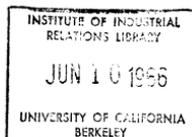


An Article Based on Remarks of  
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New Concepts in Collective Bargaining

An examination of three aspects of  
change affecting current collective bargaining

- resistance to industrial change
- recognition of changing worker values
- changes in bargaining processes



## I

In this paper three aspects of change affecting current bargaining will be examined. An especially critical examination of resistance to industrial change will be undertaken. Then the proposition that bargaining has been largely ignoring rapidly changing worker values will be discussed. And, finally changes in bargaining processes will be reviewed.

## II

A very special kind of conflict is increasingly marking the American collective bargaining scene. It springs from two polarized patterns of thought - dedication by management to an abstract concept of rights on one hand and a desire by unions to perpetuate outmoded industrial practices on the other.

It is a conflict that makes much of current bargaining just a series of position-taking skirmishes rather than a serious attempt to reach solutions of issues. As one academician describes it, "the philosophical predilections of the parties have blocked their mental processes." (1)

Many observers of this circumstance decry it. But the context in which they discuss it is usually so narrow that its true impact is blurred. Some management spokesmen, particularly, often do an ineffective job.

Two kinds of management spokesmen come to mind. The first presents himself somewhat in the role of the beleaguered guard at the palace gate. He declares himself there to protect his sovereign who sits inside enthroned on a seat labeled "management rights." He reaffirms his loyalty to his sovereign and vows readiness to die if need be to protect him. He is full of truculence, rectitude and choice invective for his adversaries. His ammunition belt is heavy with references to the specter of a union foe, who is always, in the words of one recent editorial "trying to take over." (2)

The second type of management spokesmen assume the role of pious pleaders. They point to their good deeds and good intentions. In effect, they say to the nation, "We've given our country the highest living standard in the world. We've provided our workforce with superior wages and benefits.

"We've been good citizens," they say, "--supported worthy national and community programs and contributed an immense tax bundle. Yet everybody picks on us. Government agencies regard us with hostility, the intellectuals score our pragmatism, the courts chide and censure our actions, and unions decry our power in an endeavor to distract from their own."

So these spokesmen ask plaintively, "What's wrong?" And as one recently concluded with a wail, "Why in heaven's name" should management have to be treated this way? (3)

Neither of these approaches seems particularly helpful, either to advance the legitimate concerns of management or to furthering an understanding of the problems of today's bargaining.

One flings a taunt. The other utters a whimper. Both miss the mark.

This criticism should not be misunderstood. It is a criticism of form, not of substance. These spokesmen have good and sound reasons for their complaints. In today's bargaining, management is deeply embattled. It is subject to unrealistic agency and court decisions. Illustrations abound. The news media report many an instance of the use of union power to stifle industrial change. Decisions by government agencies and the courts are serving to fuzz up legitimate areas for bargaining - decisions that place much of management decision-making in a limbo of the unknown and unknowable.

However, these management overtures fall on deaf ears because they present the subject as a management problem rather than what it really is - a problem for vital national concern. Not surprisingly, the public has only limited interest in managerial woes. But the public is interested in national economic growth, in a rising living standard, in control of inflation and in our ability to compete internationally.

Today, a strong current in American labor relations is flowing squarely in a direction that will stifle achievement of these goals. The trend is toward imposition of multiple barriers to change. Only if avenues to change are left open can the national economy achieve these goals in which the public has such a vital interest.

To support the validity of this concern it may be well to look at the experience of another national economy. Some revealing controversy on this subject came to the surface in the recent British election. The highly respected Manchester Guardian had this to say:

"The dark side of the union's public face - old fashioned, inefficient, bumbling, restrictive, even oppressive, is the time bomb every labour party leader carries in his election baggage."

The Guardian then continued with this comment on the sluggish state of the British economy, "Where we fall behind is in low productivity, restrictive practices and other obstacles to efficiency and modernization." (4)

Throughout the election campaign the British press characterized union resistance to change as an albatross around Prime Minister Wilson's neck. And, as the Guardian later observed, it was not until Mr. Wilson dis-associated himself with this resistance and presented an image of himself as a "brisk modernizer" that the labour party was successful at the polls.

