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(West Coast Collective  
Bargaining Series)

# Nonfactory Unionism and

# Labor Relations

Van Dusen Kennedy

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**WEST COAST COLLECTIVE BARGAINING SYSTEMS**

**Edited by**

**Clark Kerr and Curtis Aller**

**Institute of Industrial Relations  
University of California, Berkeley**

Nonfactory Unionism  
AND  
Labor Relations

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VAN DUSEN KENNEDY //

INSTITUTE OF INDUSTRIAL RELATIONS  
UNIVERSITY OF CALIFORNIA, BERKELEY  
ARTHUR M. ROSS, DIRECTOR

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## FOREWORD

This is the fifth in a series of short monographs which the Institute of Industrial Relations is publishing on collective bargaining on the Pacific Coast.

This region provides a splendid locale for such a group of studies. It has been familiar with unionism, collective agreements, and industrial conflicts for more than a century. Not only are workers more highly organized than in most other regions, but employer associations are unique, both quantitatively and in the extent of their activities. In some areas, particularly the San Francisco Bay Area, central labor bodies are unusually influential in the conduct of collective bargaining. And as Clark Kerr and Curtis Aller point out in their preface, the West Coast presents a fascinating diversity of industrial and social environments which have placed their stamp on labor-management relations. For these reasons collective bargaining on the West Coast has deservedly attracted national and international interest among practitioners and students.

The editors of the series have had a wide and varied experience in analyzing industrial relations problems on the Pacific Coast and elsewhere. Clark Kerr was Director of the Institute at the time the original plans for the series were formulated. He is now Chancellor of the University of California at Berkeley, as well as a member of the Institute staff. Curtis Aller is also a member of the Institute staff and Lecturer in the School of Business Administration on the Berkeley campus.

Earlier monographs in the series dealt with collective bargaining in the motion picture, construction, and nonferrous metals industries, and with labor relations in agriculture. Subsequent mon-

ographs will analyze collective bargaining in lumber, longshoring, aircraft, and several other significant industries. The authors are drawn principally from the staff of the University of California and other Pacific Coast universities.

The author of the present monograph is Associate Professor of Industrial Relations in the School of Business Administration on the Berkeley Campus of the University of California, as well as a member of the Institute staff. Professor Kennedy is especially well qualified to deal with the characteristics of nonfactory unionism and labor relations. His earlier publications include *Arbitration in the San Francisco Hotel and Restaurant Industries* (1952) and *The Business Agent and His Union* (with Wilma Rule Krauss, 1955), as well as a number of other studies in industrial relations.

ARTHUR M. ROSS  
*Director*

## PREFACE

The West Coast has a rich and remarkably varied history of collective bargaining despite its youth as a region of economic importance. Its Embarcadero in San Francisco, its streets of Seattle, its logging camps in the Northwest, its motion picture lots in the Los Angeles area, its fisheries in Alaska, its hard rock mines on either side of the Continental Divide, among other locales, have witnessed the development of unique and consequential systems of labor-management relations.

This study of Nonfactory Unionism and Labor Relations is the fifth in a series of reports being published on individual West Coast bargaining situations. Each report is concerned with a single distinct system, whether it covers an industry, a portion of an industry, a union, or a group of unions. None of the studies purports to be an exhaustive analysis of the total collective bargaining experience of the system under survey. Rather, it is the intention to investigate one or a few central themes in each bargaining relationship—themes which relate to the essence of that relationship. The series will thus constitute a many-sided treatment of collective bargaining, illustrating both its diversity and its complexity.

Professor Kennedy has studied intensively the operations of local unions in the service industries of the San Francisco area for a number of years. One result of this research is the conviction, expressed in this study, that there are significant differences in the structure and behavior of unions resulting directly from certain key factors in their environment. The author suggests that two broadly divergent strands of unionism—respectively nonfactory and factory unionism—can be usefully distinguished as the polar extremes. Real world unions, of course, are frequently a mixture

of these two types and subject to many other important influences as well. Nevertheless, the characteristic effects of widely different economic settings can be discovered by a study of the extreme types. Such a study is a step in the direction of a more selective analysis and a more sophisticated understanding of trade unionism is thereby developed.

For the past fifteen years, the author contends, we have, as researchers, practitioners, and students, acted on the assumption that all unions closely resemble the familiar factory unions. Only by returning to the writings of an earlier generation, notably Hoxie, can we find an analysis, still remarkably valid, of the nonfactory unions.

These nonfactory unions, Kennedy finds, characteristically operate in an environment in which employers are small, turnover rapid, employment dispersed, job and working conditions widely variable, and local market factors dominant. As a result, the unions tend to be office-centered rather than plant-centered. The business agent occupies a dominant position in the nonfactory union, a role that contrasts sharply with the more limited function of the shop steward in the factory union. Moreover, as the author demonstrates, union-management relations exhibit a number of distinguishing characteristics in the two situations. In addition, the absence of formal personnel management in the typical nonfactory firm reflects the fact that many of the key concepts of personnel administration are inappropriate for the nonfactory area.

This provocative analysis provides a broad picture of a neglected area that in terms of size justifies greater attention. Nonfactory unionism, in the author's view, is dominant on the West Coast, represents about 40 per cent of the unionized workers in the United States, and may assume greater importance in the future, as the potential for unionization lies primarily in this area. Thus this sector of the union world presents a fertile area for further fruitful research.

This report has been reviewed by employer, union, and public representatives who have special familiarity with nonfactory unionism. Among those to whom thanks are due are: the late Arthur Allen, former arbitrator and chairman of the Twelfth Regional Wage Stabilization Board; Vincent H. Brown, General Manager, San Francisco Retailers' Council; Arthur Carstens, As-

VAN DUSEN KENNEDY

sistant Director, Labor Programs, Institute of Industrial Relations, University of California at Los Angeles; Jeffery Cohelan, Secretary-Treasurer, Milk Wagon Drivers and Dairy Employees Union, Local 302, A.F.L.; Sam Kagel, Attorney; Richard Liebes, Director, Research and Negotiating Service, Bay District Joint Council, Building Service Employees Union, A.F.L.; and J. A. Robertson, Assistant to the President, Pacific Maritime Association. Their willingness to study the manuscript, and to make constructive suggestions, put us deeply in their debt. Not all of the reviewers agreed with the author's sharp distinction between the two types of unionism. Final appraisal of the reviewers' comments was left to Professor Kennedy who, of course, is solely responsible for the views expressed in this study.

CLARK KERR  
CURTIS ALLER  
*Editors*

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## INTRODUCTION

The purpose of this study<sup>1</sup> is to describe and analyze certain characteristics which are manifest in much of the unionism and industrial relations on the West Coast. In the process an attempt will be made to show that American unions and labor relations may be divided into two broad configurations of unionism and relationships based on underlying differences in the physical and social conditions of employment. One configuration, which will be identified as nonfactory, is most prevalent in West Coast industries. The other, or factory configuration, is dominant in manufacturing industries.

No one set of contrasting labels conveys completely or accurately all the essential points of differentiation between the two configurations. The differences grow out of a variety of contributing conditions. It is partly a distinction between nonmanufacturing and manufacturing industry, especially between service industries and heavy manufacturing; partly between craft and industrial unionism; partly between small and large enterprise; partly between local market and regional or national market conditions.

The terms, nonfactory and factory, have been chosen because they are brief and simple and because they do refer to the most fundamental fact of differentiation. Factory is used here in the most common dictionary meaning of a building or place where workmen are employed in fabricating goods with the additional implication under modern American conditions that this means sizable concentrations of workers in single establishments engaged

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<sup>1</sup> The author wishes to acknowledge the contributions to the ideas and materials of this study made by Mr. Richard Downs, Mr. Frank Douma, and Miss Marcia Wooster in their work with him as graduate research assistants at the Institute of Industrial Relations.

in repetitive operations involving mechanical equipment. Under nonfactory conditions, then, employment is dispersed so that employees work alone or in small groups in separate work places and, implicitly, are engaged in less repetitive operations and are less subordinate to machinery. Growing out of this basic difference in the physical context of employment are many significant differences in employment relations, unionism, collective bargaining, and personnel management.

These differences have been over-looked to a surprising degree in the personnel and industrial relations literature of the last fifteen years. The textbooks in labor economics, collective bargaining, personnel management, human relations, and industrial sociology are oriented in large part by the unexpressed assumption that the factory is the typical base unit of unionism and labor relations. The more specialized research literature in these fields also reflects a strong preoccupation with factory-type employment conditions and relationships. The Yankee City series, the studies based on the Hawthorne experiments at Western Electric, the National Planning Association series on the causes of industrial peace, the Harbison and Dubin study of General Motors and Studebaker, the University of Michigan work in group dynamics, Whyte's *Pattern for Industrial Peace*, Walker's *Man on the Assembly Line*, *The Local Union* by Sayles and Strauss, the abundant flow of journal articles on local unions, union-management relations at the plant level, personnel techniques, communications and similar topics are some of the examples that readily come to mind.

There are several reasons for this preoccupation of industrial relations textbook writers and researchers. One is that industrial relations in factory industry have been in the limelight in the last twenty years. This is where the most turbulent and dramatic growth of unionism and collective bargaining has taken place. The requirements of war and defense mobilization, the stress of wage and price control, the politics of the labor movement, and the implications of large scale strikes have further focussed academic as well as public attention on these industries. Newness, glamour, controversy, and policy implications have all combined to engage the interest and research activities of students in factory-based industrial relations.

A second reason is the strong management interest and im-

petus back of much of the research and writing in the areas of personnel management, human relations, and personnel psychology. This interest comes predominantly from big industry, and, within big industry, from the management of factory-type enterprises. This is only natural. As a rule, such firms can better afford to staff and finance the more elaborate personnel programs. And it is management in the factory-type employment situation that has most occasion to use the concepts and techniques of personnel management and human relations.

Practical research considerations suggest a third explanation. A factory is a more definable, accessible, and manageable unit for the industrial relations researcher than common alternatives in nonfactory industries. For example, what is the appropriate research unit in the construction industry, the restaurant industry, retail trade, or truck transportation? Units can be defined for specific purposes, but they may be found lacking for other purposes. And whatever the unit, the gathering of data and the interviewing of the proper respondents may present more formidable obstacles for the researcher than in the factory situation.

