

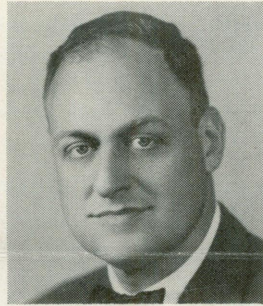
INSTITUTE OF INDUSTRIAL RELATIONS
BULLETIN

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May 1966

COLLECTIVE BARGAINING CONFERENCE

John T. Dunlop



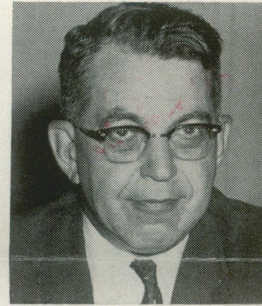
Alan Otten



I. W. Abel



James D. Hodgson



William E. Simkin

Institute's Annual Spring Meeting

A day-long conference on **The Changing Face of Collective Bargaining** will be presented by the Institute on May 17 at the Sheraton-Palace Hotel, San Francisco.

The meeting is cosponsored by the major labor and management organizations of Northern California and is open to all persons interested in important recent developments in the field of labor-management relations.

Major addresses will be given by I. W. Abel, President, United Steelworkers; John T. Dunlop, Professor of Economics, Harvard University; James D. Hodgson, Corporate Director of Industrial Relations, Lockheed Aircraft; Alan Otten, White House Correspondent, *Wall Street Journal*; William E. Simkin, Director, Federal Mediation and Conciliation Service; and Lloyd Ulman, Institute Director.

Challenges to the Bargaining Process

Following registration at 8:30 a.m., the conference will be opened by Earl F. Cheit, Executive Vice Chancellor of the University at Berkeley. The subject of the morning session is **The Developing Challenges to the Collective Bargaining Process**. John T. Dunlop will speak on "The Increasing Complexity of Collective Bargaining Issues," and Lloyd Ulman will deal with "Government Policies, Market Forces, and Collective Bargaining." Cheit will lead the discussion.

Government Intervention in the Private Sector

Alan Otten will give the luncheon address: **Government Intervention in the Private Sector—The Reactions of the Parties**.

New Concepts in Collective Bargaining—The 'Non-Crisis' Approach to Complex Issues is the afternoon subject. I. W. Abel and James D. Hodgson will give their views on the impact of such an approach on labor and management. Discussion will be led by Joseph W. Garbarino, University Professor of Business Administration.

The latter part of the afternoon will be given over to a panel of experts who will summarize and comment on the subjects raised earlier. Members of the panel will be Robert R. Grunsky, Vice President-Personnel and Industrial Relations, Ampex Corporation; Thomas Nicolopoulos, Supervisor, State Division of Conciliation; Harry Poland, San Francisco labor economist; Donald J. Robertson, Head of the Department of Social and Economic Research, University of Glasgow.

Preventive Mediation

The dinner address will be given by William E. Simkin on **Preventive Mediation Revisited**.

The fee for the conference, including lunch and dinner, is \$15. Checks should be made out to The Regents, University of California, and sent to Mrs. B. G. Cebulski, 201 California Hall, University of California, Berkeley. Further information may be obtained by phoning THornwall 8-4642.

Distinguished Experts Participate in Institute Spring Programs

Nat Weinberg, Director of Special Projects and Economic Analysis for the United Automobile Workers, AFL-CIO, was named Regents' Lecturer at the University this spring.

During his two-month appointment, Weinberg participated in several Institute programs, including the Trade Union Seminar on Economic Policy and the Labor Press Seminar. He also addressed classes, student clubs, and other University groups on the UAW and on various aspects of contemporary industrial relations and the labor movement.

Weinberg has a long and distinguished history of service in union, government, and public life. His most recent government appointment was as consultant to the President's Advisory Committee on Labor-Management Policy.

Weinberg is the first representative of the labor movement to receive the University's special Regents' Lectureship.

Donald J. Robertson, Head of the Department of Social and Economic Research, University of Glasgow, has also been at the University this semester.

Robertson spoke before the Institute's Philosophy of Management Seminar and will also participate in the Annual Industrial Relations Conference May 17.

An economic consultant to the British Government, arbitrator, and chairman of several wages councils, Robertson has been conducting research on "Contrasts in U. S. and U. K. Wage Policy."

COMMUNITY SERVICE PROGRAMS

Management

Philosophy of Management

The 1966 series of Philosophy of Management seminars, designed for a small group of senior executives, began with a discussion of the American Negro and his social and economic position in society.