It should be unnecessary to suggest that this nation has something to learn from the British experience. Assuredly, the American economy is as yet nowhere nearly as hogtied by restrictive practices as the British. But equally assuredly, the great thrust of many recent decisions and the basis of many recent disputes have been in exactly that direction.

Others have documented this trend by voluminous case citations. (5) (6) Perhaps limited comment on a single case will be adequate here to highlight the sort of thinking that should give us great concern.

In a recent subcontracting case, the NLRB upheld the Westinghouse Company's right to subcontract certain work. (7)

The company's action in the case was proper, said the Board, "Because it was in line with the employer's traditional methods of operation and did not vary with his established practices." Examine this reasoning. What does such a decision tell management? It tells them that as long as they keep on doing things exactly as they have done them in the past they will stay out of trouble. It would be a striking understatement to observe that such thinking provides a dubious incentive to progress.

Fortunately, some are starting to see just where this trend is leading. The whole thing recently became too much for Circuit Court Judge Sobeloff. In the recent Allied Chemical case, the judge observed "it may be exceedingly impractical to compel costly negotiations" in these subcontracting situations. (8) The judge also has a nice capacity for understatement. Nonetheless, his sentiments do have a happy ring of sanity.

### III

One of the purposes of this conference is to explore what might be done about the tangles and troubles of current bargaining.

In a recent interview that contemporary hero of the American duffer, Arnold Palmer, made an interesting response to one question. The interrogator prefaced his question by saying, "We know that even among champions like yourself there are times when your game seems to fall apart." And he asked, "What do you do then?" Palmer replied, "I rebuild on fundamentals." In examining the ills of collective bargaining today, this advice may be somehow appropriate.

The fundamental purpose of the Wagner Act was to provide the American employee with a voice in determining the conditions under which he wished to work. But as collective bargaining has become institutionalized we have lost focus on the employee. In their endeavor to cope with problems of power, bargainers have sought solutions in processes - through new techniques and tactics. Meanwhile, the American employee's needs, values and aspirations have been changing. The scope of that change has often been overlooked in the power struggle and lost in a search for process panaceas.

Remedial measures would seem to be in order, perhaps along the following lines:

- that in seeking solutions to the trials that beset collective bargaining, bargainers could do worse than to rebuild on fundamentals;

- that the number one fundamental for the success of bargaining still lies in satisfying the needs of the American employee;
- that this employee is a creature of markedly changing values and needs; and
- that a more intensive study, understanding and accommodation of these changing needs by both labor and management will go far to solve today's bargaining problems.

Too many men on both sides come to the bargaining table today to bargain about a worker who no longer exists. They bargain for a man who had to leave school early to battle for a marginal existence in a period of depression; who voluntarily and often enthusiastically joined a union for the primary purpose of achieving economic survival; one who hated the boss as a symbol of his economic and social inferiority. A generation ago that kind of man dominated the factory shop. Not today.

Today's bargaining should be tailored to a man whose knowledge of the depression is dim, who has a good basic education, whose economic status prompts him to think in terms of such things as career employment, financial planning and an increasing share of the good things in life - a man who accepts the boss's role because the boss respects and tries to accommodate his aspirations.

If one can wade through their turgid jargon he will find today's sociologists are pointing this out. Gardner and Lipset are particularly aware of the trend. (9) (10) Occasionally one sees reference to it in the mass media. A Wall Street Journal article of last year described the new worker this way: "He earns a middle-class income from a working-class job." He is part of a new group that "blends traditional blue-collar and white-collar spending habits, social customs and ways of thinking." They have, says the Journal, "enthusiastically adopted middle class tastes for golf, boating and travel." Researchers were amazed to find 11% of the nation's craftsmen now own shares of common stock. (11)

If one had to sum up the phenomena in a phrase he might say that the American worker is shifting to a life pattern that involves more personal long-range objectives. He is showing some willingness to make sacrifices in time, effort and deferred spending to achieve those objectives. He no longer thinks of a working life as just a continuum of a series of available jobs. He thinks in terms of career employment. His economic position has improved to a point where personal dignity and employment stability are assuming proportionately stronger emphasis in his scale of values.