Regardless of the reasons, the prevailing focus of current industrial relations literature and research produces a growing body of concepts and notions based on factory conditions and problems. These are gaining acceptance as stereotypes which can be applied throughout the industrial relations scene of this country. One stereotype is a trend toward centralization with a loss of function and autonomy for local union and local management and a concentration of decision making in the hands of national union officials and corporation executives. Another set of concepts deals with the work place and its relationships. A basic stereotype is the work group. Related to it is the view that in some sense the work group or plant comprises a social system, that management and union organizations in the plant have a hierarchical structure, and that the nature of communications within and between these structures is of central importance. Another stereotype is the shop steward and the foreman as primary representatives of union and management at the work level. Their training and the nature of their interrelationships and relations with employees take on great importance. Grievance procedure is seen as a formalized process engaging steward and foreman in the first instance, ascending

through a series of steps and frequently involving national officials of both the union and the company.

No one denies that the above concepts have application in substantial areas of employment in American industry. But there are other large segments of employment, unionism, and industrial relations to which these concepts do not apply or are much less applicable. It is the purpose of this study to show that where nonfactory-type employment conditions exist, as they do to an unusual degree on the West Coast, they frequently give rise to characteristics of unionism and labor relations which differ significantly from the stereotypes derived from factory conditions.

#### Extent of Nonfactory Unionism in the United States

Available data do not permit an accurate distribution of total labor union membership by factory and nonfactory types of employment in the United States. A simple breakdown of workers covered by union agreements by manufacturing and nonmanufacturing industries gives one rough indication.<sup>2</sup> However, the manufacturing classification does not necessarily mean typical factory employment conditions or unionism. Small job-shop enterprise in such industries as the metal trades and commercial printing may provide more of the characteristics of the nonfactory situation. Likewise, nonmanufacturing employment is not synonymous with nonfactory employment conditions. The large department store, hotel or central office of a big insurance company has many of the employment aspects of the factory. The problem is further complicated by the fact that there are industries and employment situations which do not fall neatly into either the factory or the nonfactory category. The maritime occupations, many of the smaller enterprises to be found in the apparel industries, a number of the occupational groups in the railroad industry, and a large part of government employment may be cited as examples which fall somewhere in between the basic types. Unionism and industrial relations in these cases often exhibit both factory and nonfactory characteristics.

Another approach to the problem is to attempt a division of

<sup>2</sup> The U. S. Bureau of Labor Statistics reported that in 1946 about 8 million workers in manufacturing and 7 million workers in nonmanufacturing industries were covered by union agreements. There has probably been little change in these proportions. *Monthly Labor Review*, 64 (May, 1947), 765.

national unions into factory and nonfactory categories according to the employment conditions experienced by their members. The difficulty is that many national unions have substantial memberships in both categories while still others fall in the intermediate types of situations just referred to. Purely for purposes of suggesting very rough approximations and illustrating the difficulties which stand in the way of generalization, I have made a series of arbitrary judgments and guesses to arrive at the following breakdown:<sup>3</sup>

<i>National unions</i>	<i>Number</i>	<i>Membership</i>
Whose members work under predominantly nonfactory conditions . . . . .	47	4,600,000
Whose members work under predominantly factory conditions . . . . .	42	5,700,000
Whose members are substantially divided between nonfactory and factory conditions . . . . .	34	3,000,000
Whose members work primarily in non- manufacturing industry but under conditions that cannot be typed as either nonfactory or factory . . . . .	57	2,000,000

One additional consideration must be kept in mind in interpreting these figures. Nonfactory unionism, as will be brought out later, has certain characteristics which distinguish its organization and mode of operation. The local or national union which acquires these characteristics by reason of operating primarily in a nonfactory environment, tends to manifest the same characteristics in the individual instances where it represents members in factory-type employment situations. Thus, the unions having members in large hotels, department stores, and offices are still nonfactory unions to a large extent. In the absence of satisfactory statistics, all that can be said is that perhaps 40 per cent of total union membership in the United States falls within the purview of nonfactory unionism and labor relations.

Extent of Nonfactory Unions on Pacific Coast  
and in California

Nonfactory unions dominate the labor movement on the Pacific Coast. There are two principal reasons for this. One is the

<sup>3</sup> Membership figures are for 1951 and have been taken from Florence Peterson, *American Labor Unions* (Rev. ed., New York: Harper and Bros., 1952), pp. 251-260.

TABLE 1  
 COMPARISON OF NONAGRICULTURAL EMPLOYMENT BY INDUSTRY DIVISION, IN WEST COAST STATES, THREE MANUFACTURING STATES, AND UNITED STATES ANNUAL AVERAGES, 1954  
 (Distribution shown in thousands and percentages)

	California	Oregon	Washington	Michigan	Ohio	Pennsylvania	United States
Total nonagricultural employment.....	3,849.6 100.0	451.0 100.0	723.1 100.0	2,288.1 100.0	2,956.0 100.0	3,619.6 100.0	48,285.0 100.0
Manufacturing.....	1,039.1 27.0	134.3 29.8	188.9 26.1	1,052.0 46.0	1,287.2 43.5	1,451.3 40.1	15,989.0 33.1
Mining.....	35.5 .9	1.3 .3	2.3 .3	16.8 .7	21.1 .7	105.3 2.9	770.0 1.6
Contract construction.....	231.7 6.0	22.2 4.9	46.8 6.5	114.3 5.0	152.0 5.1	191.3 5.3	2,527.0 5.2
Transportation and public utilities.....	334.0 8.7	45.8 10.2	62.9 8.7	143.6 6.3	217.5 7.4	308.6 8.5	4,008.0 8.3
Wholesale and retail trade.....	883.5 23.0	106.2 23.5	164.3 22.7	448.5 19.6	582.5 19.7	679.5 18.8	10,498.0 21.7
Finance, insurance, and real estate.....	173.8 4.5	17.2 3.8	29.6 4.1	67.3 2.9	94.2 3.2	129.5 3.6	2,114.0 4.4
Service and miscellaneous.....	503.4 13.1	51.9 11.5	81.9 11.3	206.5 9.0	273.1 9.2	367.9 10.2	5,629.0 11.7
Government.....	648.5 16.8	72.1 16.0	146.3 20.2	239.1 10.4	328.4 11.1	386.3 10.7	6,751.0 14.0

Source: *Employment and Earnings*, Bureau of Labor Statistics, U. S. Department of Labor, 1 (May, 1955), 49-72. Employment figures exclude proprietors, self employed persons, domestic servants, unpaid family workers, and members of the Armed Forces.

industrial composition of the coastal economy. In all three Coast states manufacturing accounts for a smaller proportion of non-agricultural employment than in the nation as a whole (see Table 1). At the same time the proportions of the nonagricultural work force in wholesale and retail trade, government, service industries, and construction are substantially higher in most instances than in the country as a whole. It is in these industries that nonfactory employment conditions prevail. When the industrial composition of the Coast states is compared with the patterns found in major manufacturing states, the contrasts are even more marked. Not only is the proportion of manufacturing employment much smaller but construction, wholesale and retail trade, the services, and government, in nearly all cases account for significantly higher relative concentrations of nonagricultural employment in the Coast states than in such states as Pennsylvania, Michigan, and Ohio.

The second reason for the predominance of nonfactory union membership in the Coast states is that the labor movement has penetrated the nonmanufacturing industries in these states more successfully than in the nation as a whole. Data on the industrial distribution of union membership in Oregon and Washington are not available. However, there is good reason to believe, because of the similarity of industrial composition between these states and California and because of the strength of the construction, teamsters, maritime, and clerks unions throughout the Coast, that the pattern of union membership in Oregon and Washington resembles that of California in most respects. The distribution of union membership in California by types of industry in 1954 was as follows:<sup>4</sup>

	<i>Number of members</i>	<i>Per cent of total</i>
Total .....	1,566,100	100
Manufacturing .....	513,000	33

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<sup>4</sup>From *Union Labor in California, 1954*, California Department of Industrial Relations, Division of Labor Statistics and Research, (San Francisco: 1955). The data are based on questionnaire returns from 94% of the local unions in the state and estimates for the locals which did not respond. Local unions were classified by industry on the basis of the principal products manufactured or services rendered by the establishments in which the largest proportion of the members of each local were employed. "Miscellaneous services" includes finance, insurance, and real estate; personal services such as laundering, cleaning, and dyeing, barber and beauty shops; business services; automobile repair; radio broadcasting and television; professional, educational, and related services.

NONFACTORY UNIONISM

Nonmanufacturing .....	1,053,000	67
Construction .....	297,800	19
Transportation and warehousing . . .	197,400	13
Public utilities .....	62,100	4
Trade, wholesale and retail .....	181,300	12
Eating and drinking places, hotels and lodging places .....	93,200	6
Motion picture production and distribution, theaters and other entertainment .....	79,100	5
Miscellaneous services .....	85,500	5
Government .....	50,100	3
Agriculture, fishing, mineral extraction .....	6,500	-

For the reasons previously stated this breakdown of union membership in California into manufacturing and nonmanufacturing categories cannot be translated directly into factory and nonfactory unionism. Nevertheless, nonmanufacturing industries do constitute the main base for nonfactory unionism. And the above figures show that a substantial majority of union members in California are employed in industries which tend to produce nonfactory unionism and labor relations.

At this point a general warning to the reader is advisable. The analysis of this study may seem to suggest that there are but two types of unionism, factory and nonfactory, which exist in sharply differentiated forms. This is one of the hazards of generalization in the field of industrial relations. The fact is that the diversity and number of industries, local and national unions and union-management relationships in the United States confront the student with a wide range of primary characteristics. These characteristics may be arrayed into a continuous spectrum of small gradations with much overlapping. But the spectrum does extend between extremes. This study attempts to illuminate characteristics apparent toward these extremes. More or less pure examples of factory and nonfactory types of unionism and labor relations do exist and in considerable numbers. In focussing on their characteristics some exaggeration is unavoidable but adequate qualification would require too much space and would obscure the analysis. The reader must bear in mind that many unions and relationships exhibit only tendencies toward the polar types on which the analysis concentrates.

To the extent that this study is based on direct field observation it depends on studies of selected local unions and their business agents made in the hotel, restaurant, retail, trucking, and other service industries in the San Francisco Bay Area. In generalizing from these cases and from wider observation of unions and bargaining in California, the assumption is made that the characteristics of unionism and union-employer relations which are produced by the economics and employment conditions of nonfactory industries in the Bay Area and California will be found to exist in large degree elsewhere in the country where the same national unions have organized the same industries.

### THE ENVIRONMENT OF NONFACTORY UNIONISM AND LABOR RELATIONS

Perhaps the single most fundamental condition which gives rise to nonfactory unionism and labor relations is that jobs are physically dispersed rather than concentrated. And the basic reason for job dispersal is that the economic functions of most of the industries involved cannot be centralized or performed in volume at a few locations. A second closely related factor is the small unit of operation. The great majority of firms in such industries as construction, retail trade, hotel and restaurant, trucking, and consumer services are small. There are some very large and some moderately large firms in these industries also which often account for substantial proportions of industry employment. However, even the largest firms typically operate through many small units. (Two basic conditions, then, confront most local unions in these industries. Their members are widely scattered at many different places of employment. And they deal with a large number of different employers.)