Background reading included the Fall 1965 issue of *Daedalus*, which was devoted entirely to the American Negro, and several studies of management attitudes, policies, and practices in the area of hiring and promotion.

The seminars are concerned generally with the relationships between the business enterprise and the society in which it is imbedded.

Coming meetings will focus on the mechanisms by which economic decisions are made in western industrial countries.

Lloyd Ulman, Institute Director, and Professor Richard Holton, former Assistant Secretary of Commerce, are the faculty members of the group.

Supervisory Training Programs

A series of supervisory training programs has been undertaken in cooperation with the Berkeley campus personnel office.

The half-day sessions cover attitudes toward administrative policies, leadership or supervisory styles and the expected results, problems faced by the participants in a work situation, effective employee appraisal and development programs, and how to make office organization and procedures more effective.

Instructors for the Institute's part of the series include Professors Raymond E. Miles, Lyman W. Porter, Roger Vergin, and John McClure of the University.

Public Welfare Association

In cooperation with University Extension, the Institute is developing plans for a week-long executive development program for public welfare officials next November. The program is being arranged at the request of the American Public Welfare Association and is one of a series being held throughout the United States.

Seminars on Training

Plans are under way for a new seminar series which will deal with the kinds of training appropriate for various organizational objectives, methods of instituting training programs, criteria for the selection of personnel to be trained, the organizational climate which seems to be most conducive to successful training, the

Labor Center

Labor Studies Program

A two-year labor studies program has been inaugurated at Redding. It is anticipated that similar programs will prove of interest to central labor councils in other outlying areas.

Starting with a 10-week course in labor history and law, the program will later offer such courses as economics for the trade unionist, labor and the political system, and grievance handling and arbitration.

Students who complete four out of five of the courses offered will be awarded a Certificate in Labor Studies.

This is the second education program for member unions of the Five Counties Central Labor Council. The first was an eight-week course on "Communications for Labor Leaders."

Health Plan Costs

The passage of Medicare has rekindled labor interest in the problems of cost and quality which have long plagued union trustees of negotiated health and welfare plans.

The Center is cooperating with the California Council for Health Plan Alternatives, composed of key union officials, to help break down communication barriers between trustees and clarify

effects of training, alternatives to training, and the conditions and circumstances under which these alternatives seem to be most appropriate.

Human Factors in Supervision

A short course on Human Factors in Supervision and Leadership was held recently for 15 representatives of local business organizations. The six sessions included discussion of such subjects as the supervisor's relationships with superiors and subordinates, motivation, leadership approaches, barriers to communication, and perceptions, attitudes, and morale.

PG&E Conferences

Last month the Institute began the 1966 series of two-day programs for middle-management personnel of the Pacific Gas & Electric Company.

The participants spent the first day on the role of economic analysis in decision-making in the public utility industry and theories which underlie corporate finance. The second day was given over to techniques of personnel motivation and their relationship to productivity.

those cost and quality issues which are beyond the control of individual plans.

A series of regional seminars is being planned for June. The Council has, in addition, requested assistance in conducting a major evaluation of plan performance in the state.

Labor Law Course

An eight-week course in labor law has just been completed by 25 stewards and elected officers of the Communications Workers of America, Local 9415, Oakland.

Shop Stewards Training

Five shop stewards training sessions for nearly 100 stewards and officers of IAM Lodge 1781 in San Bruno are scheduled to begin next month. Each session is planned for about twenty students and will consist of an evening program on labor history and a full day devoted to grievance handling under the local's contract and the Railway Labor Act.

Fifteen telephone directory salesmen, shop stewards and officers of a new Pacific Telephone white-collar local organized by the IBEW, recently attended two weekend sessions on practical labor law and grievance handling.

A similar program was conducted for some fifty officers from Region 5 locals of the Utility Workers Union of America.

Labor Press Association

The California Labor Press Association held its first annual convention April 22-24 in Sacramento.

One full day was devoted to education. Workshops on writing and layout were provided by the Center. A half-day session on evaluation of the effectiveness of the labor press was led by Douglas Fuchs of the University's Journalism Department.

Summer Schools

Demand for summer schools remains high, with three already planned for July:

July 10-16: AFL-CIO Summer School, Santa Barbara, in cooperation with the Center at UCLA.

July 17-23: Machinists' Advanced Leadership School, Berkeley campus.

July 24-30: Steelworkers' Summer School, Berkeley campus.

War on Poverty Seminar

Labor and its role in the war on poverty was the subject of a one-day seminar held April 20 under the joint sponsorship of the Center and the Alameda County Central Labor Council.

DOES AUTOMATION CAUSE UNEMPLOYMENT?

