision-making contacts, it was quite natural that the intellectual would not play the same internal leadership role that he played during the earlier stages of the union's history, and unfortunately clear lines of division emerged. Access to participation in decision making, a basic sense of involvement, and other meaningful experiences were no longer equal. The report in the *Daily Labor Report* of October 2, 1963, that staff employee organizers and international representatives of the United Auto Workers have allegedly asked for recognition of a union of their own illustrates the kinds of lines that have been drawn between union staff and union management.⁶

Still another consideration which must be kept in mind are the ages of the principals in our story. While only in my 20's, I was the Union's Research Director. The president of the Union was in his early 30's. This was not unique. Youth was characteristic of the leadership both intellectual and otherwise of the American Labor Movement in the 1940's. The youth of the group was not confined to chronological age; relationships and responsibilities were also young. The organizations were new, the people who had joined forces to work together were young and they had only known and worked with each other in many instances for relatively brief periods of time. They came together under exciting, dramatic, and challenging circumstances. As we moved into the 50's, the organizations were growing older; the

⁶ *Daily Labor Report*, Bureau of National Affairs, Washington, D. C., October 2, 1963, No. 192, Section A, p. 6.

people involved were growing older and their interpersonal relationships had been in existence for long periods of time. The honeymoon was indeed over and the normal tensions and frictions of working together for extended periods of time began to show.

SOME GENERAL PROBLEMS

Generally speaking, union leaders are action oriented. Many of their decisions must be made quickly and under pressure. They frequently issue directives which are not understood by their colleagues one or several steps removed from the direct line of fire. John English, Secretary-Treasurer of the Teamsters, is alleged to have told Hoffa, "You don't speak nice to people."⁷ This is a quality not peculiar to President Hoffa alone. If you were to rank personality types on a continuum, the elected union official would not be placed in proximity to his "intellectual-professional" co-worker. This difference in temperament creates obvious difficulties.

Lack of Union Bureaucracy

The role of the liberal union intellectual is further complicated by the very nature of union organization. Unions for the most part do not have well defined bureaucracies in which lines of organization, authority and responsibility are clear, established and accepted. The internal organization of many unions is fluid, the power and control of individuals below the very top level ebb and flow depending on many inconstant variables. In such a situation, the professional employee is often subjected to changing and unpredictable stresses, urged, for example, on the one hand to remain aloof from internal union politics and pressured simultaneously into taking sides and lending his special talents to securing gain for an individual leader or an idea. Some of this, of course, is unavoidable. How do you separate seeking professional assistance to support legislative and bargaining positions and refrain from using the professional's skills and knowledge to support such internal political issues as higher union dues, administrative reorganization, and the ultimate conflict—who shall lead the union?

A certain amount of the interpersonal tensions which developed between union leaders and the professional union staff during the 1950's arose from the difficult if not impossible task of keeping union politics outside the area of professional staff activity.

⁷ "The Teamsters' 'Egghead,'" *The National Observer*, December 9, 1963, p. 3.

"Closed Society"

Coupled with these developments you had the attitude, sometimes subconscious and sometimes deliberate on the part of some trade union leaders, that the labor movement is a closed society in which "the family" settles its own problems and never exposes any weaknesses or difficulties to the unfriendly outside world. Where this attitude exists, the responsibility for it is not that of the labor leader alone. At one point in American history (not too long ago) trade unions were viewed as conspiracies; they were not understood or accepted by many segments of society and certainly early labor leaders and members alike were on the fringes of the more "respectable" elements of the American community. Despite the fact that this climate no longer exists in many quarters, the effects of this unhappy historical relationship remain. Requests by professional union staff personnel for leaves of absence to pursue further academic studies or to work temporarily in other occupations are generally denied. In fact, in some unions such requests are considered just short of treason. One does not move in and out of a "movement." It exacts a life-time commitment. There is little or no evidence that elected labor leaders understand that the labor movement could be enriched if some of its professional people were allowed to move freely between the academic and trade union communities. Those of us who have suggested that an interchange be permitted between not only the unions and the academic community, but between the company and the union, and between the union and the government were given little or no encouragement. If the professional person is sponsored by the union in his nonunion or union-related job, the interchange is effected willingly and gracefully. If, however, the union professional, even after many years of unbroken service, seeks a leave of absence, even if only to return to school to increase his professional capabilities which will enhance his union role at some future date, any leave is generally discouraged and indeed prohibited.

