

INSTITUTE OF INDUSTRIAL RELATIONS

BULLETIN

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Annual Labor Relations Conference To be Held at San Francisco in May

Two-Day Meeting Will Cover Important Current Developments

The Institute's Tenth Annual Labor Relations Conference will be held on May 25 and 26 at the Sheraton-Palace Hotel in San Francisco.

Nationally known authorities in the field of industrial relations have been invited to address the approximately 200 civic leaders and representatives of labor and management groups who attend the yearly conference.

In a session planned to cover current labor legislation, speakers will discuss bills aimed at the regulation of labor unions and suggested amendments to the Taft-Hartley Act.

Labor relations in public agencies, the employment problems of older workers, and collective bargaining in an era of inflation are also included in the tentative agenda of the conference.

More complete information on the program of the 1959 Labor Relations Conference will be published in the Institute's April *Bulletin*.

Human Relations Course Planned for Supervisors

"Human Factors in Supervision and Leadership," a short Institute course designed for supervisors at intermediate levels, will start April 9.

Meetings will be held each Thursday through May 28 from 4:30 to 9 p.m., with intermissions for dinner.

Primary purpose of the course is to develop understanding of the fundamentals of supervision and leadership in relation to situations encountered on the job. Particular attention will be given to problems of motivation, communication, perception, attitudes, and morale. There will be full opportunity for participants to discuss their supervisory experiences.

The course will be conducted by Professors Sam Trull of the School of Business and Lyman W. Porter of the Psychology Department.

More complete information and application forms will be available at the end of this month.

Unions, Institute Give Conference on Problems In Public Employment

The Institute's Second Annual Conference on Labor Relations in Public Employment was held on February 7.

Unions cooperating in the conference included the American Federation of Government Employees, State, County, and Municipal Employees, Teachers, Building Service Employees, Fire Fighters, Machinists, Electrical Workers, Operating Engineers, Letter Carriers, and Post Office Clerks.

Major addresses were given by: Irving Bernstein, Research Associate at the UCLA Institute of Industrial Relations, who opened the conference with a speech on "A Labor Relations Policy for Public Employees"; Joseph P. Harris, Professor of Political Science, who spoke during the luncheon session on "The Political Rights of Public Employees"; and Earl Cheit, Associate Research Economist at the Institute, who described "The Grievance Process in Public Employment."

Two panel discussions were held in the morning, one for federal employees and the other for state and local employees. Participants were: Philip Burton, San Francisco Assemblyman; John Dana, Chief, Wages and Industrial Relations, B.L.S., San Francisco; Leonard Hardie, Industrial Relations Officer, M.S.T.S.; Van Dusen Kennedy, Institute Research Economist; Frank Newman, Professor of Law; R. N. Nickerson, Internal Revenue Service; Mathew To-briner, labor attorney.

Participants in two afternoon panels were: Arnold O. Anderson, Industrial Relations Officer, Alameda Naval Air Station; John J. Boyle, Field Representative, Home Financing Agency; Joseph Garbarino, Institute Associate Research Economist; Joseph Grodin, labor attorney; Mason Haire, Professor of Psychology; Helen Nelson, State Department of Industrial Relations.

About 250 representatives of unions, employee associations, and government agencies attended the conference.

Professor Philip Taft Joins Research Staff For Spring Semester

Philip Taft, Professor of Industrial Relations at Brown University, has joined the Institute as a Research Economist.

Widely recognized as one of the nation's foremost experts on the history of the American labor movement, Dr. Taft will also hold a one-semester appointment as Visiting Professor in the School of Business Administration.

Dr. Taft has recently completed the first volume of what will probably be the definitive work on the history of the American Federation of Labor, *The AFL in the Time of Compers* (New York: Harper, 1957). His past publications include such books as: *Economics and Problems of Labor* (New York: Stackpole, 1942) and *The Structure and Government of Labor Unions* (Cambridge: Harvard University Press, 1954). He is also the author of a widely read monograph on *Corruption and Racketeering in the Labor Movement*.

During April and May, Dr. Taft will deliver a series of public lectures on "The Changing Role of the Federation in the American Labor Movement."

Aging Worker Problems Studied by Governor

Margaret S. Gordon, Associate Director of the Institute, was recently asked by Governor Edmund G. Brown to participate in a conference on the problems of job discrimination against the aged person in California.

The January 15 meeting of experts in the field was called for the purpose of collecting information to be used in the framing of possible future legislation on the issue.

The Institute will continue to concern itself with the problems of older workers this year, as it has in the past. The Community Services branch will present a one-day conference on the subject for union members in late March or early April.

In addition, one of the sessions of the Institute's annual Labor Relations and Arbitration Conference in May will deal with "Employment Problems of Older Workers."

