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INSTITUTE OF INDUSTRIAL RELATIONS

BULLETIN

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Sherlock Will Conduct Management Course In Communication

Owing to repeated requests, a short course in the Techniques of Written Communication will be presented for management personnel early in 1959.

Many past Institute programs have explored particular facets of the communications problem within organizations, but this will be the first attempt to deal exclusively with the preparation of written material.

Of special interest to industrial editors, personnel specialists, and others whose managerial responsibilities include frequent preparation of information for company publications, memoranda, bulletins, and other communications media, the course will cover specific techniques important to effective transmission of a message.

Copy drawn from actual material in use will be analyzed. Questions regarding format, subject matter, structure of material, and mechanics of visual communication will be considered.

Arrangements are being completed with John Sherlock, managing editor of *Western Industry*, who will present six two-hour sessions beginning in January. The weekly meetings will be held on the Berkeley campus of the University from 4 to 6 p.m. on consecutive Wednesdays.

LABOR PRESS CONFERENCE

Results of Election Considered

The recent election was the main subject for consideration at the Annual Labor Press Conference, held on November 22-23.

Dr. Irving Bernstein of the Institute's Los Angeles branch opened the conference with an analysis of trade union issues and activities in the campaign. He was followed by Hal Dunleavy, who spoke on the election from the standpoint of a professional pollster.

Thomas L. Pitts, president of the California State Federation of Labor, commented on the new state legislature and labor's legislative proposals.

A panel on unethical advertising practices was led by Louis Burgess of the East Bay Labor Journal and Lloyd

First Teachers' Conference To Be January 10 in Modesto

Secondary school and junior college social studies teachers of Stanislaus County will attend a workshop on "Economic Issues in Our Modern Society," January 10 at the Covell Hotel, Modesto.

The program is presented jointly by the Stanislaus County Schools, the Northern California Council on Economic Education, and the Institute of Industrial Relations.

Dr. Earl Cheit, associate research economist at the Institute, will speak on "Wages, Prices, and Productivity in the American Economy." Other guest speakers will be Dr. Theodore Kreps, professor of business economics, Stanford University, who will deal with "The Government's Role in an Inflationary Period," and Dr. Leon Lee, director of the Institute of Industrial Relations at San Jose State College, who will give "A Profile of the Current Economic Scene."

An important part of the conference will be group discussions of "Economic Issues in the News." At the sessions, which will be led by economists, teachers will analyze economic problems raised in typical news articles.

Smith of the California Labor News Service. The issue discussed was the recent AFL-CIO ban on advertising from firms not 100 per cent organized.

Dr. Peter Odegard, professor of political science at the University, spoke twice. He addressed a banquet November 22 on education and public information in the Soviet Union, and the following day covered developments of national importance in American politics.

The final speaker was Dr. Albert Pickrell, associate professor of journalism at the University, who spoke on "Retractions in the Public Press."

The conference was sponsored jointly by the Institute and the California State Federation of Labor.

Need for Wider Understanding Of Modern Economy Recognized

In cooperation with public schools personnel, the Institute has prepared a series of special programs designed to provide teachers with current information on economic trends.

The project was developed in recognition of the important role high school education plays in creating public understanding of the workings of the American economy and of the functions of employer associations and labor unions.

Discussions with public school teachers and administrators and with leaders of labor and management have indicated that there is a serious shortage of appropriate teaching materials. In addition, teachers have said that they would welcome programs providing opportunities to discuss contemporary economics with experts in economics and industrial relations.

In response to these needs, Virginia B. Smith of the Institute's Community Services staff has been working with teachers, school administrators, and other interested groups to find the most effective ways in which the Institute might use its resources to assist local schools.

A one-day workshop for Stanislaus County social studies teachers, planned in cooperation with the Northern California Council on Economic Education, is the first formal program resulting from the Institute's project and will be held on January 10 (see adjoining article).

Several other programs are in the planning stages, including a workshop to be held on February 13 for teachers, administrators, and business and labor groups in the Petaluma area.