The economics and technologies of these industries create other conditions which are important for nonfactory unions. (Many of the industries are highly competitive. The capital requirements for entry are often low. The managerial skills of many who enter are not equal to the competitive struggle, and the rate of turnover among employers tends to be high.) Discontinuity of employment and high rates of turnover are common among employees. In some industries, e.g., construction, maritime, motion picture production, and several entertainment fields, discontinuous employment and

movement by employees among employers are inherent in the economics of the industries. Many of the industries, particularly the culinary, service, and wholesale and retail trades, employ a high proportion of unskilled workers and female workers. In a number of cases the irregularity of demand calls for a great deal of part-time and extra help. Some of these industries tend to draw heavily from minority groups and from the transient, drifter elements in the labor force. Given these employment and labor force conditions plus a high rate of turnover among employers and it becomes clear that local unions in these industries operate in an environment of impermanence and must contend with all the problems which flow from a continuous movement of workers, in and out of employment, active union membership, and among a shifting group of employers.

Another characteristic of the nonfactory situation is that each local embraces within its representation a great diversity of job and employment conditions. This results in part from facts already cited—scattered employment and numerous different competing employers. These spell great variety of product, services and management. But it is explained also by the fact that many of these industries are performing services of one kind or another. Services are neither standardized nor mass produced. Where competition between firms is primarily in quality and character of service it intensifies the striving for uniqueness by each employer and bears directly on the jobs and working conditions of his employees. The local union in the single factory situation encounters a variety of jobs and work conditions also. The difference is that in the factory the variations are based to a large extent on definable variations in mechanical processes, are given different job titles and rates of pay, and are harmonized within a single job and wage structure under a single set of personnel policies by a single management. In the nonfactory situation the variations occur *within* single job classifications as much as between them and are administered by many employers. No two bus-driving runs are quite the same. The members of a waitresses' local or a bartenders', or cooks', or hotel service workers' local encounter a range of conditions and job demands which run the whole gamut from those to be found in the cheap hamburger joint or lodging house to those of the luxury restaurant or hotel. The members of the building trades are con-

stantly on the move from one set of working conditions to another. Barbers, sales clerks, janitors, and many other workers in service trades, find that no two jobs are quite alike.

One other related characteristic of nonfactory jobs should be mentioned. Factory employment means a relatively uniform set of on-the-job human contacts for the members of the factory local union. They all work within the same physical plant facilities; their contacts are with their fellow workers and union members and with representatives of the same management. The on-the-job world of the members of a nonfactory local union has no such uniformity. They work in a great variety of physical premises and under many different managements. For many nonfactory occupations there is also a much greater variety of human contacts on the job. For delivery drivers, barbers and hair dressers, retail clerks, elevator operators, waiters and waitresses, transit workers and other like groups there is constant interchange with the consuming public. In addition, the jobs of many nonfactory workers bring them into frequent contact or working relationship with members of other local unions. This is true of the building trades, the culinary groups, building service workers, teamsters, motion picture workers, and others.

It is not clear what the precise consequences, if any, of these features of nonfactory employment may be. Some observers believe that one result is a greater awareness of public opinion, of middle class values and beliefs, and of the problems of other work groups and that this is reflected in a lesser propensity for conflict among nonfactory workers so exposed than one finds in many factory groups. I have no evidence on the point from the industries in question, but a related possibility may be suggested. Many nonfactory jobs, although not particularly demanding in the skills required, make an independent operator of the worker in a sense that is unknown on the assembling or machine-tending factory job. The nonfactory employee frequently works by himself. He, not a machine, sets the pace. He may exercise considerable discretion in deciding how to perform the job. Most important, his job may call for some investment of himself as a person; it makes some difference in the performance of his job what kind of a person he is and what effort he puts into it. This individualization of many nonfactory jobs and the fact that these workers are often in con-

tinuous contact with customers or other work groups or both may help account for the strong sense of occupational identity and allegiance to one's own local union coupled with a conservative political outlook or lack of working class orientation which seem to characterize many nonfactory work groups.<sup>5</sup>

The impact on unionism of these environmental characteristics of nonfactory work conditions will be taken up in the next section.

## CHARACTERISTICS OF NONFACTORY LOCAL UNIONS

### Importance of Local Unions

The extent to which the center of gravity within the labor movement and in union-management relations in the United States remains at the local level seems to be under-estimated in academic circles.<sup>6</sup> Nonfactory industries are the stronghold of the local union. They may succumb eventually to the drift towards centralization at the national level which has been manifest in the national market industries. But there are strong forces in nonfactory industries making for localization and in most cases these forces are still dominant. The principal force is the local character of the product market in most of these industries. Largely as a result of this fact most of the collective bargaining in these industries is local bargaining. The parties to agreements on the union side are local unions and the negotiators are local union officials. Another potent force for localization is the operation of employment controls. In most nonfactory industries the unions have compelling reasons to exert a large measure of control over hiring. This is peculiarly a function of local unions. Thirdly, there is the matter of work rules. The job and employment conditions in nonfactory industries lead these unions to erect fairly elaborate systems of rules and controls designed to protect their members. The negotia-

<sup>5</sup> See Clark Kerr and Abraham Siegel, "The Interindustry Propensity to Strike," in Arthur Kornhauser and others, eds., *Industrial Conflict* (New York: McGraw-Hill Book Co., 1954), pp. 191-196, for discussion of the relationship between jobs and community environment and the incidence of labor-management conflict.

<sup>6</sup> For example, Orme W. Phelps makes the following statement in his widely used text, "Since the great majority of trade unionists are employed in industries with more than local markets, the great majority of local unions look to the nationals for policy decisions and assistance in dealing with employers." *Introduction to Labor Economics* (2nd ed.: New York: McGraw-Hill Book Co., 1955), p. 236.

tion and enforcement of these work rules are major activities of nonfactory unions and must be carried out at the local level.

The pre-eminence of the local union in nonfactory industries, therefore, rests on a strong foundation. Operating in markets which are inherently local, it retains the key functions of negotiating the contract and exercising job control through control of hiring and policing work rules. The presence in many of these industries of big national concerns need not alter the picture.<sup>7</sup> In each locality they are confronted by essentially the same nonfactory employment relations as the small local firms. Their employees belong to the same local unions and their employees' wages and working conditions may be locally bargained and administered.

Much has been written about the inevitable institutional drift throughout the labor movement toward centralization of authority at the national level. The powers of the national union to review agreements, to withhold strike benefits, and to remove local union officers are most frequently mentioned as the sanctions by which the authority of the national union is maintained. The potential effectiveness of these sanctions is not in dispute. What is suggested here is that a basic differentiation can and must be made between the authority exercised by the national over the internal administration and politics of the union and the authority it exercises over the labor relations activities of its locals. In industries where markets and bargaining units are regional or national in scope, the national unions have good reason to retain central control in the sphere of labor relations. In many nonfactory industries this reason is lacking. And the fact that national unions in these industries possess powerful sanctions which could be invoked against local unions is less significant than the fact that generally they do not do so and that they operate in an industrial environment containing strong inherent forces for decentralization of the decision-making process.<sup>8</sup>

<sup>7</sup> The real question is whether the growth of large concerns in nonfactory industry will gradually broaden product markets or extend bargaining units until bargaining is taken out of the hands of local unions. Philip Taft has noted, for example, how the rise of national firms and over-the-road operation has led to more regional bargaining in the trucking industry and reduced the autonomy of some Teamsters' local unions. *The Structure and Government of Labor Unions* (Cambridge: Harvard University Press, 1954), p. 234.

<sup>8</sup> See Philip Taft's finding: "There is no evidence that unions in which the central organization has considerable power intervene freely in local affairs . . . the more powerful the local union, the less likely will attempts be made to intervene in its

The question is also not whether power is subject to democratic procedures. A large measure of undemocratic autocracy in the internal government of a national union may co-exist with essential self-determination in labor relations for its locals. By the same token, one finds unions in some national market factory-type industries which are quite democratic by the usual constitutional criteria but whose locals are reduced to a very narrow set of functions and responsibilities. Agreements are master contracts negotiated at the national level. Job control in the factory is a much less vital local function because there is usually no control of hiring and the work rules, if any, are simpler and must be policed only within one plant. Even with respect to the main remaining function, grievance negotiation, the factory local may be subject to guidance and final decision by the national under the master agreement.

On the other hand, there are centralizing forces at work for nonfactory unions. They operate primarily at local area levels, although the existence in California of several state-wide or regional local unions is evidence that the word, "local," can take on considerable geographic latitude. Because so many nonfactory unions have a narrow occupational base, because there are in the larger urban centers a great many locals operating either in close occupational relationship or in industries which are economically interdependent, and because there is multi-local union bargaining in several industries, it has been necessary for these unions to develop institutional devices to facilitate exchange of information, consultation, and joint action. Three types of organization meet this need—the joint board or council made up of locals of a single national union in a given area, the council of locals from several national unions in a single industry or group of trades in an area, and the central labor council of all the locals in an area affiliated with the AFL or CIO. Taken together these three types of organ-

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affairs." *Op. cit.*, pp. 133-134. There are national unions in nonfactory industries which have made certain subjects of collective bargaining matters of national policy and have gone to some lengths to enforce these policies on their locals. Retirement and health plans are examples. However, these examples would still seem to be exceptions. It might be noted on the other hand that even in those instances in nonfactory industries where national union officials participate in collective bargaining because it is more than a local affair—as in the maritime occupations and in the construction industry in northern California—the local unions retain responsibility for the important functions of hiring control and policing work rules.

ization constitute a characteristic, important, but little studied intermediate structure of unionism which exists between most nonfactory local unions and their national organizations.

The boards or councils are made up of delegates appointed or elected by the affiliated locals. Where conditions warrant these bodies employ full-time paid representatives. When a council has competent or aggressive full-time leadership, when it has been in operation long enough to gain acceptance, and, particularly, when it acquires responsibilities over collective bargaining, it naturally builds up considerable weight and authority relative to its affiliated locals. Where this occurs it results in a real measure of centralization. But several qualifications are to be noted. In most of the nonfactory situations under discussion this type of centralization is confined to the local market area, it does not bring national union officials into the picture to any great degree, the local unions retain control in matters of hiring and policing their own work rules, and the voice of the local in the affairs of its council is likely to be much more effective than the voice of the factory local in the activities of its national.