Lloyd Ulman

(The following is excerpted from a recent paper prepared by Dr. Ulman for the Voice of America.)

What evidence is there that the increase in unemployment in the late fifties—whether structural in nature or due to deficient demand—was caused by developments in automation?

Such unemployment would presumably be associated with accelerated growth of productivity or output per man-hour. Moreover, in the short run at least, unemployment might be expected to increase most rapidly in those sectors experiencing the highest rates of technological change. However, little evidence has been found of significant relationships between changes in employment and changes in productivity. Some observers have therefore concluded that even modern advances in technology have not given rise to increased unemployment.

But this does not necessarily follow, because changes in productivity are not a reliable indicator of technological change. Increases in productivity can occur simply because of more complete and efficient utilization of existing plant and equipment during business cycle recoveries. On the other hand, changes in technology may not be reflected in output per employee or man-hour. Automation might occur in a declining industry, but if there are proportionate reductions in output and employment, no increase in productivity is recorded.

The New Technology

Cases where increased productivity has been produced by increases in output and reductions in employment have been widely regarded as dramatic evidence of the net labor-displacing effects of automation. Just as an example, in 1964, 123,000 more motor vehicles were produced with 150,000 fewer workers than in 1955. But can we conclude from such examples that current technological improvements are different in their economic effects from past changes?

During the 1957–1960 upswing, output per man-hour in both the private nonfarm economy and in manufacturing rose somewhat more rapidly than in 1948–1957. During the recovery which began in 1961, productivity rose rapidly, but, according to the Council of Economic Advisers, “The recent performance does not provide clear evidence that the long-run trend of productivity growth has changed, but there is evidence that it may have risen slightly in recent years.”

However, in the postwar period productivity definitely has been increasing more rapidly than it did over the first half of the century. Excluding the agricultural sector, where postwar increases in productivity were dramatic, we find that, in the private nonagricultural sector of the economy, the annual average rate of increase rose from 1.9 per cent for 1909–1947 to 2.4 per cent for 1947–1964—a gain of over 25 per cent.

These data are consistent with the hypothesis that the new technology has made a difference in the performance of the economy since World War II, but we must balance historical contrasts in productivity with relevant similarities.

Historical Similarities

In the first place, a comparison with the twenties reveals little difference as far as rates of productivity increase in both the total private and private nonfarm sectors are concerned, with higher rates in agriculture and railroads in recent times balanced by somewhat lower rates in manufacturing. It has been argued that historical comparisons are irrelevant with regard to structural unemployment, since structural jumps might have occurred in both the twenties and the fifties. This observation strikes one as valid; nevertheless it also suggests that the economic effects of contemporary technological change, including automation, may be similar to those experienced earlier.

Specifically, one hesitates to accept the claim that automation is capable of more rapid diffusion. An important retarding force is that technologically outmoded plant or equipment will not be scrapped as long as its operating costs remain below the total (operating plus capital) costs of new plant. While automated equipment frequently results in striking savings in operating costs, the capital costs are often very high.

Furthermore, some of the most dramatic innovations in the postwar period—such as the diesel locomotive and the oxygen furnace in basic steel—are examples of old-style technological change and not of automation. Such contributions to the high overall rates of increase in productivity in the past two decades doubtless exceed those of automation.

In view of these historical similarities, one is tempted to suggest an alternative explanation for recent higher rates of productivity growth. A clue is found in the equally high rates during the twenties. Most of that period was, like the present and recent past, unblemished by high

rates of unemployment and low rates of investment in new plant and equipment. This clue suggests that high rates of technical change and productivity growth result from full employment rather than cause unemployment.

Technological change has been raising the productivity of capital as well as labor; the former tendency has been held primarily responsible for a decline in the ratio of business fixed investment to (potential) gross national product. In this respect, technical change might well have contributed to a deficiency of demand in the period after the Korean War. But this is quite different from an oversupply relative to consumer wants. For notwithstanding the downward trend in unit capital requirements, the increase in demand during the most recent upswing has been strong enough to drive the unemployment rate well below 4 per cent. It would appear that, given sufficiently strong demand, “the traditional link between jobs and income” is still capable of providing full employment. Moreover, the declining trend in capital-output ratios began as early as World War I; it is not a recent phenomenon.

These comments are not intended to disparage the importance of the Automation Revolution. But it may be urged that less than full justice has been done by many social scientists, reformers, and others to the wonders and problems of former industrial developments. It is too frequently forgotten that considerable segments of the public blamed the unemployment of the thirties on technical change. Indeed, they received strong support from a group of engineers and allied social scientists known as the Technocrats; the latter were the Triple Revolutionaries of their day.