I think this has been an error on the part of trade union leadership and represents a condition susceptible to change.

New Opportunities for Union Professional

A distinguishing characteristic of the professional employee is that he can use his professional capacities not only in the union but in many different organizations. His skill is transferable. Further, as

unions and companies continue along already evident avenues of maximizing their mutual purposes and goals and minimizing discord, movement by the professional staff from the union to the company or vice versa will be regarded less and less as treasonable action and more and more as a logical development.

Another important development is the fact that it has become increasingly possible and desirable for experienced trade union professionals to transfer their skills to other institutions. The proliferation of private and government grants for special studies, increased opportunities in existing government agencies, the establishment of new government agencies such as the Peace Corps, expanding educational institutions and accelerated interest in adult education are but a few examples of job-generating forces which have given the social scientist a chance to move with relative ease from his union to another kind of professional job. In addition, as unions themselves have been upgraded and integrated into the broader community, the opportunity of professional union staff to transfer to other jobs has been greatly enhanced.

The Union and the Academic Community

The union intellectuals' problem is also part of the larger overall problem of the relationship between unions and academic institutions.

Unions have never recognized fully the potentials of this country's academic resources. This lack of understanding of how to call upon the academic community is reflected, in part, in the current inability of unions generally to use their professional people appropriately. For example, the professional employee and the academic community could be of great assistance in pointing to ways to increase union membership. The kinds of people the trade unions will have to organize increasingly in the future are not very different from the professional employees who now work for them. It's a very difficult thing for a leader, who is accustomed to pointing with pride to the fact that he came from his industry and spent many years working in the shop, and who uses that fact to support his being the best qualified person to lead his union, to come to the realization that this claim will not necessarily stand him in good stead when it comes to organizing white collar, technical and professional workers.

CONCLUSION

Those of us who have had the privilege of working in trade unions could regale you for hours with marvelous anecdotes about the diffi-

culties, frustrations, and petty annoyances with which we've had to contend over the years. (And I dare say some of the union folks we've worked with could offer equal stories about the queer ducks we are.)⁸ However, those tales of woe are completely overshadowed by the very many wonderful stories we could tell of the sheer joy of working to establish industrial democracy (admittedly imperfect), of personally witnessing the growth of individuals and institutions (many in the management as well as in the union) and of experiencing success after success, as dreams of minimum wages, decent working conditions, solid health insurance and pension programs, dignity on the job and other goals became realities.

We continue to live in a changing dynamic society in which each tomorrow brings new challenging and exciting developments. The trade union movement is inescapably part of this picture. In our kind of democratic society, there will be a continuing need for organizations to represent people who work. In fact, it has been suggested that the need for proper vehicles for communication and joint decision-making between employees and management will increase as our industrial, economic, social, and political systems grow more complex and more impersonal. The structure, the attitudes, and the activities of the organizations now called unions may change—we may even call them by a different name—but the fundamental need for industrial democracy will continue. To the extent that the trade unions of tomorrow increasingly represent white collar, technical and professional employees, the professional staff will be recruited increasingly from the industry itself. It will be the professional person who will be able to boast of his years "in the trade." As the level of education of the average worker in the United States continues to increase, the gap between the union member, the leaders he elects, and the professional employee will be narrowed.

This is, however, a point somewhere down the road. At this particular juncture in our history, the role of the liberal professional staff in the trade union movement continues to be very difficult, even though very worthwhile. The challenges are equal or greater than those faced in the past. The bright, imaginative, vigorous social scientist seeking to make a meaningful contribution should have no hesitancy in seeking association with unions.