#### Size of Local Unions

The great majority of local unions in this country count their members in the low hundreds and this is at least as true of nonfactory as of factory unions. In fact, one naturally associates big local unions with the giant factory units of the auto, steel, electrical, and rubber industries. In California, however, the average size of nonfactory local unions is distinctly larger than in the country as a whole and most of the union membership is concentrated in the large locals.<sup>9</sup> Several reasons may be suggested. First, the fact that unions have penetrated nonfactory employment more successfully in California than in the rest of the nation tends to mean larger membership for each local organization. Second, a significant proportion of union members in California—12% in 1953—belong to locals having a wider geographical jurisdiction than a single area. As the following figures show these tend to be large local unions.

<sup>9</sup> All data in this discussion on local union membership in California are taken from the annual reports on *Union Labor in California* for 1953 and 1954. Some of the figures are reported for 1953 because the Division of Labor Statistics and Research has not reported the particular data for the later year.

NONFACTORY UNIONISM

LOCAL UNIONS IN CALIFORNIA HAVING MEMBERS  
IN MORE THAN ONE GEOGRAPHIC AREA IN 1953

<i>Jurisdiction</i>	<i>No. of Locals</i>	<i>Members</i>	<i>Average size</i>
All Northern California . . . . .	58	66,000	1138
All Southern California . . . . .	51	72,500	1421
Statewide . . . . .	27	44,300	1640

It is impossible to say how many members of these unions are employed under nonfactory conditions but it is probably a substantial proportion. For it tends to be in nonfactory type industries that employment conditions influence local unions to assume a broad geographic jurisdiction.

In the third place, a high proportion of the State's total union membership, as of its population, is concentrated in the two metropolitan areas around Los Angeles and San Francisco Bay, where the local unions are large. Three fourths of all union members in nonmanufacturing industries in the State were located in these two areas in 1954. The following figures indicate the larger average size of local unions in nonfactory type industries in these centers.

AVERAGE SIZE OF LOCAL UNIONS IN SELECTED NONMANUFACTURING  
INDUSTRIES, LOS ANGELES AND SAN FRANCISCO AREAS, 1953

<i>Industry</i>	<i>San Francisco Bay Area<sup>a</sup></i>	<i>Los Angeles Metropolitan Area<sup>b</sup></i>
Construction . . . . .	640	1030
Transportation and warehousing	490	500
Trade, wholesale and retail . . . .	1220	2130
Eating and drinking places, hotels and other lodging places . . . . .	2010	1990
Motion picture production and distribution, theaters and other entertainment . . . . .	320	1250

It is this concentration of union membership in two metropolitan centers which helps account for the high concentration of total union membership in large locals. In 1954 only 13% of California locals had 1,000 or more members but they accounted for over two thirds of all union members in the State.

<sup>a</sup> San Francisco Bay Area includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma counties.

<sup>b</sup> Los Angeles Metropolitan Area includes Los Angeles and Orange counties.

Comparable figures on size of unions are not available for Oregon and Washington, but the above figures on the size of local unions in California suggest that if unionism penetrates further into nonfactory type industries in the rest of the United States we may expect the average size of nonfactory local unions to grow and a similar concentration of membership in large locals in urban centers. For the size of factory locals tends to be a function of the size of plants. But the size of nonfactory locals depends more upon the size of particular industries and occupational groups in each locality and upon the penetration of unions into those work groups.

The size of local nonfactory unions has an important bearing on their other characteristics as organizations. Generally speaking, the larger the union the more employers and the greater diversity of working conditions it covers, the larger its paid staff, the more crucial its office activities, and the less close the relations between union officials and members. These attributes often seem to go hand in hand with the characteristics of what Hoxie called "business unionism."

#### Business Unionism

Most nonfactory unions in California exhibit a large proportion of the traits of business unionism as they were originally defined by Hoxie.<sup>10</sup> The locals tend to be organized on the basis of craft or occupation and, frequently, on the basis of particular segments of occupations or industries. This is true even though some of the national unions, including the Hotel and Restaurant Employees, Retail Clerks, Building Service Employees, and Theatrical Stage Employees and Moving Picture Machine Operators, have what is essentially an industrial or compound craft jurisdiction. For example, clerks are organized into food store, shoe store, department store, and drug store locals. In the San Francisco hotel and restaurant industries, cooks, waiters, waitresses, bartenders, dishwashers, and hotel service workers are organized into separate locals. The Building Service Workers have different locals for theater janitors, window washers, hospital workers, elevator operators and so on. Affiliated with the Teamsters are separate locals for milk wagon drivers, bakery wagon drivers, cab drivers, and laundry

<sup>10</sup> Robert F. Hoxie, *Trade Unionism in the United States* (2nd ed.; New York: D. Appleton and Co., 1926), pp. 45-46.

drivers. The membership of the Theatrical Stage Employees union in Hollywood is subdivided into 17 specialized locals. The San Francisco telephone directory lists more than 130 local unions which may be said to have nonfactory characteristics. Each local represents workers who are distinct from any other group in some aspect of occupation, portion of industry worked in, or union affiliation. The directory for Oakland and the East Bay area lists another 70 nonfactory type local unions.

Because of this specialization of membership and because collective bargaining is conducted by local officials within a local market frame of reference, the locals are particularistic in outlook. They think more in terms of the trade or craft and its particular submarket than of the local industry as a whole or the welfare of the total labor force in that industry. Conditions in the industry nationally or in the whole economy are even more remote. The objectives of these locals are security for the local organization, adequate control of the labor market, and the improvement and protection of their members' wages and working conditions. Leadership thoroughly accepts the existing economic system. Bargaining is seen as the natural and proper method of achieving union objectives. The strike is resorted to with reluctance but the ability to use it must always exist. And as a result of all other factors the locals tend to become leadership organizations.

These are the principal earmarks of business unions according to Hoxie. Another characteristic of nonfactory business unionism is that the locals are office-centered, whereas factory locals seem more often to be plant-centered. The members of a nonfactory local usually work at widely scattered locations and for many different employers. The members of a factory local ordinarily work in a single plant under one management; in some cases they may work at several different plants but the local is then often divided into corresponding sub-units. The activities of nonfactory unions which relate to control of employment are usually conducted at the local office rather than at the places of employment. Many nonfactory locals require their members to come to the office to pay their dues. Factory locals commonly have no employment activities to perform and the dues of their members are frequently deducted and forwarded by the employer. The key functionary of the nonfactory union is the salaried business agent who works out

of the local office. The union member who wishes counsel or assistance from the union more often than not must phone the business agent at the office or go to see him there in person. The member of the factory union typically takes his problem to a shop steward or committeeman who is a fellow employee representing him on the job in the plant. It is an inherent characteristic of the nonfactory local union, therefore, that its basic functions center in and radiate from the local office and that this office becomes in a very real sense a business office.<sup>11</sup>

### Business Agent vs. Shop Steward

A number of the most distinctive contrasts between nonfactory and factory local unions are summed up in the fact that the key union representative in the first case is the business agent and in the second the shop steward. The business agent as a union functionary has been neglected in recent literature, where the shop steward operating in the plant environment is presented as the typical local union representative at the work level. One must go back to students of unionism who were writing in a period prior to the growth of mass unionism in the manufacturing industries to find attention being paid to business agents and their unions. Hoxie,<sup>12</sup> for example, in dealing with the subject of union leaders and rank and file at the local level generalizes primarily about nonfactory, business agent-type conditions.

The key role of the business agent<sup>13</sup> in nonfactory unions is

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<sup>11</sup> It may be worth noting, incidentally, that even in unions like the International Longshoremen's and Warehousemen's Union and the Marine Cooks and Stewards in which the national and much of the local leadership is or was ideologically left-wing the day to day operations of the local unions have much in common with business unionism. The reasons are twofold. The industries covered by these unions display many of the characteristic conditions of nonfactory employment. To operate effectively these locals have had to operate like other nonfactory unions. The second reason is that the leadership has shown a thorough appreciation of the fact that its hold on the membership rested to a large degree on doing an effective job of unionism. (The past tense is used because of the demise since 1953 of the Marine Cooks and Stewards as a certified bargaining agent.)

<sup>12</sup> Hoxie, *op. cit.*, pp. 178-186.

<sup>13</sup> Throughout this study the term, "business agent," is used in a general sense and refers to all full-time, salaried, non-clerical employees of nonfactory local unions. There is considerable variation in terminology and practice among unions. Other titles in common use include business representative, business manager, financial secretary, and secretary-treasurer. Many locals employ both business agents and a full-time secretary-treasurer or business manager or president. Frequently these locals draw certain distinctions of rank, authority, and function between the business agents and the other full-time officers. For the purposes of this study these

the product of all the employment and market factors which we have attempted to sum up in the term, "nonfactory." These conditions demand that a local union of any size have one or more full-time, salaried employees working out of the union office, performing a very wide range of functions, and exercising broad powers. By the same token, nonfactory employment conditions militate against the maintenance of an effective shop steward type of representation at the work level. The number of union members at each place of employment is usually quite small and the rate of turnover among them relatively high. The stratified management hierarchy which helps support a steward system in many factory situations is largely absent. Most of the crucial union business is conducted from the union office and is in the hands of the business agent. In the absence of large numbers in concentrated work groups needing frequent representation at the work level it is difficult to keep an effective steward system alive.<sup>14</sup>

In most San Francisco Bay Area nonfactory local unions, business agents are elected to office and must stand for re-election every year or every two or three years. They come from essentially the same background of experience, training, and motivation as

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distinctions are not sufficient to invalidate the application of the single term, "business agent," to all full-time representatives of such local unions.

<sup>14</sup> This is not to say that all nonfactory local unions are lacking in effective shop steward systems. Local 688, Warehouse and Distribution Workers, in St. Louis, which is affiliated with the Teamsters Union, is an outstanding example of what can be done with an active shop steward program in an essentially nonfactory environment if the union leadership is so minded. In this particular instance, however, the membership is not as widely dispersed as is common in these industries. Many individual establishments employ several hundred union members. See *Ten Years of Trade Union Democracy in Action*, Warehouse and Distribution Workers, Local 688, International Brotherhood of Teamsters (St. Louis; 1951), pp. 36-43. In most nonfactory local unions in the San Francisco Bay Area which endeavor to have shop stewards at the work level the stewards are little more than dues collection agents and communication posts, and the business agents remain the key functionaries for their unions. It should be pointed out as well that a good many local unions in factory situations employ business agents. In these cases the business agent does not supplant the shop steward or committeeman system and his duties remain more those of an office or business manager, although he may participate in both grievance settlement and contract negotiations. See F. T. Malm, *Local 201, UE-CIO: A Case Study of a Local Industrial Union* (Ph.D. dissertation, Massachusetts Institute of Technology, 1946). The clothing industry is a good example of market and employment conditions which are intermediate between the strict nonfactory and factory types and partake of some of both. As a result, one customarily finds that both sets of functionaries, business agents and shop stewards, are very important in local clothing unions and that over the years a stable division of function and authority has been worked out between the two.

the unsalaried officers in their locals. That is, they have usually had work experience in the industry and some volunteer leadership experience in the union, but, aside from this, no specialized training for the job.