Arthur M. Ross Resigns Atomic Energy Panel

Arthur M. Ross, director of the Institute, has resigned from the President's Atomic Energy Labor-Management Relations Panel, owing to the pressure of other work.

In a letter expressing regret, President Eisenhower thanked Dr. Ross for his five years of service on the panel.

CURRENT RESEARCH ACTIVITIES

Five University faculty members have recently joined the Institute staff and are engaged in new research projects of particular interest.

Professor Lloyd Ulman, a labor economist and member of the departments of economics and business administration, has accepted an appointment as research economist at the Institute. Ulman is best known for his book, *The Rise of the National Trade Union* (Harvard University Press, 1955). He received his doctor's degree at Harvard in 1950. Before coming to the University of California, Ulman was a member of the faculty of the University of Minnesota for eight years. Currently he is completing a study of the growth of industrial unionism in the United States and is also undertaking an analysis of the government of the United Steelworkers.

A new development is the formation of a research group in organization and decision theory under the leadership of Professor C. West Churchman, who has joined the department of business administration and holds an appointment as research industrial economist at the Institute. Churchman is widely known for his pioneering work in operations research and has formerly held positions at the University of Pennsylvania, Wayne University, and the Case Institute of Technology.

Associate Professor Roy W. Radner of the economics department and Assistant Professor Jack D. Rogers of the business administration department have also been appointed to the Institute staff to work with Churchman. Rogers is the author of the Institute's recent Popular Pamphlet, *Automation*.

Churchman, Radner, and Rogers participated in a special summer research program in organization and decision theory, along with Professors Anton, Balderston, and Hoggatt of the department of business administration, Minsky of the economics department, Marschak of Yale University, and Rudner of Michigan State.

Another new member of the staff, Assistant Professor William Kornhauser of the department of sociology and social institutions, is undertaking research on factors affecting the independence of the professional worker. Kornhauser has recently completed *The Politics of Mass Society*, a book concerned with social conditions and political movements (to be published by the Free Press).

INSTITUTE PUBLICATIONS

The Older Worker in Industry: A Study of the Attitudes of Industrial Workers Toward Aging and Retirement

by G. Hamilton Crook and Martin Heinstein

(Berkeley: Institute of Industrial Relations, University of California, 1958; pp. vi, 143, paperbound, \$2)

This is the fourth volume to emerge from the Institute's interdisciplinary study of *aging in an industrial society*, which has been financed by a large grant from the Rockefeller Foundation. Three earlier books resulting from the study were published in 1957.

Central to the range of problems analyzed, from various points of view, in the Rockefeller study is the key question: At what age and under what conditions should society retire its aged members? Previously published volumes have been concerned with the economic status of retired and unretired elderly persons, with retirement policies under the social security program, and with union policies toward the employment and retirement problems of older workers.

The present monograph, which is the work of two psychologists, focusses on the attitudes of the workers themselves toward aging and retirement. Based on a survey of 850 industrial workers of all ages in a sample of California firms, the study analyzes the influence of age and other variables on both attitudes and work performance. Does the typical industrial worker look forward to retirement? Does he develop realistic retirement plans? How do job performance and attitudes toward work change as workers grow older? Can the influence of psychological age (a worker's self-perception of his own age) be differentiated from the influence of chronological age? These are some of the questions which the authors seek to answer.

Dr. G. Hamilton Crook is associate clinical professor of medical psychology at the School of Medicine, University of California (San Francisco); Martin Heinstein is a clinical psychologist with training and research experience in the field of labor economics.

Previous publications in the series are: *The Economic Status of the Aged*, by Peter O. Steiner and Robert Dorfman (Berkeley: University of California Press, 1957; \$5); *Retirement Policies Under Social Security*, by Wilbur J. Cohen (Berkeley: University of California Press, 1957; \$3); *Union Policy and the Older Worker*, by Melvin K. Bers (Berkeley: Institute of Industrial Relations, University of California, 1957; \$1).