Much evidence exists that serves to validate these assertions.

For instance, examine the most basic element of all - economics - the worker's pay rate. First a nice round figure. The worker's personal income has doubled in the last 20 years. Even when increased living costs are discounted the worker's real earnings have been rising at 3% a year like clockwork. What is perhaps most significant of all, his earnings have long

since exceeded the subsistence level. This means that what economists call his "discretionary income" - money available after basic needs have been met - is going up even faster. It's climbing at a brisk 7% a year. So today's worker is a man with money to spend.

He's also a man with at least a little money in the bank. His personal savings have increased by 50% in the last several years. And, importantly, he's much more likely to have two incomes in the family. Just about half of the American families now have at least two wage earners.

The fund of statistics testifying to this emerging affluence run on and on. (12) (13)

Education levels have been rising too. Sixty percent of those in today's workforce have a high school education or better, including more than 50% of our blue-collar workers. The rate has been clocking steadily upward at more than 1% a year. (13) The flood of young adults now entering the workforce will increase this rate. Eighty percent of this group have a high school education or better.

Our unusual population age distribution makes it necessary to pay special attention to this youth movement. It will result in a 60% workforce increase of the age 18-25 group in the decade of the sixties. (13) During the same period the age 35 to 55 group won't increase at all. (15) These young people are obsessed with education and are remarkably sophisticated. Their increasing presence in the workforce will substantially change its orientation.

Other indicators are worthy of note. A steady downward creep of working hours of about 1/2% a year has provided more leisure time. (12)

Capital investment per worker has doubled in the last twenty years. (10) This investment has speeded automation and technological change - a development that has shifted much work emphasis from physical to mental. It has obsoleted millions of menial and dirty jobs and has brought the worker a heightened sense of personal dignity.

This shift in values not only affects a man as an employee, it affects him as a union member. This is particularly manifest in the attitudes of the younger group. In a perceptive article in the August 1965 issue, the AFL/CIO American Federationist had this to say:

"Increasingly unions are finding that a large part of their membership consists of young workers who have entered the trade long after union conditions had been securely established."

The article goes on to observe:

"Often these young members are indifferent to the union; sometimes they are even hostile to it." (16)

In a sense this indifference or even hostility is not surprising considering the manner in which most workers become union members today. Twenty years ago a man either sold himself or was sold by others on the value of union membership. In affirmation and often with enthusiasm he stepped up and joined the organization.

Not so today, or at least not so for about four out of five new members. In many of the 80% of the nation's labor contracts that carry union shop provisions, there's no sales talk, no indoctrination, no extending the hand of brotherhood. Membership "just happens." And often the first overt indication the worker has that he is a member is when he gets a short paycheck because of the first dues deduction. It would be of interest to see a study made of just how much of the growing union membership unrest might be traced to this underlying phenomenon.

Unions are acting to counter this problem. The Federationist article tells how some locals are teaching these new members something of union history and struggle. The object is, of course, to get them to appreciate their union. This is surely necessary. But perhaps what is even more necessary is for both unions and management to appreciate the new workers - appreciate and accommodate their difference in attitude and values. Little can be gained from insisting they join in a tilt of old windmills. Until this is done with greater perception our bargaining results will often come in for a rough reception on the shop floor and in the union hall.

This contention that worker values are changing is illustrated by the experience of the Lockheed company in its 1965 negotiations with the Machinists' union. The story needs a bit of background.