⁸ We all know that you can't slice anything so thin that it has only one side.

Part IX

REPORTS

MINUTES OF THE IRRA EXECUTIVE BOARD MEETING

MAY 6, 1963
MONTREAL, CANADA

The IRRA Executive Board met Monday, May 6, 1963, 6:30 p.m. in the Queen Elizabeth Hotel, Montreal, Canada. Present were: President William F. Whyte, President-Elect Solomon Barkin, Secretary-Treasurer David B. Johnson, Editor Gerald G. Somers, Board Members Charles A. Myers, Nelson H. Cruikshank, Vernon H. Jensen, J. Wade Miller, Jr., Joel Seidman, H. Douglas Woods; and Mrs. Frances Bairstow and Mr. J. Earl Williams.

The Executive Board expressed a vote of thanks for the Mayor's Reception at the Chalet Mont Royal and requested President Whyte to write Mayor Jean Drapeau a letter of appreciation on behalf of the Association.

D. Johnson presented the financial and membership reports, indicating a further decrease in cash resources in the past year and giving further emphasis to the need for a dues increase. Although 166 new members were added in the first five months of 1963, 104 of these were junior members. As he had noted at the previous meeting, the financial loss resulting from each new member is accentuated in the case of junior members.

The Board discussed the recommendation for a dues increase to \$8 for regular membership and \$4 for junior membership made by Johnson on behalf of the committee appointed to study this question. It was noted that IRRA dues have customarily paralleled those of the American Economic Association which had raised dues to \$8 last year. Dues in comparable organizations were generally found to be much higher. Mr. Barkin suggested that it might be necessary to curtail the publications included in membership if there is no dues increase. Mr. Miller suggested that a serious effort at reducing expenses or the possibility of charging for volumes might be considered as alternatives to a dues increase. The motion was made by Mr. Myers, seconded by Mr. Barkin, that a mail ballot be submitted to members authorizing a dues increase to \$8 for regular members and \$4 for junior members. The referendum was to be held before the fall renewal notice with an explanation of the need for the raise to

be made by the president in the June *Newsletter*. The motion passed unanimously.

Mr. Johnson reported that all nominees for 1964 Executive Board positions had accepted with the exception of one who had not yet reported and another who was undecided.

Editor Somers reported that the *Fifteenth Proceedings* were on schedule at the page-proof stage. The Technology volume was also at the page-proof stage. The publisher had cooperated well, but delays occurred in the completion of two of the chapters. The volume on the Landrum-Griffin Act was proceeding on schedule, with manuscripts to be submitted during the summer for 1964 publication.

A discussion was held on the projected volume for 1965 dealing with hours of work. Mr. Whyte distributed an outline prepared by Clyde Dankert, chairman of the editorial board. Additional suggestions concerning content, authors and the number and length of chapters were made by various Board Members, to be communicated to the editorial board by Mr. Whyte.

It was reported that a new basis for publishing the proceedings of the spring meetings may be required since the Commerce Clearing House may no longer wish to publish all papers and make reprints available to IRRA members. They may prefer to select only some of the papers for publication in the *Labor Law Journal*. It was suggested that it might be necessary to explore other means of publication, such as a low-cost multilith volume. It was decided to postpone decision on this matter pending the reaction of the Commerce Clearing House to the specific content of the 1964 Spring Meeting. An outline of the proposed program was to be submitted as soon as possible in order to provide time for alternative publication arrangements, if necessary.

It was decided to postpone discussion on a new *Membership Directory* until the December Meeting. Mr. Johnson would then bring in data on the comparative costs of preparing the *Directory* by using personnel in the Madison office and by contracting it out to a firm specializing in such publications.

Mr. Barkin reported for the committee appointed to explore topics for the 1966 volume. He indicated that a volume on comparative international studies seemed feasible. A concrete outline of the proposed volume was to be presented in December.