CURRENT RESEARCH ACTIVITIES

Five Institute studies have been accepted for publication in book form by the University of California Press and will appear during 1959. They include: *Health Plans and Collective Bargaining* by Joseph W. Garbarino, *Labor Relations in Northern California, 1900-1918* by Robert E. L. Knight, *Trade Union Development and Industrial Relations in the British West Indies* by William H. Knowles, *Discipline and Discharge in the Unionized Firm* by Orme W. Phelps, and *Old Age and Political Behavior: A Case Study* by Frank A. Pinner, Paul Jacobs, and Phillip Selznick.

Just off the press is a volume of essays on *Labor and Economic Development*, edited by Walter Galenson. The book is the third in a series of Institute studies published by John Wiley & Sons.

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J. Keith Mann, Professor of Law at Stanford University Law School, has joined the Institute research staff on a part-time basis to work on a study of interunion conflict. The study will be particularly concerned with attempts at adjustment of interunion disputes within the labor movement and with the role of the courts and government agencies in these disputes.

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Kunio Odaka, Professor of Sociology at the University of Tokyo, has been appointed Institute Research Associate for the remainder of the present academic year. Professor Odaka is known for his extensive writings on occupational sociology, human relations, and labor problems in Japan. Although most of his publications are available only in Japanese, he is the author of several articles which have appeared in English in American sociological journals.

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Work on the Institute's three-year study of occupational disability is proceeding on schedule. Under the direction of Dr. Earl F. Cheit, interviews with some 1,600 victims of industrial accidents throughout the state have been completed and are now being analyzed. It is anticipated that the statistical work on the project will be completed by the end of the current academic year and that a volume reporting the results of the study will be ready for publication by 1960. The project was described more fully in the *Bulletin* of March 1958.

INSTITUTE PUBLICATIONS

Recent Reprints

Private Health Insurance: Part I, by Herman M. and Anne R. Somers (No. 113). There has been an amazing growth in private health insurance in the United States over the last two decades. As recently as 1940 less than 10 per cent of the population had any hospital insurance, only 4 per cent had some surgical coverage, and slightly over 2 per cent had any form of non-surgical medical insurance. By the end of 1957, the percentages were roughly 71, 64, and 42 respectively. In this paper, the first of two articles examining voluntary health insurance, the authors describe the factors which have caused increased demand for health services and the effect which this demand has had, in turn, on the organization and character of medical care.

The Conceptual and Legislative Framework of Labor Relations in India, by Van D. Kennedy (No. 114). To the western observer, the policies of the Indian Government toward collective bargaining seem puzzlingly inconsistent with current practices. On one hand, government leaders have declared themselves in favor of the development of free union-management relations; on the other hand, liberal labor legislation enacted in 1947 has never been implemented and collective bargaining continues to be supervised closely by the government. The author attempts to identify and clarify some of the factors which influence policy and practice in Indian labor relations.

Socialism—Left and Right—East and West, by Seymour Martin Lipset (No. 115). Historical and contemporary evidence suggests that political radicalism in working-class movements is directly related to the process and state of industrialization. Lipset investigates the nature and extent of leftist extremism today in eastern nations as compared with past experience in more industrialized western countries.

Austria's Socialists in the Trend Toward a Two-Party System, by Charles A. Gulick (No. 116). There have been four general and two presidential elections in Austria since the formation of the Second Republic in 1945. The Socialist Party of Austria (SPOe) has won the presidency twice and secured the greatest number of popular votes in one parliamentary election; its chief opponent, the Austrian People's Party (OeVP), has three times received the largest number of votes in Nationalrat elections. In a careful analysis, Gulick concludes that the sequence of events since 1945 has foreshadowed the re-emergence of forces favorable to a two-party pattern, in spite of countercurrents that for a time appeared to presage a three- or multi-party system.

Human Relations in Industry: Research and Concepts, by William H. Knowles (No. 117). Work in industrial human relations has displayed two main trends that are so interwoven as to cause confusion and controversy. In one case there has been a tendency toward an anti-intellectual and mystical approach which is inclined to raise the study of groups to the level of a utopian ideology. The second trend has been the application to industry of concepts and research in the social sciences. After tracing the general direction of the work which has been done since the studies of Elton Mayo and summarizing current major concepts, Knowles raises a question as to whether or not the study of industrial human relations may be reaching a dead end.

Private Health Insurance: Part II, by Herman M. and Anne R. Somers (No. 118). In the second of two articles describing voluntary health insurance, the authors outline briefly some major health insurance programs; discuss major challenges facing the private health insurance industry today (for example, whether benefits to the insured can be made adequate in relation to an enlarged concept of medical needs and whether such a goal can be achieved at a feasible price); and assess the future of health insurance in the light of present problems and the changing social environment.