The Role of Full Employment

Should we achieve and maintain full employment of our resources, then the continued influence of certain historic determinants of technical change might well ensure higher rates of productivity in the future. These determinants include the rate of investment in new capital stock and the rate of increase in wages relative to capital costs. The achievement of substantially lower rates of unemployment in the future will definitely increase the former rate and probably cause the latter to increase as well. But under these circumstances, higher rates of technological change would be regarded as resulting from full employment rather than as causing unemployment.

CURRENT RESEARCH ACTIVITIES

The Institute has assumed responsibility for a research and evaluation program related to two community projects in the City of Oakland.

The first project is designed to improve employment opportunities for unemployed adult members of minority groups, particularly heads of households who are residents of Oakland. Supported partly by a Ford Foundation grant to the Oakland Department of Human Resources and partly by funds allocated to the California State Employment Service by the U. S. Department of Labor, the project is guided by a Community Advisory Committee, composed of representatives of employers, organized labor, and minority group organizations.

In the fall of 1964, special employment offices were opened in three areas in which minority group residents are concentrated—East Oakland, West Oakland, and 35th Avenue. Staffed by CSES employees, the offices seek to provide intensified placement and counseling services and to refer jobseekers to training programs. By the end of January, 6,518 jobseekers had submitted applications at these offices. Total placements amounted to 1,345 early in 1966, 105 persons had completed training programs, and 134 were enrolled in courses.

William B. Woodson, who has a Ph.D. in Counseling Psychology from Boston University, heads the research group which is evaluating the adult minority employment project. He is assisted by Susan Sheffield and Victoria Slater.

The second Oakland project is supported by Ford Foundation funds and is designed to reduce the dropout rate in several high schools. Robert C. A. Moore, formerly Executive Secretary of the Oregon State Interim Committee on Technological Employment, is responsible for evaluation of this program.

INSTITUTE PUBLICATIONS

POPULAR PAMPHLET

Sky Full of Storm: A Brief History of California Labor

By David F. Selvin

(Berkeley: Institute of Industrial Relations, 1966: \$1)

Sky Full of Storm: A Brief History of California Labor will be published late this spring, the first in a new series of popular pamphlets to be issued by the Institute's Center for Labor Research and Education.

The booklet, approximately ninety pages, is written by David F. Selvin, editor of San Francisco *Labor*, official organ of the San Francisco Labor Council. Selvin is author of two popular biographies in the labor history field: *Sam Gompers: Labor's Pioneer*, published by Abelard-Schuman, and *Eugene Debs: Rebel, Labor Leader, Prophet*, published by Lothrop, Lee & Shepard.

"The Center is proud to make available to the labor movement, to California high schools and junior colleges, and to the public generally the first popular account of 115 years of California's labor history," Don Vial, Chairman of the Center, announced.

The paperback will be available in June and will sell for \$1, with special bulk rates.

Opening with the Gold Rush days when the price of a man's labor was uniquely valuable, *Sky Full of Storm* describes the rise and fall of union strength in good times and bad; the colorful stories of Dennis Kearney, Frank Roney, Andrew Furuseth, Tom Mooney, J. B. McNamara, and Harry Bridges, among others; the long, dramatic efforts to organize migrant farm workers, from the Wheatland Hop Riots to the current grape strike; the ups and downs of "industrial freedom" in Los Angeles; and many other episodes which create a background for an understanding of the special characteristics of today's industrial relations scene in California.

RECENT REPRINTS

The Social Sciences and Management Practices, by Mason Haire (No. 266)

Retraining and Labor Market Adjustment in Western Europe, by Margaret S. Gordon (No. 267), \$1

India: Tendermindedness vs. Tough Problems, by Van D. Kennedy (No. 268)

Disguised Unemployment and the Structural Hypothesis, by Robert J. Flanagan (No. 269)

Shortages and Surpluses in Education in Underdeveloped Countries, by Harvey Leibenstein (No. 270)

Full Employment as a Policy Goal, by R. A. Gordon (No. 271)

Income Policy and Income Behavior, by Joseph W. Garbarino (No. 272)

Seasonal Unemployment and Economic Conditions, by David C. Smith (No. 273)

Structural and Deficient-Demand Unemployment Reconsidered, by Richard G. Lipsey (No. 274)

Apprenticeship: An Evaluation of the Need, by George Strauss (No. 275)

Unemployment as a Way of Life, by Paul Jacobs (No. 276)

Long-Run Welfare Criteria, by Harvey Leibenstein (No. 277)

(With the exception of Reprint No. 267, which is \$1 a copy, single reprints are free and additional copies are 20 cents each.)

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