The by-laws or constitutions of these local unions usually list the business agent as one of the officers but seldom define his duties and powers in any but general terms. The business agent's job is defined rather by the conditions under which the members of his union work and the problems which they thrust upon him. The proportions between the many components of his job vary according to the size of the local and the number of full-time officials it employs, the character of the union membership and the work they perform, the structure, frequency, and quality of contract negotiations in the particular bargaining unit, the state of the local market, and the aptitudes and tastes of the individual business agent. However, the principal elements which enter into every business agent's job can be outlined.

1. Contract negotiation. In most of the nonfactory industries under discussion, bargaining units are local and the local unions participate in the negotiation of contracts. As the most active and best informed officers in the unions the business agents usually play an active role in negotiations.

2. Contract administration. On a daily basis the manifold duties falling under this heading bulk largest in the job of the average business agent. Nearly every contract in these industries contains a set of controls, protections, and perquisites known as work rules which are peculiar to the employment relations of the occupation or craft involved. It is the union's responsibility to enforce these work rules. This is partly a matter of handling grievances. In the absence of an active shop steward system the business agent is the worker's initial representative in grievance adjustment. But the unions cannot rely on worker initiated grievances for adequate enforcement of the contracts. Communications between the scattered workers and the office-based business agent are not sufficiently direct and continuous. Even more important is the fact that in these industries contract violations are more frequent than in factory industries. The typical contract is with an employers' association and covers numerous, small enterprises. Many individual employers do not know or are unable to interpret the detailed

contract provisions or believe they can evade them, so the rate of noncompliance is high.

Similar factors are at work on the employee side. There tend to be high turnover rates and frequent movement of workers between employers. Workers know and accept the fact that on-the-job conditions differ between employers. These conditions and the dispersal of workers among many employers discourage them from keeping well-informed about the contract or comparing notes and making common cause with fellow union members. It may also protect them from the prying eyes of the business agent. Under these circumstances the employee easily becomes a party, either conscious or unwitting, to noncompliance with the contract. Consequently, the business agent who is conscientious about his job and about the contract must exercise unceasing vigilance. He cannot wait for grievances to come to him; he must take the initiative and get out and see that the contract is observed, by the employers and by his own members. It is in this sense that the business agent takes on certain police functions. The experienced business agent acquires a canny awareness of the combination of factors which will lead to violations of work rules, and he makes shrewd guesses in deciding whom to suspect and where to look.

3. Maintaining the union. In most northern California nonfactory industries today, business agents are not called upon to do much organizing in the sense of extending unionism into new territory. At the same time an important aspect of the job for many is building and maintaining their unions, which are subject to several forces of attrition. The business agent must keep constant tab on the businesses which change hands and on the new entrants into the industry to see that the new employers sign up with the union. It frequently falls on him to check on new employees to see that they pay their initiation fees and their union dues. Although the business agent is usually not a regular dues collector, he must always be ready to accept and transmit payments; and he is often asked to deal with the problem of delinquent members and in general to "organize the organized."

Many of these local unions maintain a fairly constant border patrol in protection of their jurisdiction and territory. In most instances the source of the problem is the specialized base on which the local has been organized. Changes in management, in product,

in techniques, in consumer demand, and in union leadership constantly require reinterpretation of the lines of demarcation between closely related local unions. The nature of this problem in the building trades is well known, but it prevails in other nonfactory industries. It occurs between locals of different national unions, as in retail trade, where there must be an allocation of jurisdiction between Teamster warehouse workers and Retail Clerks' locals; and in hotels and hospitals, where the Building Service Employees and the Hotel and Restaurant Employees both have local unions representing similar or overlapping occupational groups; and in service stations, where the Teamsters and the Machinists both have jurisdictional claims. But the problem arises also between locals of the same national union. In San Francisco, the waiters' local is concerned that membership and organizing gains by the waitresses' local should not occur at the expense of its own members' jobs. In hotel and restaurant kitchens, the cooks' local and the miscellaneous kitchen workers' local must see to it that there is no trespassing on respective jurisdictions. Similar problems can arise within the Building Service Employees', the Teamsters', and the Retail Clerks' unions in large urban areas where the membership is subdivided into many specialized locals. Disputes have occurred between some of the locals of the Theatrical Stage Employees Union in the motion picture industry. In cases involving such unions as the Musicians and building trades the problems relate almost entirely to enforcement of geographical jurisdictions between locals.

Another source of inter-local problems is outright rival union warfare. The AFL-CIO split, left wing-right wing contests, and the expansionist activities of the Teamsters have all produced a substantial amount of this kind of warfare at the local union level on the West Coast. Whether it is patrolling jurisdictional boundary lines or engaging in the complex in-fighting of rival unionism, business agents are ordinarily in the thick of these inter-union relationships, carrying major responsibility for protecting the rights and well-being of their own locals.

4. Employment functions. Most nonfactory local unions in California exercise a large measure of control over hiring and job placement. Where this control takes the form of a hiring hall or a systematic dispatching procedure and the membership of the local is

large, the local union customarily employs specialized personnel to conduct this activity. However, the business agent is the trouble shooter when something goes wrong or special problems arise. In addition, since he is personally known to a great many workers in the industry and to many employers he is frequently asked to intercede to find jobs or to find the right men for job vacancies. In smaller locals and in industry situations where the volume of job placements is relatively low, the principal responsibility of the local union's employment function may devolve on the business agent.

5. Inter-union liaison and community relations. In the larger urban areas a nonfactory local is but one unit in a sizable network of organizations making up the labor movement in the community. The local is quite likely to be affiliated with the area council of local unions of its own parent national union or with the trades council of local unions in its industry or both, with the central labor council, and with the state federation. Business agents are frequently the local unions' delegates to these bodies. In addition, there will be an array of standing and special committees which have been set up within the local labor movement to deal with a variety of subjects such as political action, education, apprenticeship, fair employment practices, and health and welfare. The membership of these committees is heavily weighted with business agents.

To the extent that local unions become involved in community affairs which are not union oriented, it is the salaried local officer who is generally expected to serve on the boards of welfare organizations, to represent labor's viewpoint on committees, or to appear at public forums.

6. Membership welfare. In addition to everything else the business agent is expected to have time to serve his members in many ways that might appear extracurricular. The extent and variety of these activities can only be suggested by enumerating some of the problem areas in which business agents in the San Francisco Bay Area have assisted their members. The list includes income tax counseling, prosecution of workmen's compensation claims, advising on domestic family problems, securing loans, assisting alcoholics, intervening in police actions, and visiting the sick.

The above catalogue of major components in the business agent's job contains many points of likeness with the job of a shop steward. But the contrasts are striking and significant. The factory shop steward does not as a rule play a major role in negotiating union agreements. In contract administration he is much more the employee's advocate than a policeman enforcing a set of work rules. The shop steward has little occasion to become involved on the job in interunion frictions and warfare. Ordinarily, he has no responsibilities with respect to hiring or job placement. When it comes to union affairs outside the local or community relations, the average shop steward would have both fewer contacts and fewer formal responsibilities than the business agent. Finally, the shop steward tends to be called upon by his constituents for personal and welfare services outside the plant far less than the business agent.

#### Internal Relationships

Another way in which the distinctive character of the business agent and his local union may be pointed up is to define more specifically the nature of his relationships with the national union, with his fellow local officers, with the local membership, and with the employers. The nature of the autonomy enjoyed by most non-factory local unions has already been discussed. It means that the business agent and other officers of the local have responsibility over a wider range of decisions and functions than do the officers of many factory locals and that their right of self determination in these matters is much more nearly complete. It means also a difference in attitude. The business agent's focus is more steadily on the local, while the officers of a factory local which is bound by a national contract and national policy must keep a weather eye on the national union representatives.

Within the officialdom of the local union itself the business agent has a large measure of independence, certainly far more than the factory shop steward and, in some ways, more than top officers of the factory local. In the leadership of the larger factory locals there is a natural basis for some stratification ranging from the shop steward at the bottom up through the grievance committee to the president at the top. The top leadership of these locals often includes a number of unpaid officers and there is a

tendency to operate by committee decision. In the nonfactory local, on the other hand, the substructure of shop stewards and grievance committees is lacking or of less consequence. And the business agents, usually having been elected to office, have no less political standing than the unpaid officers and, because they are on the job full time, far more *de facto* operating authority.

It is difficult to generalize about the authority relationships between the several full-time paid officials of a large nonfactory local. In some cases by-laws locate chief executive responsibility in the secretary-treasurer or business manager. In other cases the secretary-treasurer or president, if a paid officer, is accorded or exercises some supervisory authority over other business agents by virtue of tradition, experience, political power in the union, or sheer force of leadership. Whatever the relationship, it is to be noted that the nature of the business agent's duties and the fact that much of his time is spent out on his beat serving a scattered membership and away from the scrutiny of other union officials gives him a large measure of operating independence.

Differences between business agent and shop steward show up nowhere more clearly than in their respective relations to rank and file members. Few nonfactory locals can afford to maintain paid business agents in a ratio to members higher than one for every 500-1,000 members, whereas in most factory establishments the ratio of shop stewards or committeemen to members probably would fall in the range of one for every 50-250 members. The business agent is a full-time employee of the union working out of the union office and serving a dispersed membership. The shop steward works in the plant and his constituents are a group of fellow workers in his department or district. The business agent is usually elected by the entire membership of the local while the shop steward normally is elected only by the group he represents. The factory worker can know his steward better and the two can communicate more easily, quickly, and frequently than the nonfactory worker and his business agent.