The Constitution and Government of the AFL-CIO, by John Hutchinson (No. 119). The American labor movement has been the subject of considerable public attention over the last few years, owing to the charges of corruption which have been leveled at particular unions. The structure and policies of the recently merged AFL-CIO have had, and undoubtedly will continue to have, an important effect in this area. Hutchinson's study covers in some detail the constitutional and administrative framework of the newly merged AFL-CIO, the special internal problems which exist, particularly corruption and jurisdiction, and the prospects of the federation in the light of these internal difficulties.

(Single copies free; additional copies 20 cents each.)

PROBLEMS IN LABOR ARBITRATION

by Arthur M. Ross

(The following is an excerpt from a speech given by Dr. Ross at the annual meeting of the National Academy of Arbitrators on January 29 at Detroit, Mich.)

Great progress has been made in the development of arbitration, particularly during the past 15 years. Most collective bargaining agreements now contain arbitration clauses and most of the no-strike and no-lockout pledges are observed most of the time. The permanent arbitration system has spread widely, and covers at least 40 per cent of all unionized workers and at least 50 per cent of those in manufacturing industries.

While a few losing parties seek to circumvent distasteful awards, the vast majority comply in good faith. Furthermore, there is an increasing supply of competent and experienced arbitrators, with a better understanding of their judicial function. Labor and management have become more sophisticated in selecting and evaluating arbitrators. Certainly the old-fashioned box-score method, the crude "expendability" concept, etc., have declined in popularity. Finally arbitration has made an important contribution to personnel practices as the reasoning of arbitrators has been accepted into the thinking of management and union officials.

Thus times have changed. Fifteen years ago the major problems of arbitration were those of becoming more widely used, getting better established, being more fully understood. To a large extent these problems have been overcome.

New difficulties

In fact, the chief problems of arbitration today stem from its widespread acceptance, popularity, and respectability. Some of the traditional values of the process—the flexible, speedy, and economical procedure, the avoidance of dilatory maneuvers, the likelihood of substantial justice—are losing ground.

There is no doubt, for example, that some parties arbitrate too much. Arbitration becomes a mill rather than a court of last resort, a substitute for the grievance procedure rather than a means of strengthening it. Issues multiply through a process of continuous division and subdivision, so that trivial disputes which should have been buried at Step I of the grievance procedure are solemnly and painstakingly dissected in a full-dress hearing.

A related problem is that many com-

pany and union officials are reluctant to settle disputes on a sensible, equitable basis in the grievance procedure. Sometimes they are too much in awe of the arbitrators, digest writers, commentators, etc., and are fearful of making decisions out of line with the thinking of these authorities. More often they have a practical fear of creating a binding precedent which will rise to haunt them in some future arbitration case.

Risks of compromise

While reports, digests, and summaries of decisions have been useful in many ways, I am afraid they have cultivated attitudes of passivity and dependence. And I must say that arbitrators have unwittingly fostered the same attitude by their propensity to elevate an isolated or occasional grievance settlement to the status and dignity of an "established past practice." How can parties be expected to compromise when the risks of compromise become so great?

Another disturbing tendency is the unnecessarily dilatory and expensive character of many arbitration cases. I am not delivering a diatribe against lawyers, transcripts, and briefs at this point. Important cases ought to be carefully presented and parties are entitled to the most effective spokesmen they can obtain. But many sources of delay and expense have nothing to do with careful presentation or skillful representation.

I refer to the many months which pass before some cases are referred to arbitration; long delays in selecting *ad hoc* arbitrators; overloaded dockets in some of the umpire systems; excessively elaborate exchanges of briefs; poorly prepared representatives who convert hearings into exploratory operations; and excessive postponements of hearings and briefs. The combined result of these delays is that the average length of time between the filing of a grievance and the rendering of the arbitration award increased 50 per cent between 1946 and 1956. The average is 200 days, but we have all seen cases which have passed their first and second birthdays.

'Creeping legalism'

There is also the dangerous drift toward reliance on technicalities, described as "creeping legalism." When a case is decided according to whether a shop committeeman cited the proper section of the contract in filing the original grievance, we are not too far away from the system of strict pleadings which

was supposed to have been abandoned more than a century ago.

The greatest need today, therefore, is not one of urging more people to adopt arbitration clauses, or persuading them to use these clauses, or convincing them to accept unwelcome decisions. The need is rather to restore and protect some of the traditional values of labor arbitration which have been thrown into jeopardy.

I expect the law can make relatively little contribution toward the next stage of development. The law can hold employers and unions to their arbitration agreements. It can strive to avoid judging the merits of cases when questions of arbitrability are raised, although we may be a little foolish in expecting the best of both worlds. The law can encourage the use of arbitration to settle controversies which might alternatively be brought before administrative agencies or into court.

But the law cannot pull arbitration out of a rut, nor reinvest it with creative energy. As Benjamin Aaron has observed, the challenge is for the parties and the arbitrators: "to demonstrate, by their actions and their teaching, that the benefits of industrial self-government far outweigh its imperfections."