Mr. Whyte then reported on his plans for the program of the

December Meeting. He indicated that he would make every effort to increase the time for discussion from the floor. Participants would be instructed not to read their papers, and chairmen would be urged to exert discipline with regard to time limits. Other Board Members concurred in these objectives and offered various suggestions for increasing the time allotted to informal discussion. The Board approved Mr. Whyte's list of topics and program participants for the December Meeting.

Mr. Williams reported on plans for the 1964 Spring Meeting to be held in the Mountain View Hotel in Gatlinburg, Tennessee. It was suggested that Williams, in conjunction with the President, be empowered to decide whether the meetings should be held on May 4-5 or May 8-9. Monday and Tuesday, May 4-5, were subsequently chosen. Accommodations and costs of the meeting were discussed, as well as plans for welcoming guests and other local arrangements. The Board approved the list of topics and participants prepared by President Whyte in consultation with Mr. Williams.

The Board approved Mr. Barkin's suggestion that British, and, perhaps continental scholars be encouraged to attend IRRA meetings through the provision of travel expenses by foundations or universities. Possible foundation financing was discussed. Mr. Whyte agreed to explore the possibilities of foundation support along these lines.

Mr. Johnson presented a letter from the American Economic Association containing proposed restrictions on the number of associations meeting jointly with the Allied Social Science Associations at the December Meetings. As the contemplated restriction does not apply to IRRA, no action was taken.

President Whyte and Mr. Myers expressed the Board's thanks to Mr. Woods, Mrs. Bairstow and the Montreal Chapter for the highly successful Spring Meeting arrangements.

Mr. Woods reported on a luncheon meeting of Canadian personnel to discuss the publication of an industrial relations journal in Canada. That meeting also explored the possibilities of forming a Canadian industrial relations association loosely affiliated with IRRA.

The meeting was adjourned at 10:00 p.m.

MINUTES OF THE IRRA EXECUTIVE BOARD MEETING

DECEMBER 27, 1963
BOSTON, MASSACHUSETTS

The IRRA Executive Board met on Friday, December 27, 1963, at 6:30 p.m. in the Sheraton-Plaza Hotel in Boston. Present were: President Whyte, President-Elect Barkin, next year's President-Elect Young, Secretary-Treasurer Johnson, Editor Somers, Board Members Bancroft, Bernstein, Bloch, Brintnall, Goldfinger, Jensen, Kassalow, C. Myers, Pierson, Saltzman, Shultz, Seidman, H. Woods; and Messrs. A. Bartlett, C. Dankert, M. Estey, J. D. Fine, S. Levine, P. Taft, J. E. Williams, and L. Woods.

New Board Members were welcomed; a vote of thanks was given to retiring Members.

Mr. Levine, as chairman, reported for the nominating committee. The motion was made, seconded and carried to accept the nomination for president-elect. Chairman Levine presented a slate of possible candidates for the Executive Board and indicated he would make a final nominating committee report at the Spring Meeting.

Secretary-Treasurer Johnson presented the membership report showing an increase for the past year, largely in student memberships. The financial report showed a decrease in the cash balance of \$800, but he indicated that the effect of the dues increase was not yet fully felt. Local Chapter promotion was one of the principle areas of recruitment. Johnson presented the election report.

Comparative costs of compiling and printing a *Membership Directory* were presented by Johnson, indicating that handling by Wheeler Sammons (as was the current *AEA Handbook*) would amount to a difference of about \$2,500, mainly for supervision. The Board gave its approval to preparation of the *Directory* in Madison, but left the method of printing to staff discretion. It was agreed that the *Directory* should be published in lieu of a research volume in either 1966 or 1967, the decision to be made by the President and the Editor.

A discussion was held on the possibilities of a reduction in membership dues for retired members. Action was deferred. Action was also deferred on the question of a raise in life membership dues. It was agreed that the availability of contributing memberships should

be called to the attention of members in the *Newsletter* rather than in a more formal promotional campaign.

President-Elect Barkin reported on the organization of the Paris Chapter, and requested affiliation with the national association. The Board approved the new chapter.