Attitudes are bound to differ in the two cases. Not only is the business agent somewhat remote and inaccessible in a physical sense. Because he is paid by the union, does not work at a job in the industry, and is known to have a good deal of power over both employer and employee in matters of employment and the enforce-

ment of work rules, he is identified with the union, which in turn is thought of as the small group of paid officials and the activities they carry on down at the local union office. Some rank and file responses to a questionnaire used by an Oakland, California union are interesting in this connection. One question was, "Is the union doing the kind of job you think it should?" The general membership response was overwhelmingly favorable. But several who replied in the negative made such comments as: "Don't see the business agent often enough"; "Too much front office diplomacy, not enough true representation"; "They (business agents) only come around at elections"; "Too much fraternizing with the bosses."<sup>15</sup> Sayles and Strauss have pointed out that hostility toward union officers is common among members of factory unions and that it takes two chief forms: "suspicion of officers' motives and resentment of their 'control.'"<sup>16</sup> The role of the business agent and his relationship to the rank and file member easily become the sources of just such suspicion and resentment in nonfactory unions. This is far less true in the case of the shop steward. He is a fellow-worker on the job who has been elected to champion the interests of his own particular plant group, primarily in dealing with management but, if need be, in dealing with the union.

The business agent-employer relationship bears little similarity to its counterpart in the factory situation. The business agent deals with many employers, the shop steward with one. The steward comes in contact with a fairly standard sequence of managerial representatives—foremen, department head, and industrial relations executive. The business agent meets with many types of management spokesmen, ranging from foreman to owner-proprietor and employer association representative. Because of the small scale of most nonfactory establishments, his dealings are more likely to be with managers, partners, and owners than with lower levels of supervision. And, unlike the shop steward, the business agent's authority and responsibility do not diminish as he moves up the management hierarchy. This often signifies a status difference as well. The factory shop steward is a wage earner in what is often a

<sup>15</sup> Charles C. Brisco, Jr., *Industrial Relations in the East Bay Fluid Milk Distribution Industry* (Master of Business Administration research report, University of California, Berkeley, 1953), p. 47.

<sup>16</sup> Leonard R. Sayles and George Strauss, "What the Worker Really Thinks of his Union," *Harvard Business Review*, 31 (May-June, 1953), 98.

large and frequently a giant corporate concern. Management representatives and stewards are conscious that they are separated by more than differences in authority and function. In the small-scale nonfactory enterprises the social distance between employer and union representative is often not so clear. The business agent is not a wage earner nor an employee of the employer. From the employer's point of view he is something of an independent, salaried professional, and the union for which he speaks is typically larger and more potent than the individual firm. The employer, on the other hand, is frequently a small businessman who has come from the wage earning ranks himself. Thus the business agent tends to approach many proprietors and management representatives more as an equal, in both social status and authority.

These are some of the more obvious characteristics of nonfactory, business agent, local unionism. Other characteristics are less obvious and are difficult to verify. Some possibilities will be suggested here as tendencies which would seem to flow from the other conditions and traits already discussed but which need further careful study. One might conclude, for example, that there would be even less rank and file participation in the affairs of the usual nonfactory local than in the factory local. The physical dispersal of the membership and their varying employment conditions could militate against the sense of group cohesion and community of interests which seem to foster participation.<sup>17</sup> The absence of active shop steward systems in many nonfactory unions in itself removes opportunities for rank and file participation and leadership as well as a channel of communication which may promote participation. Nor does the centralization of the key functions of these unions in the hands of full-time, paid officials encourage volunteer service from the ranks. The union member has good reason for thinking of his union as primarily an office activity and of himself as a taxpayer. Unless he is an unusual type, the business agent sees little reason to encourage member participation; and,

<sup>17</sup> George Strauss and Leonard R. Sayles, "Patterns of Participation in Local Unions," *Industrial and Labor Relations Review*, 6 (October, 1952), 36-38. The authors found that homogeneity of the work group, resulting in part from the fact that its members worked closely together in the plant, under the same supervision, doing approximately the same jobs, was an important explanation of high participation. Against the factors which discourage participation must be placed the craft or occupational basis of most nonfactory unions and their important job control functions. These factors can lead to considerable membership interest in local unions.

being a professional interested in retaining his office and authority, he may well believe that a non-participating rank and file has its advantages. Hoxie noted this as a trait of business agent leadership many years ago. When union leaders get away from the bench, he said, "their environment becomes more of the character of the employer's than of the worker's." Workers then tend to become "something to be manipulated" and leaders tend to be "men with the latent instinct of the boss and employer."<sup>18</sup> By contrast, a recent observer of local officers in a group of factory unions had this to say about their attitudes toward the rank and file: "The need for a solidified support from the union membership, in dealing with management, forces leaders to try constantly to keep the rank and file alert to current problems and issues."<sup>19</sup>

Closely related to the matter of participation is the question of local union government and political activity. If the factors reviewed above make for low rank and file participation they also should tend to reduce the amount of internal political activity. A structure of shop stewards elected to serve subgroups in a plant is an apparatus which lends itself to political activity and tends to foster it. In the absence of such an apparatus and with business agents standing for election by the entire local membership or by very large segments of it, the characteristics of nonfactory local unions do not support or encourage vigorous political processes. Furthermore, it is inherent in the position and in the duties of the business agent that he should gather unto himself large powers over the members and the affairs of the local. These powers may be exercised with respect for the limits implicit in the local by-laws or they may be abused, in which case the result is bossism or racketeering. Hoxie's very cogent summation of the factors which gave the walking delegate or business agent power in the unions he observed thirty-five years ago is still applicable to nonfactory unions today and is worth quoting:<sup>20</sup>

The peculiar duties of the walking delegate are such as to give him easy ascendancy over the rank and file. He looks out for employment for them; his duties lead him over the whole field of labor, he knows where jobs are and how to get them, he can keep a man at employment,

<sup>18</sup> Hoxie, *op. cit.*, p. 180.

<sup>19</sup> Eli Chinoy, "Local Union Leadership" in Alvin W. Gouldner, ed., *Studies in Leadership* (New York: Harper and Bros., 1950), p. 157.

<sup>20</sup> Hoxie, *op. cit.*, pp. 183-184.

or he can keep him from it; he looks after the finances of the union, he sees that the members pay their dues, or he can make it easy for them; he presents grievances to the employer and can argue the case, for he is not dependent on the "boss" and does not fear him; he can help one to agreeable conditions of work or he can leave him unassisted and unprotected. Clearly he is a man to keep on the right side of, and to keep "in" with. He is therefore bound to become powerful if he has ordinary judgment and finesse. To be sure, his term of power is brief and the union can turn him out if it wants to, constitutionally. Practically it cannot and will not, once he begins to consolidate his power. When the union thinks of choosing his successor, there is no one in the union who can do his work half so well as he. He is acquainted with the whole field of operations, and he has an accumulation of knowledge that the ordinary worker, held to his bench or machine for nine or ten hours a day, cannot have acquired. These ordinary workers naturally come more and more to rely on his judgment. Moreover, he has learned how to deal with men in general and employers in particular; he has learned how to talk and persuade. In short, he is related to the ordinary workers in the trade as the ward boss is to the average voter. He is a specialist in labor politics, with favors to give and to withhold.

As Hoxie suggests in the above quotation, one of the consequences of the business agent system in nonfactory unions may be a dearth of experienced leadership material available to succeed incumbent officials. In factory unions the shop steward system and the relatively extensive use of unpaid volunteers in various capacities serve as a training program and selection process for new leaders.

### CHARACTERISTICS OF UNION-MANAGEMENT RELATIONS IN NONFACTORY INDUSTRIES

The preceding sections have outlined the principal features which distinguish the nonfactory type of economic environment, job relations, and unionism. These features combine in turn to produce certain distinctive patterns in union-management relationships. The present section will discuss the characteristics of nonfactory labor relations and the points of contrast with factory relationships.

#### Bargaining Structure

It has been noted previously that as a result of the economics of the industries involved most nonfactory bargaining units are

local market and multi-employer in scope. This is in sharp contrast to the national, single-company bargaining units which are common in manufacturing industry. Because many nonfactory local unions are organized on a craft or similar specialized basis, with several having jurisdiction in the same market in the same industry, bargaining units in these industries are often multi-local union as well as multi-employer. Such units exist in the motion picture, construction, building service, trucking, and hotel and restaurant industries in California.

The multi-local union bargaining in these industries must be distinguished from the multi-local character of a General Motors or a U. S. Steel contract. The master agreement of manufacturing industry covers a number of local unions it is true, but the agreement is held by the national union and the locals play a subordinate role in its negotiation. And being industrial unions confronting a single employer, the locals have a basic similarity of membership and of interests. In the nonfactory bargaining units referred to, the national union either plays no part in contract negotiation or assists the local unions. In several instances each local union represents a different craft or segment of the industry and is very conscious of the particular interests of its members and of how they differ from the interests of the other locals. It is in this type of multi-local union bargaining setting that the intermediate device of the joint board or council of local unions becomes essential and may acquire real authority.<sup>21</sup>

One byproduct of the small scale of much nonfactory enterprise and of the multi-employer character of nonfactory unions and bargaining units is an element of unilateralism in the relations between these unions and the individual employer. The small employer has little hope of prevailing against the union on an issue which affects him alone. In a showdown the union can regard the few jobs he provides as expendable. From the point of view of such an employer, immersed as he is in the daily chores of the competitive struggle and conceiving of the employers' association to which he belongs as an inert body which is unresponsive to his individual

<sup>21</sup> For further discussion of bargaining structure and relationships in some of these industries, see the monographs on the motion picture and construction industries in this series and also Van Dusen Kennedy, *Arbitration in the San Francisco Hotel and Restaurant Industries* (Philadelphia: University of Pennsylvania Press, 1952), pp. 1-19.

needs or vote, the union calls the tune in most matters affecting his employees and their conditions of employment. The ordinary nonfactory local and business agent do nothing to dispel this viewpoint. In implementing employment controls, settling grievances, and enforcing work rules, they tend to look upon the individual employer not as a party to be bargained with but as a location at which the union's standards and rules are to be put into effect and policed. An extreme example of unilateralism of this type existed in the San Francisco restaurant industry in the years immediately preceding the establishment of an effective bargaining association among restaurant employers in 1941. The culinary unions had become strongly organized in the industry and followed the practice of establishing or changing union wages and work rules by printing up shop cards which set forth the current rates and rules and distributing them to employers.<sup>22</sup>

#### Employer-Employee Relations

Much that was said in the preceding section about the job of the business agent could be incorporated at this point for what it tells about the union-management relationship generally in nonfactory situations. Additional insight may be gained, however, by examining several aspects of the employer-employee relationship itself.

The foreman, a nearly universal management representative in factory work relationships, is by no means standard in nonfactory industry. A number of occupations do not lend themselves to this type of supervision. The elevator operator or janitor, the bus driver, the construction worker, the retail delivery driver, the soda fountain attendant, although under nominal supervision, in practice operate without supervision much of the time. The small establishment which is common to these industries is likely to have only a single management representative on the premises at any one time who combines in himself the functions of foreman, industrial relations man, and chief plant executive, to the extent that these functions are performed at all. He may also be owner or partner in the enterprise and performing one of the jobs normally covered by the union.