Future development

It can be done. We have seen the successful use of arbitration for resolving jurisdictional and organizational disputes, protecting the rights of individuals and minorities inside unions, and for other novel purposes. Arbitrators can help the parties regain the habit of self-reliance by settling disputes at any stage—before the hearing, during the hearing, after the hearing. The repetitive submission of routine grievances which never solve any real issue can successfully be discouraged. The arbitrators can take more responsibility for an orderly and sensible hearing and the parties can eliminate wasteful and time-consuming practices which are the result of thoughtlessness or lack of preparation.

All of this can be done without "adding to, subtracting from or otherwise modifying the contract"; without undermining the hard-won rights of labor or diluting the prerogatives of management; without denying due process; and without mediating cases.

It can be done, if the parties and the arbitrators think of arbitration not as a mechanical routine, but as a creative instrument in the development of better industrial relations under a system of economic freedom.

ECONOMICS FOR TEACHERS . . .

OAKLAND—'The Worker and His Industrial Community'

As part of its project to further education in economics, the Institute is presenting a five-week seminar for Oakland high school and city college social studies teachers on "The Worker and His Industrial Community." Scheduled for Wednesday afternoons from February 13 to March 18, the seminar will be led by Van Dusen Kennedy, Professor of Industrial Relations at the University and a member of the Institute's research staff.

Helen J. Mitchell, Supervisor of Social Studies for the Oakland Public Schools, and Virginia B. Smith of the Institute staff developed the program in cooperation with the Northern California Council on Economic Education. It is hoped that the series, which is a pilot project, may prove to be the answer to the problem of providing current and reliable information on industrial topics to teachers who must instruct persons about to enter the labor force.

At the first meeting, Professor Kennedy will deal in general terms with industrial relations in the United States and in the Bay Area. The structure and processes of Bay Area labor-management relations will be described for the teachers at the February 25 and March 4 meetings by prominent local labor and management representatives: John Bristow, Executive Vice President, California Processors and Growers; Richard Groulx, Assistant Secretary, Alameda Central Labor Council; John Kinnick, President, Office Employees International Union, Local 29; William H. Smith, Research Director, Federated Employers of San Francisco.

On March 11, Earl Cheit, Acting Associate Professor of Economics at the University and a member of the Institute's research staff, will explain the public and private measures which exist to provide economic security to individuals. Leon Lee, Director of the Institute of Industrial Relations at San Jose State College, will speak at the concluding session on government agencies and policies in the field of labor-management relations.

PETALUMA—'Economic Issues in Our Modern Society'

Over 200 teachers attended a conference on "Economic Issues in Our Modern Society" on February 13 at Petaluma. The Institute, the Petaluma schools, and the Northern California Council on Economic Education developed the program as a substitute for the area's traditional Business Education Day.

Three speakers addressed general sessions of the one-day conference: Earl Cheit, Acting Associate Professor of Economics at the University and member of the Institute's research staff, spoke on "The Economic Security of Individuals"; Joseph W. Garbarino, Institute Research Economist and Associate Professor of Business Administration, covered "Inflation: Problems and Policies"; Leon Lee, Director of the Institute of Industrial Relations at San Jose State College, described "The Nature of Our American Economy."

The conference program also included 17 workshops in which participants dealt with such subjects as current issues in organized labor, consumer problems, inflation, and full employment. Workshop leaders were drawn from private industry, the AFL-CIO, and the State Department of Education, as well as from the faculties of the University of California at Berkeley and Los Angeles, Stanford University, San Francisco State College, San Jose State College, and the Naval Postgraduate School at Monterey.

Second Personnel Workshop Planned for Early March

The Personnel Workshop on Testing and Interviewing in Employee Selection and Appraisal will be offered again in early March.

Plans are being made in cooperation with Barbara A. Kirk, Manager of the Counseling Center, and other members of the University staff.

The program will take place at the University of California Extension Center in San Francisco.

Announcements and registration forms will be sent out during February.

Institute Coordinator Addresses Canadian Labor Conferences

John Hutchinson, Institute Coordinator of Labor Programs, was recently invited to address two regional education conferences of the Canadian Labour Congress.

On January 23, Hutchinson conducted a day-long seminar on problems of the American labor movement at Banff, Alberta. Three days later he spoke before a meeting of full-time CLC representatives at Vancouver, B.C., on Labor and Politics in the United States."

Business School Plans New Course for Executives

A four-week program of education for executives will be presented by the Graduate School of Business Administration from June 1-26.

The course will cover four major areas of interest: the economic, legal, and political environments in which business is conducted; organization theory and operations research; finance, marketing, and industrial relations; major developments in physical sciences and technology.

Sessions will be held on the Berkeley campus. Additional information may be obtained from the Graduate School of Business Administration, University of California, Berkeley 4.

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