In 1962 the Lockheed company and the Machinists' union experienced one of the most hectic and protracted negotiations known to man. They were at it tooth and nail for eight months. They went through an industry-wide impasse, a presidential fact-finding committee, a short strike, a Tatt-Hartley injunction and half a dozen lesser tactical gambits. The final settlement was marked by mutual exhaustion. But the experience had the merit of convincing both parties that there must be a better way. Accordingly, a wide-ranging cooperation program was established and effective lines of communication were opened from top to bottom. These steps worked well.

But more than a healthy bargaining climate is needed to produce an agreement. So in preparation for the 1965 negotiations the company put in motion an intensive study of the needs, habits and attitudes of the workforce.

Here an interesting pattern was uncovered. Average pay had climbed 40% in ten years. Wages had gone up three times as fast as living costs. Education level had risen markedly. Spending habits showed a trend to substantive purchases. Few employees had equity investments but many expressed a strong interest in them.

Examination of credit union participation was particularly revealing. Eighty percent of the employees were participating at a rate averaging \$40 monthly. Yet it was noticed that a significant number of welfare fund cases still occurred for employees who suddenly suffered an emergency need for a bundle of cash.

Examination of benefit programs was equally revealing. Though the company's pension plan equalled any in the industry, employees were still retiring with only modest monthly benefits. And few of the retirees had much savings. For some adversities, like long-term disability, no satisfactory provision existed. And there were other lesser gaps in benefit coverage.

From this analysis it became apparent something new was needed. A versatile benefit that would provide help in almost every adversity, one in which an employee could participate directly and one where he could make equity investments if he wished.

A search was undertaken for something to fill this need. It appeared that a matching employee savings plan of the kind used largely for salaried employees in some industries might be the answer. But many said unions would have nothing to do with these plans. Participation would be voluntary, unions want everyone covered. They were contributory, unions want the company to foot the bills. They were complicated, too hard to explain to a union hall mass meeting. And, it was said that unions opposed them on the basis of economic philosophy, that because of the savings feature the plans took money out of the stream of purchasing power.

Normally this might have been considered too formidable a series of obstacles. But the company was convinced the basic concept of such a plan was tailor-made to its employees' need.

So the objections were examined one by one. Experience over the years had shown that the Machinists' union was more democratic than doctrinaire—that it was quite responsive to member needs. So it was concluded that if solutions could be worked out for the other objections, the philosophic objection might disappear. To solve the objection to the contributory and voluntary features, a two part program was developed. One part covered all employees and was wholly paid for by the company. The other part was voluntary and contributory. To meet the "complexity" objection a plan was devised as simple in form as it was versatile in coverage.

The Machinists took a sounding among their members. The members wanted it. So the program formed the basis of the ultimate contract settlement.

Today, both the company and the union concur that a more immediately popular benefit has seldom been established. Nearly 90% signed up for the voluntary portion. And if testament to the changing values of today's workforce is needed, examine how the employees chose to have their money invested. Three out of four chose equities over bonds. "Every worker a capitalist!" wrote Harry Bernstein, the Los Angeles Times Labor Reporter.

This story is not intended to popularize savings plans. For many situations they are unsuitable. But the experience does point up the rewards that can spring from concentration on meeting changing employee needs. And it suggests bargainers not be dissuaded from pursuing solutions that appear to be in conflict with outworn concepts.

IV

A purpose of this conference is to examine some of the processes intended to provide a non-crisis atmosphere for bargaining. The word "crisis" suffers from a severe case of over usage. Machinists' union president, Roy Siemiller made a sage observation last month to the effect that one man's inconvenience is another man's crisis. (17) Nonetheless, many new bargaining processes have been widely cited in recent years as salubrious solutions to current bargaining ills and they bear examination.

Early bargaining is one of the more widely touted processes. If it is desired by both parties and if bargaining problems are so extensive that normal bargaining cannot deal with them adequately, early bargaining can prove helpful. But these are two big "ifs." They probably characterize the exception rather than the rule. There is nothing moral or inherently "good" about early bargaining as some of its protagonists seem to claim. It may be a useful device, it may be a diversionary political tactic or it may simply be unnecessary. Just which of the three it is must be determined by the situation.