The nonfactory employee works alone or in small groups. His

<sup>22</sup> Kennedy, *op. cit.*, pp. 17-18.

job is not machine paced or controlled. Usually it consists not of a few standard elements occurring in repetitive cycle, but of many variable elements in dealing with which he exercises much discretion. Each job differs in some definable respects from others carrying the same title. Thus the nonfactory worker can see the meaning and significance of his job and of his own contribution to it. In the small enterprise or establishment he can also see the operation as a whole and the importance to its success of his own skill and effort. In this context the typical worker-employer relation is not an impersonal one between an undifferentiated badge number and a distant boss. The association is often quite close. Sometimes it is the relationship of co-workers. Their common interest in and reaction to customers may be a further tie.

Under these circumstances the nonfactory worker is more likely than his factory counterpart to take a direct interest in the satisfactory operation of his establishment or job. Where conditions also prevent him from having close ties with his union, it is understandable why these workers sometimes feel a stronger allegiance to their employers than to their unions. These observations also help explain why nonfactory unions sometimes have difficulty maintaining faithful observance of work rules at the work level and why the volume of grievances initiated by nonfactory workers is probably smaller on average than one finds among factory employees.

One other fact should be mentioned here as an influence on employer-employee relations in many nonfactory situations. The principal body of nonfactory jobs in the retail, construction, service, transportation, and amusement industries are in the mainstream of urban community life. The products and services of these industries bulk large in the daily consumption activities of the public, and the jobs are performed as a vital but ordinary and integrated part of the daily life of the city. As compared with the factory worker, large numbers of nonfactory workers perform their jobs under conditions of singular exposure—exposure not only to public view and sentiment but exposure to a variety of contacts and impressions which are inescapable when the city, rather than the factory, is the job environment. This aspect of nonfactory relations bears on the business agent and the union as well as on the workers themselves. The business agent's beat is the city or some part of it;

his concern is not with one job and one employer but with many of both; his contacts are extremely varied; and he contends with many problems which stem from the facts of urban life and consumption. The position of the nonfactory union in these industries is also multi-relational and urban as compared with factory unions. Whereas the customary orbit of the factory local is a single plant of a single employer, the nonfactory local usually deals with numerous employers. It is often a party to several contracts, each of which may differ in substantial respects from the others and require its own set of negotiations. Or the local may negotiate a master contract with an employers' association and then take identical copies of this document around to be signed individually with independent employers.

Precisely what consequences the above considerations have for employer-employee relations in these industries it is impossible to say. Two tentative suggestions may be offered. The multi-relational and urban context of many nonfactory jobs and unions may give these workers and union officials a somewhat more sophisticated outlook on their jobs and industries and the role of their unions than one finds in the membership and leaders of a factory local. In the second place, this outlook in combination with the greater community of interest which may exist between nonfactory worker and employer may help explain the moderation on economic issues, often termed statesmanship, which nonfactory unions frequently demonstrate in their relations with employers. The members of these unions may be more employer oriented and more aware of the "feel" of the market and the community in which they operate than factory workers. The nonfactory worker and his business agent are usually in a better position to check the state of the market and the employer's ability to pay by their own observation and experience. When sales or patronage fall off or increase they see it happen on the job. Intensified competition may well express itself in the personal requirements of each job.

#### Subjects of Bargaining

The differences between factory and nonfactory employment relations and unionism are necessarily reflected in certain differences of emphasis and treatment at the bargaining table and in union agreements. One of the most characteristic is in the matter

of union security. Nonfactory industries are the home of closed shop and hiring hall practices, while in factory industries one seldom finds more than union shop or maintenance of membership clauses. The reasons for the differences are obvious. Under the stable, uniform, and physically centralized employment conditions of factory industry, the security of unions is adequately assured without anything stronger than maintenance of membership or union shop provisions. Nor do these unions need to control entrance into the industry beyond the degree of control which is involved in most seniority clauses in factory industry.

For most nonfactory unions, however, more thoroughgoing guarantees of union membership and controls of hiring are imperative for both union and job security. The dispersal of each local union's membership among many employers, irregular, discontinuous, and shifting employment relations, high rates of turnover among employees and employers, and the presence in several instances of a large non-union labor supply are constant threats to the membership strength of nonfactory unions. The journeymen crafts have the additional motive of preserving existing standards. The most effective security device is union control of hiring itself. Most of the above conditions also threaten the job security of the individual employee and what he demands is a systematic, equitable means of protecting individual job rights and allocating job opportunities. Closed shop and hiring hall arrangements serve this purpose.

The importance of work rules for most nonfactory unions makes them an important subject of bargaining in these industries. Unions are constantly striving to improve and add to the rules. For employers, work rules are usually cost items in one form or another which must be held within reasonable bounds. A brief enumeration of the principal types of rules in a number of industries reveals their variety and the way in which each industry has its own structure of rules built around its own pattern of employment conditions.

In retail stores, the regulation of commission payment and the rights and obligations of sales personnel in connection with such matters as handling funds, keeping records, and returned merchandise are commonly set forth in agreements. In the construction industry, some of the most notorious and controversial craft rules

are local practices which are frequently not written into agreements. Rules on travel time and pay and specific crew or manning requirements are commonly found in construction agreements. The most characteristic work rules in the transit industry are those covering the definition and assignment of runs. The culinary unions in the hotel and restaurant industries place special emphasis on rules governing the provision of free meals, uniforms and laundry, controlling split shifts, and regulating compensation and manning for special occasions and other extra work. Some of the union groups employed by the airlines have negotiated work rules dealing with travel pay, provision of certain types of equipment, and arrangements in case of inclement weather. Longshoring on the West Coast is covered by specific work rules setting forth penalty cargo rates and sling load limits, requiring certain safety precautions, and governing the organization of work gangs. In the process of protecting the employee and his earnings in a complex and unpredictable work environment, work rules may become very detailed and quite technical. The agreement negotiated by an Automobile Salesmen's Union in the San Francisco Bay Area is something of a handbook on the intricacies of that occupation and the automobile dealer's business. Work rules may have chiefly negative purposes such as eliminating certain practices or setting limits on job requirements. The members of a janitors' local union in San Francisco considered it a notable bargaining achievement when a rule was added to their agreement prohibiting their employers from requiring janitors to clean spittoons.

There are two categories of on-the-job problems which are the subject of work rule negotiation so generally in almost all nonfactory situations that they warrant separate mention. One is hours of work. Few nonfactory industries lend themselves to the simpler forms of daily one, two, or three-shift operation or to basic five-day week schedules. Because they are consumer-services industries primarily, they must contend with a daily pattern of fluctuating and unpredictable demand. This requires the use of split shifts and overtime and the employment of much part-time and extra help. The problem of scheduling and the regulation of hours and pay in these industries constantly give rise to new bargaining issues.

The other category of work-rule problem which occurs gen-

erally is that of defining and regulating job classifications and union jurisdictions. In nonfactory industries in northern California, the two problems often merge in practice or give rise to very similar work rule treatment. Many of the local unions are organized on a rather specialized occupational basis. Even so each local commonly recognizes and bargains for a considerable number of job classifications. Since there frequently are two or more locals operating in the same industry in the same area and since their members work for many different employers under a diversity of conditions, the problem of regulation is substantial. Not only must there be rules to insure that local union does not encroach on local union but each set of job duties must be defined so as to have meaning and applicability for diverse employers. When departures from or combinations of established classifications are necessary, these must be provided for also.

In most factory industries there is little or no occasion for the various kinds of work rules which have been discussed above. The basic mechanical facts of machine operation, fabrication, and assembly make for greater regularity and predictability on the job and greater uniformity in job conditions as between individuals, as between plants, and as between different employers. The absence of the direct customer relationship means that working hours and schedules are subject to more standardized treatment with fewer exceptions and fewer special problems. One of the few examples of detailed work rules in factory industry occurs where the employees are paid on an incentive basis. In these cases unions usually introduce into their agreements more or less detailed provisions designed to protect individual worker earnings and to regulate the operation of the incentive system. The garment industries are a familiar example. The significant point of this comparison is that an incentive system of pay tends to individualize jobs and to subject the individual worker to changing and unforeseen contingencies—in other words, to put him more on a footing with the nonfactory worker.

Seniority is another bargaining subject which differs significantly in importance and method of treatment as between factory and nonfactory industries. The basic conditions of factory employment—continuous, steady employment with one employer, a sufficient number of employees in each department and classification

or interchangeable group of classifications, and a sufficient lack of personal or occupational differentiation within such groups so that length of service becomes a feasible criterion for regulating rival job claims of workers—make seniority a natural principle for adoption by both unions and employers in factory industries. In nonfactory industries, where the above conditions exist or are approximated in single establishments or in some multi-employer bargaining units, seniority rules very similar to those of factory industry are common. However, in much nonfactory enterprise these conditions do not obtain. Length of service as a regulator of job tenure in the individual establishment has little meaning and its application throughout a multi-employer bargaining unit is often impractical or undesirable. Length of service in the industry or of membership in the union are, of course, criteria of merit which are recognized in these industries. However, they tend to be applied as a control over hiring. Where the union operates a dispatching system or hiring hall they become unilaterally determined and administered criteria.

#### Contract Administration

The character of contract administration changes in several material respects as one moves from the factory to the nonfactory setting. The standard textbook model is based on a manufacturing plant. Ideally, every nook and corner, every job is subject to the constant scrutiny of a vigilant corps of shop stewards or committeemen who are continuously accessible on the job to any worker for the airing of any grievance and its potential prosecution, first with the foreman and then through a carefully spelled sequence of grievance appeal steps.

In nonfactory bargaining units the picture differs with respect to the personnel, the content, and the procedure of contract administration. The corps of shop stewards usually does not exist, at least as an operating mechanism for grievance handling. The business agent works out of the union office and his "beat" frequently covers a large area of a city. The employee who requires his attention may be competing with a thousand of his fellow workers. And grievance settlement is only one small part of the business agent's responsibilities. The nonfactory union ordinarily has not developed the leadership manpower or facilities to give its members the single-

mind ed grievance adjustment service that is found in many factory unions. On the other side, the foreman, who is management's standard grievance representative in the factory, may not even exist in the nonfactory work place. Instead, grievance handling becomes one of the duties of the proprietor himself, a manager, or a superintendent of some sort.