In presenting the Editor's report, Gerald Somers called on Phil Taft to report on the next research volume, *Legislating Union Government: A Preliminary View of the Landrum-Griffin Act*. Taft reported that the manuscript was now ready to go to the publishers, with publication scheduled for next summer or fall. Taft praised the good work of his co-editors, Marten Estey and Martin Wagner.

Somers reported that the Commerce Clearing House now wished to charge the IRRA for reprints of the *Spring Proceedings*. It was agreed that the Editor should negotiate with Commerce Clearing House for a continuation of the publication relationship on the best possible terms.

Clyde Dankert reported on the *Hours of Work* volume scheduled for publication in 1965. Submission of manuscripts is planned by the end of May 1964. Barkin reported on the status of the proposed volume on international labor problems, discussed an outline of proposed chapters and requested suggestions. He stated that an editorial board for the volume would be appointed within the next few months.

Several suggestions were made for topics of future research volumes including: health, education and welfare, sources of income, and non-union associations of employees. Action was deferred on choice of a specific topic until a future meeting.

J. Earl Williams described the arrangements and program for the Spring Meeting, May 4-5, 1964, at the Mountain View Hotel in Gatlinburg, Tennessee. The program was to follow the procedures established in Boston, with a limited number of papers and lively discussion from the floor. The program was planned as appropriate to the area but not provincial in interest.

Al Bartlett, speaking for the new Buffalo Chapter, renewed his invitation to the Association to hold its 1965 Spring Meeting in Buffalo. It was noted that a Spring Meeting in Buffalo would further a tradition of encouraging and honoring new local chapters. A motion to accept Buffalo's invitation was passed.

The Board requested that President Barkin write a letter in response to the invitation of Herbert Zollitsch of the Wisconsin Chapter to hold a Spring Meeting in Milwaukee. Barkin was asked to indicate that the Board was pleased and impressed with Milwaukee's presentation and would recommend to the next Board Meeting that a future Spring Meeting be held in Milwaukee, possibly in 1966.

Barkin presented his proposals for the program of the 1964 Chicago Meeting. His suggested format for some sessions would be: presentation of a paper on a basic problem, followed by several alternative hypotheses as answers, then open discussion, and, finally, a rapporteur to select remarks for publication. A discussion was held on the topics, and speakers were proposed.

Myers suggested that younger people who have begun promising research projects be invited to present papers. It was suggested that regional committee members might be appointed to consult and work with the President in arranging meeting programs. Myers repeated his recommendation that the President-Elect, rather than the President, serve as program chairman; President-Elect Young, scheduled to become President in 1965, agreed that 1965 would be a good year to begin that policy. No action was taken on the recommendation.

In the final items on the agenda, the Editor was appointed to another three-year term; and Les Woods and Dave Fine, for the Boston Local Arrangements Committee, were thanked for their excellent work in arranging for the Meetings.

President Whyte adjourned the meeting at 10:20 p.m.

MINUTES OF IRRA MEMBERSHIP MEETING

DECEMBER 27, 1963
BOSTON, MASSACHUSETTS

President William Whyte presided. The meeting was begun with votes of appreciation to the Boston IRRA Local Arrangements Committee and to the Madison staff.

A motion was made by Herbert Zollitsch, President of the Wisconsin Chapter, inviting the IRRA to hold one of its meetings in Milwaukee. He presented letters of invitation from the Governor of Wisconsin, the Mayor of Milwaukee, and others. It was agreed that the Board should give serious consideration to the invitation.

A membership and financial report was requested and presented by David Johnson, Secretary-Treasurer. He indicated that paid memberships had increased by 132 in the last year and noted that the increase was predominantly in student memberships. He reported that the trend toward financial losses, although not yet reversed in the short period since the dues increase, had slowed down. Vernon Jensen pointed out that prior to the dues raise, IRRA had been losing on each new member.