The use of third parties to assist the bargainers has its champions. One is tempted to add, particularly among the third parties. For technical assistance or mediation service-type monitoring they may prove quite helpful.

Men become third parties because they gain superior insight into and resourcefulness about the bargaining process. But occasionally a puzzling circumstance can develop. Seemingly without realizing what they are doing, some of these talented men decide that a better way to solve prevailing problems is to substitute their own expertise for the bargaining process itself. When this happens, instead of helping the process, they unwittingly undermine it.

American union membership has not yet decided just where it stands regarding such joint company/union endeavors as cooperation programs and joint study committees. The membership still wonders whether the ultimate results of these endeavors will be to solve labor problems or to taint union representatives with management philosophy. In consequence, experiments in this direction must proceed with delicacy and circumspection. To the union leader a question of relative political value hangs in the balance - whether it is wiser to engage in pot-shotting from a distance with indifferent results or to try joint problem solving with concrete but compromise results.

It takes skill and courageous leadership to make these cooperative ventures work. They must flourish in the no-man's land of periodic eyeball to eyeball confrontation and the temptation to retreat to the high dry ground just outside verbal artillery range remains great. As long as this condition prevails these techniques simply have to be used selectively.

A weakness of these well intended and often useful processes is that they are so vulnerable to the triple "P" of bargaining - Power, Politics and Perfidy. If one party starts taking advantage of a perceptible shift in the balance of power, or if a disingenuous union politician chooses to exploit some latent membership suspicion, or if some even minor trust is violated the lid can blow.

Professor Northrup has called attention to the fact that the most noteworthy instances of the successful use of these new processes occur where the economics of the situation make their use mutually advantageous. (18) This circumstance insures that, at least at the outset, the process will be welcomed and supported by both parties. Unfortunately, such conditions change and with them desires. This underscores the judgment and these processes are short-range tactical devices and not long-range policy solutions.

However, this observation is not offered to write off their usefulness. Situations do occur where relationships deteriorate, where for economic or some other persuasive reason, it is desirable to introduce a new element into a bargaining relationship. Under such circumstances a careful selection and skillful employment of one of these new techniques may prove to be just the tonic needed to re-establish a healthy climate for subsequent normal bargaining.

A basic element exists about these processes that has escaped critical comment. Publicity can kill them. When over-praised and over-publicized the parties can easily become over-committed and over-dependent on them. Then, because their usefulness is apt to be of short range, the time comes when they must be revised or junked. But because of their publicity they may have acquired a halo that makes it awkward to set them aside. So there exists a temptation to go through the motions of continuing them. Few things breed trouble in bargaining more than going through motions.

Realism prompts one to keep these new devices in perspective. These things are what they are - processes and techniques - they are not results. They are no substitute for results and they will not insure results.

One final thought on this subject. Too often the champions of these new processes and other proposals for improvement of collective bargaining appear to be prompted by an unattainable objective. They are in search of 100% industrial peace.

We live in an era when polarization of thought occurs with disturbing ease. Things become sa crosanct without adequate examination of alternatives. "Labor peace in the public interest" ranks high on the list of such polarized attitudes. If this attitude crystallizes much further one wonders just what sort of peaceful, stagnant, inefficient industrial society we may wind up with. As one observer aptly comments: "The price we are paying for free bargaining in this country is a small one and we should not be reluctant to pay it." (19)

What, then, is going to happen to collective bargaining? One would like to predict great things. But it can't be done.

Ours is already too much the era of the "excessive expectation" - a phenomenon born of too much loose talk about the glories of the morrow.

No purpose will be served in adding to the impact of this phenomenon by predicting great things for the immediate future of collective bargaining.

It has been suggested here, however, that significant improvement is possible if both labor and management concentrate their attention on meeting the changing needs of today's employee, if we not throttle the nation's productive machinery with a maze of restrictive provisions, and if the rash of new bargaining processes and techniques that have sometimes been offered as panaceas be viewed in a wholly different perspective - that they be regarded as effective tactical devices to be used selectively when the situation warrants.