There is great variation in the prevailing character of contract administration problems in different industries and firms generally. But there are certain predictable differences as between nonfactory and factory situations. In many nonfactory industries, because of union control over hiring, fluid employment relationships, and the importance of service and individual job performance in the economics of the industries, there is a higher incidence of questions relating to worker qualifications for jobs in connection with hiring, layoffs and discharge.

Classification questions are an important category of grievance activity in both types of industry, but there are characteristic differences in emphasis. The factory union is chiefly interested in enforcing the plant wage structure and achieving wage gains for individual employees. The nonfactory union's interest in classification matters is often bound up with its interest in protecting the national's and its own local jurisdiction, and the job rights and opportunities of subgroups within its own membership. Job classification issues also arise out of the attempts of these unions to enforce common rules and standards on a diverse set of competing employers in a multi-employer unit.

Work rules are another prolific source of grievances and policing activities peculiar to nonfactory unions. These have been gone into previously. Other differences at the grievance level relate to differences in such bargaining subjects as hours of work and seniority as already discussed.

A final differentiation between contract administration in the factory and in the nonfactory situation can be made with respect to procedure. In the factory, grievance procedure tends to be formalized into a series of four or five well-defined steps. The grievance and action on it must be reduced to writing. Time limits are fixed for each step. Higher levels of authority are involved at each successive step. Final settlement frequently takes grievances out of local hands for decision by national union officers and cor-

poration executives. Nonfactory grievance adjustment is usually characterized by informality. More often than not, agreements do not prescribe a series of steps, time limits, or that grievances be put in writing. If the business agent cannot reach a settlement with the first management representative he deals with in the establishment, the case may go to the employers' association and the unions' joint board or council, provided these are going organizations with active representatives. Failing other settlement, the grievance will probably go to an adjustment board, a bipartite grievance negotiation device common to nonfactory, multi-employer bargaining units. Two or more employer representatives usually sit on such a board, and, if it is a multi-union unit, it will include representatives from two or more unions. If negotiation fails, grievances are usually arbitrated. In any case the entire grievance process almost always remains in local hands.

#### Personnel Management and Human Relations

Some comments on the application of personnel management and its concepts to the nonfactory situation will provide an opportunity to point up in a telling way a number of the contrasts between factory and nonfactory conditions which have been described at some length in this study.

Formal personnel management, in the sense of a specialized staff carrying on systematic personnel activities and employing appropriate techniques, is conspicuous by its absence in nonfactory industry. It is primarily a manifestation of big industry and of large work groups physically concentrated in single work places. Many of the formal techniques of personnel management, such as employment testing, job evaluation, time and motion study, training programs, and morale surveys, are simply beyond the means and competence of small nonfactory employers. They are also not suited to the economics and employment relations of nonfactory industry. The small scale and competitiveness of enterprise, the dispersal of employment, the union's control of or participation in hiring, the nonquantitative aspects and variable elements in jobs, the fact of multi-employer bargaining which causes the individual employer to look upon most essential decisions respecting his employees as being out of his hands—all these factors render impractical much of personnel management's program of action.

Another difficulty is that a number of the concepts which underlie much current work in personnel management are either inapplicable to nonfactory industry or require drastic modification. The factory is the frame of reference out of which the principles of both personnel management and human relations have chiefly evolved.<sup>23</sup> The concept of the plant as a social system is clearly most appropriate to the factory situation where one finds numerous employees and management personnel brought together in a single work group and structured by departmentalization, occupational stratification, and the presence of several levels of representation and authority in the management and union organizations. It is only in such a setting that discussion of upward, downward, and cross-communication has much meaning. In this setting, morale signifies the prevailing attitudes or disposition of a work group in response to a single set of conditions or managerial policies. In the factory, top management and top union leadership are realities, and they have roles in industrial relations which are sharply distinguished from those of foreman and steward. The foreman-steward relationship is typically viewed as the key to human relations in the factory and this is why supervisory training holds such an important place in the personnel management program. For similar reasons, grievance procedure is seen as an instrument of personnel relations. One author goes so far as to call it "the heart of personnel management in unionized industry."<sup>24</sup>

If the foregoing analysis of the nonfactory environment, unionism, and labor relations has any validity, it means that the factory-born personnel management concepts of plant as social system, communications, morale, foreman-steward relationships, grievance procedure as personnel tool, and so forth, require basic modification if they are to have much application to the individual, small nonfactory establishment. And if one looks at whole nonfactory bargaining units instead, it is clear that the diverse, multi-employer, dispersed and individualized employment character of such units

<sup>23</sup> "Studies of human relations in industry as a rule take the factory as the unit. This means that the researcher looks for 'deviant' behavior as defined by the norms of the factory. . . . This precludes any analysis of certain aspects of the system and especially of the institution within which the system operates." W. A. Koivisto, "Value, Theory, and Fact in Industrial Relations," *The American Journal of Sociology*, LVIII (May, 1953), 570.

<sup>24</sup> John M. Pfiffner, *The Supervision of Personnel; Human Relations in the Management of Men* (New York: Prentice-Hall, 1951), p. 364.

plus the business agent-centered character of the nonfactory union render largely inapplicable the concepts developed for the single factory unit.

### CONCLUSION

This study has sought to show that nonfactory employment conditions give rise to a significant and persistent type of unionism and labor relations which has characteristics that differentiate it from the better understood and documented factory type of unionism and labor relations. Nonfactory characteristics predominate in the labor movement and labor relations of the West Coast, and of California in particular. While less prevalent in the rest of the United States, unionism tending toward the nonfactory type may account for as much as 40% of union membership in the country as a whole.

Nonfactory unionism and labor relations are a product of the distinctive combination of employment relationships and problems one finds most typically in competitive, local market, small enterprise, nonmanufacturing industries. The key determinant is that the employees in these industries do not work in large factory concentrations but perform more or less individualized jobs at dispersed locations where they work alone or in small groups in small establishments. Another basic condition is that nearly all nonfactory local unions bargain with numerous employers, usually with an employers' association. There is frequently a relatively high rate of turnover in individual employee-employer relationships. These conditions are most prevalent in such nonmanufacturing industries as construction, truck transportation, retail trade, building service, hotels and restaurants, amusements, and various services. However, employment conditions are not uniform in these industries and not all unions in these industries exhibit all the characteristics of nonfactory unionism. In addition there are branches of manufacturing which manifest many of the employment relations of nonfactory industry and in which unionism takes on many nonfactory characteristics. The warning issued at the beginning of this analysis may well be repeated here. There is no sharp dividing line between factory and nonfactory employment conditions, unionism, and industrial relations. There are intermediate situations which cannot be typed as falling clearly in either

category. And the differentiation between the two types increases by degree as one moves toward the extremes. For purposes of a first exposition this analysis has purposely emphasized polar tendencies which characterize the more sharply contrasting types. A fuller treatment would have to take note of many qualifications and exceptions.

In nonfactory unionism and labor relations the retention of authority and function by the local union stands out against the trend toward national centralization which is so marked in manufacturing industries. Under nonfactory market and employment conditions contract negotiation, control of hiring, and enforcement of work rules can be carried on more effectively by local people at the local level. There are centralizing forces at work among nonfactory unions but they tend to occur at the local level. A characteristic manifestation in larger urban communities is the development of a complex structure of councils and joint boards for coordination of a large number of otherwise independent local unions.

Nonfactory unions tend to epitomize the qualities of "business unionism" outlined by Hoxie. Locals are usually organized on the basis of a craft, occupation, or segment of an industry. Their activities center in and radiate from the union office rather than being plant based. And their key functionary is the business agent rather than the shop steward. The business agent is a full-time salaried employee of the union who makes a profession of the union's business. He has much wider responsibilities than the factory shop steward—ranging from contract negotiation and enforcement through maintenance of the union and employment control to inter-union liaison, community relations, and membership welfare. These responsibilities and his position in his union and industry combine to give the business agent greater powers than the shop steward or other officers of factory local unions. With this type of full-time leadership conducting union affairs from the office, with little active work level leadership, and with a tendency in large urban centers to large memberships widely dispersed among different employers and working conditions, there may be less active political process and participation among the rank and file members of nonfactory local unions than in factory unions.

The conditions of nonfactory employment and unionism give

rise to characteristic features in union-management relations. Bargaining is usually within local units and between local negotiators. Bargaining units are almost always multi-employer and in numerous instances multi-local union as well. The distinctive bargaining subjects are control of hiring and work rules. Complete or partial control over hiring are imperative for union and job security in these industries. Work rules are designed to introduce controls, uniformity, predictability, and equity into inherently diverse and variable employment relations. Two common types of work rules are regulations on hours of work and rules designed to protect the jurisdictions of individual classifications, local unions, trades or occupations. Seniority, an essential principle for most factory unions, has little applicability to much nonfactory employment. The grievance process in the nonfactory unit differs from that in the factory in that it is less formal, the business agent is the union representative throughout, and grievance issues reflect the particular job problems which are characteristic of nonfactory employment.

One of the significant areas of contrast between factory and nonfactory situations is the inter-personal relationships and attitudes which are most characteristic in each case. The dispersed, individualized, city-based jobs, customer contacts, small enterprise, multi-employer relations, high turnover, and business agent unionism which typify so many nonfactory units suggest that there may be less sense of community, uniformity of interests, and responsiveness to union leadership in matters not directly related to occupation or industry in nonfactory local unions than are possible in factory groups. At the same time these conditions may give both rank and file and union leaders in nonfactory unions a more sophisticated perspective on the relation between job and market, may make them more employer oriented, and more moderate in economic demands. As between management and workers it seems clear that many of the formal techniques of personnel management have been designed for the factory and are not readily applicable to nonfactory employment. Likewise, several basic human relations concepts, such as the view of the plant as a social system, the importance of communications, and the basic role of foreman-steward relationships, are peculiarly relevant to factory and not to nonfactory relations.

It has been the contention of this study that nonfactory unionism and labor relations are distinctive and significant phenomena in the present American labor scene. In concluding it may be suggested that we can expect them to grow in future importance. It is quite possible that the California proportions between nonfactory and factory unionism more nearly represent the pattern of the future than those of Pennsylvania, Ohio, or Michigan. Non-manufacturing industries will account for an increasing proportion of our total nonagricultural labor force in the future. And, practically speaking, it is to these industries that American unionism must look for future expansion. Mr. Dave Beck's announced plans for expansion of the Teamsters' Union's membership and recent moves toward merger, reactivation and expansion of union groups in the retail field are but two portents in this direction. To the extent that unionism penetrates the great unorganized domain of retail and wholesale trade and various service industries the trend of the future will be toward nonfactory unionism.

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