William Whyte introduced the incoming president, Solomon Barkin, as a distinguished leader in the field of industrial relations. Incoming-President Barkin discussed the newly-established local IRRA chapter in Paris. He invited members to attend the meetings of the chapter, held on Monday of the third week in each month. About half of the Paris Chapter's members are French, and the remainder are drawn from other countries of Europe. The labor attaché in each country constitutes the Chapter's public relations committee. Barkin hoped the chapter might become the nucleus of a national or international center of industrial relations interest in Europe which would serve to develop better relationships among unions and between unions and management. He expected it to play a role comparable to the Association here.

In an evaluation of the informal discussions which replaced formal paper presentation at this year's meetings, it was generally agreed that the new approach was sound. Some were annoyed by constant references to discussion in non-present papers. The value

of the advance availability of papers was stressed by a number of members. It was suggested that a room for socializing on the evening before the first day of the meetings be provided, and that copies of the papers should be made available in this room. Mr. Barkin concluded that members have a preference for the freer discussion encouraged by the new IRRA format introduced by President Whyte.

Suggestions of program content for the 1964 Chicago Meetings were as follows: Policy and theoretical approaches more closely tied together, subjects chosen to attract more young people, more emphasis on industrial psychology and industrial sociology in order to interest younger people, impact of Common Market on labor movements and industrial relations, civil rights and job opportunities. Mr. Barkin submitted a format for the papers in which one central answer would be offered to each of four main problems; discussants would then be free to offer other solutions; this in turn would be followed by general discussion; and, finally, a rapporteur would select sections from the debate for publication with the prepared papers.

Milton Derber moved that the members of the Association extend a vote of thanks to Bill Whyte for the imagination and industry he brought to the affairs of the Association as its president in the past year.

AUDIT REPORT

HOUGHTON, TAPLICK & CO.

CERTIFIED PUBLIC ACCOUNTANTS

December 18, 1963

Executive Board
Industrial Relations Research Association
Madison, Wisconsin
Gentlemen:

We have audited the cash receipts and disbursements of the Industrial Relations Research Association for the fiscal year ended November 30, 1963 and submit herewith our report consisting of this letter and the following exhibits:

Exhibit "A"—Statement of Cash Receipts and Disbursements for the Fiscal Year Ended November 30, 1963

Exhibit "B"—Comparative Statement of Cash Receipts and Disbursements for the Fiscal Years Ended November 30, 1962 and November 30, 1963

Exhibit "C"—Bank Reconciliation, November 30, 1963

The available cash resources of the Industrial Relations Research Association on November 30, 1963 totaled \$10,589.68, consisting of \$5,589.68 on deposit in the First National Bank and \$5,000.00 invested in the Home Savings and Loan Association. These balances were confirmed directly to us by the bank and the savings association.

As is set forth in Exhibit "A" and "B", the cash receipts for the fiscal year totaled \$18,643.20 and the disbursements totaled \$19,445.05. The disbursements exceeded the receipts by \$801.85. The cash receipts for the 1962-63 fiscal year exceeded the cash receipts for 1961-62 fiscal year by \$2,761.50. A dues increase, effective in 1964, should provide sufficient additional income to reverse the trend of the last two years. The cash disbursements for the 1962-63 fiscal year exceeded the cash disbursements for the 1961-62 fiscal year by \$440.02.

The cash receipts journal was footed by us for the entire year. All cancelled checks returned by the bank during the year were examined by us and traced to the disbursement journal. The cash disbursements journal was also footed for the year. The source information of dues income was tested for a portion of the year.

In our opinion the accompanying statement of cash receipts and disbursements fairly presents the cash transactions of the Industrial Relations Research Association for the fiscal year ended November 30, 1963.

Respectfully submitted,
HOUGHTON, TAPLICK & Co.
Certified Public Accountants

INDUSTRIAL RELATIONS RESEARCH ASSOCIATION
Madison, Wisconsin

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
Fiscal Year Ended November 30, 1963

Cash Balance—December 1, 1962.....	\$ 6,391.53
Cash Receipts:	
Membership Dues	\$13,317.00
Subscriptions	1,456.00
Sales	2,008.37
Mailing List	505.48
I.R.R.A. Conferences and Meetings	503.04
Interest	200.00
Royalties	444.35
Miscellaneous	208.96
	18,643.20
Total Receipts	18,643.20
Total Cash	\$25,034.73
Cash Disbursements:	
Salaries	\$ 3,380.26
Social Security Taxes	109.30
Printing	1,258.35
Postage	885.59
Service and Supplies	526.50
Publications	13,071.62
Telephone and Telegraph	65.95
Audit Expense	110.00
Miscellaneous	37.48
	19,445.05
Total Disbursements	19,445.05
Cash balance, November 30, 1963	\$ 5,589.68

INDUSTRIAL RELATIONS RESEARCH ASSOCIATION
Madison, Wisconsin

COMPARATIVE STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
Fiscal Years Ended November 30, 1962 and November 30, 1963

	Year ended 11-30-63	Year ended 11-30-62	Increase	Decrease
Cash Receipts:				
Membership Dues	\$13,317.00	\$11,699.00	\$1,618.00	\$
Subscriptions	1,456.00	1,020.00	436.00	
Sales	2,008.37	1,862.93	145.44	
Royalties	444.35	272.18	172.17	
Mailing List	505.48	296.80	208.68	
Travel, Conference and Meetings	503.04	524.14		21.10
Interest Income	200.00	200.00	- 0 -	- 0 -
Miscellaneous	208.96	6.65	202.31	
Totals	<u>\$18,643.20</u>	<u>\$15,881.70</u>	<u>\$2,761.50</u>	<u>\$</u>
Cash Disbursements:				
Salaries and Social Security	\$ 3,489.56	\$ 3,460.18	\$ 29.38	\$
Printing	1,258.35	1,035.06	223.29	
Postage	885.59	684.71	200.88	
Services and Supplies	636.50	710.02		73.52
Publications	13,071.62	11,824.23	1,247.39	
Travel, Conference and Meeting Expense	37.48	1,206.31		1,206.31
Miscellaneous	37.48	33.34	4.14	
Membership Dues Refunds	65.95	6.00		6.00
Telephone and Telegraph	65.95	45.18	20.77	
Totals	<u>\$19,445.05</u>	<u>\$19,005.03</u>	<u>\$ 440.02</u>	<u>\$</u>
Excess of Receipts over Disbursements	\$ (801.85)	\$(3,123.33)	\$2,321.48	\$
Add: Beginning Bank Balances	6,391.53	9,514.86		3,123.33
Bank Balance, End of Year	\$ 5,589.68	\$ 6,391.53	\$	\$ 801.85
Home Savings and Loan Certificate #3384 Purchased in 1954	5,000.00	5,000.00		
Available Cash Resources	<u>\$10,589.68</u>	<u>\$11,391.53</u>	<u>\$</u>	<u>\$ 801.85</u>

PROGRAM

Sixteenth Annual Meeting—Boston

December 27-28, 1963

Sheraton-Plaza Hotel

REGISTRATION—Venetian Room

Thursday, December 26, 2:00–10:00 p.m.

Friday, December 27, 8:00 a.m.–5:00 p.m.

Friday, December 27

SESSION I—9:30 a.m.—Venetian Room

NEW APPROACHES TO COLLECTIVE BARGAINING

Chairman: *Vernon H. Jensen*, Cornell University

Speakers: *Wayne L. Horwitz*, Vice President, Industrial Relations, Matson Navigation Company

Lincoln Fairley, Research Director, International Longshoremen's and Warehousemen's Union, "The ILWU-PMA Mechanization and Modernization Agreement: An Evaluation of Experience Under the Agreement"

SESSION II—9:30 a.m.—State Room

COMPARATIVE INTERNATIONAL LABOR STUDIES

Chairman: *Adolf Sturmthal*, University of Illinois

Speakers: *John Windmuller*, Cornell University, "Model Industrial Relations Systems"

Subbiah Kannappan, Michigan State University, "Industrial Relations Problems in the Developing Indian Economy"

Elliot J. Berg, Harvard University, "External Impacts on Trade Unions in Developing Areas: The Record in Africa"

LUNCHEON MEETING—12:00 Noon—Dartmouth Room—Directors of University Labor and Industrial Relations Centers (by invitation). Informal discussion of industrial relations curricula.

LUNCHEON MEETING—12:00 Noon—Copely Room—Presidents of Local IRRA Chapters.

SESSION III—2:30 p.m.—Venetian Room

NEW APPROACHES TO COLLECTIVE BARGAINING

Chairman: *John T. Dunlop*, Harvard University

Speakers: *Marvin Miller*, Assistant to the President, United Steelworkers of America

Gerard Balsley, Vice President Industrial Relations, Kaiser Steel Corporation, "The Kaiser Steel Corporation-United Steelworkers of America Long Range Committee: An Evaluation of Experience"

SESSION IV—2:30 p.m.—Statler-Hilton Hotel

EFFICIENCY IN THE LABOR MARKETS (Joint Session with AEA)

Chairman: *Harold M. Levinson*, University of Michigan

Speakers: *H. Gregg Lewis*, University of Chicago, "The Effects of Unions on the Allocation of Labor"

Robert L. Raimon, Cornell University, "The Mobility of Labor"

Paul A. Weinstein, Columbia University, "The Featherbedding Problem"

Discussants: *William G. Bowen*, Princeton University

George Hildebrand, Cornell University

GENERAL MEMBERSHIP MEETING—4:45 p.m.—Oval Room

EXECUTIVE BOARD DINNER—6:00 p.m.—Dartmouth Room

IRRA SOCIAL—9:00 p.m.—Oval Room

Saturday, December 28

SESSION V—9:30 a.m.—Venetian Room

RESEARCH FOR ORGANIZATION THEORY AND MANAGEMENT ACTION

Chairman: *William Foote Whyte*, Cornell University

Speakers: *R. A. Dunnington*, Manager of Basic Personnel Research, International Business Machines Corporation

F. H. Goldner, S. M. Klein, R. Richard Ritti, and David Sirota, Personnel Research Associates, IBM. Members of this group will present results of IBM projects and research experience that are of both practical and theoretical interest.

SESSION VI—9:30 a.m.—State Room

THE UNIONIZATION OF WHITE COLLAR AND PROFESSIONAL EMPLOYEES

Chairman: *Martin Wagner*, University of Illinois

Speakers: *Albert A. Blum*, Michigan State University, "Prospects of Office Employee Unionism"

James W. Kuhn, Columbia University, "Successes and Failures in Organizing Professional Employees"

Bernard P. Indik, Rutgers University, "Professional Engineers Look at Unions"

PRESIDENTIAL LUNCHEON—12:00 p.m.—Oval Room

Chairman: *Solomon Barkin*, Organization for Economic Cooperation and Development

Presidential Address—*William Foote Whyte*, Cornell University, "Toward an Integrated Approach for Industrial Relations Research"

SESSION VII—2:30 p.m.—State Room

NEW APPROACHES TO MANAGEMENT DEVELOPMENT

Chairman: *Chris Argyris*, Yale University

Speakers: *Douglas Bunker*, Harvard Graduate School of Business Administration, "The Effect of Laboratory Education upon Individual Behavior"

James V. Clark, University of California, Los Angeles, "Current Research in Sensitivity Training"

SESSION VIII—2:30 p.m.—Venetian Room

LIBERALS AND THE LABOR MOVEMENT

Chairman: *George Strauss*, University of California

Panel Discussants: *Brendan Sexton*, United Automobile
Workers

Joel Seidman, University of Chicago

Sylvia Gottlieb, Bureau of Labor Statistics, USDL

1963

SIXTEENTH ANNUAL PROCEEDINGS
BOSTON

I.R.R.A.
No. 32