Recent Reprints

Unions and Union Leaders of Their Own Choosing, by Clark Kerr (No. 109). Unions have played an important role in creating a more democratic industrial society. However, there has been, at the same time, a tendency for powerful unions to extend their activities beyond primary functions to a point where the individual worker's freedom of decision may be curtailed unnecessarily. The author makes several suggestions as to how unions might reverse or prevent such a trend through internal adjustments and thereby lighten, rather than increase, the burden of conformity which is placed upon the individual worker in an industrial system.

Collective Bargaining or Legal Enactment? The Austrian Development, by Charles A. Gulick (No. 110). In an historical study, Gulick traces the relative importance Austrian workers have given to collective bargaining and legal enactment as means of achieving general and particular objectives; he also demonstrates, in the specific instance of Austria, the inaccuracy of the current generalization that, particularly since 1945, the "European" and "American" types of trade unionism have borrowed so much from each other that there are almost no differences.

Social Mobility and the American Business Elite, by Reinhard Bendix and Frank W. Howton (No. 111). On the basis of a study of information contained in the *National Cyclopaedia of American Biography*, Bendix and Howton call into question the widely held hypothesis that the American social structure has become more rigid. In a second section the authors make a comparative assessment of similar work done by persons using other sources of information.

Benefit Levels in Workmen's Compensation, by Earl F. Cheit (No. 112). The author offers the opinion that workmen's compensation has come close to failure because of the lack of interest among groups involved—legal, medical, insurance, employer, labor—in able and conscientious administration of the laws. He suggests the problem in compensation reform is not how to obtain new legislation or administrative proposals which will strengthen the system, but how to get uniform adoption of standards already well known and established.

CALIFORNIA'S SOCIAL INSURANCES

by Earl F. Cheit

(NOTE: Dr. Cheit's observations in this column represent his personal views and should not be regarded as opinions of the Institute or the University.)

California is one of four* states whose social insurance programs include compensation for non-occupational disability as well as for unemployment and work-connected disability. These social insurances together with the Federal Old Age, Survivors, and Disability Insurance system, provide, in varying degree, protection against all major hazards to an individual's economic security.

Since the three state programs now cover about two-thirds of California's 6,000,000 member labor force, and together involve annual tax and premium payments of over \$500,000,000, their legislative importance to employees and employers is obvious. This has been true particularly during the past decade when rapidly rising wage rates and prices have made benefit standards obsolete and have created strong pressures for reform.

Legislative questions

Although this year's intensely fought election campaign somewhat delayed discussions of social insurance, the AFL announced this past month that a key part of its legislative program would be given over to social insurance. At the same time, the California Chamber of Commerce has devoted an important part of its December statewide meetings to the same subject. Clearly the status of California's social insurances is again at issue.

In the social insurance field many of the questions that demand detailed legislative work involve issues that attract little public attention. These include matters relating to administration, disqualification definitions, apportionment of benefit costs when disability traces to more than one employer, statutes of limitations for filing claims, and the adverse selection clause in disability insurance.

Maximum weekly benefits

However, the long-standing controversy over maximum weekly benefits is certain to be followed carefully and debated with fervor.

Here an interesting situation exists. Although the three social insurance programs involved cover different economic hazards and involve only slight possibilities of overlap, they are crucially interrelated in the legislative process. Three

bargains must be struck, but although the parties and their interests are not wholly the same in each bargain, each result affects the others.

Bargaining over benefits

Benefit changes for each of the programs tend to be the result of a bargaining agreement which can gain legislative approval. In unemployment compensation, which is wholly employer financed and involves no private insurance carriers, employer and union representatives are the parties to the bargain. But the workmen's compensation and non-occupational disability bargains involve private insurance carriers.

Workmen's compensation is wholly employer financed and three-fourths of the insurance is underwritten privately. Benefits are fixed by law, but the choice of insurer, and to a lesser extent, the premium, are matters an employer can negotiate. In non-occupational disability, premiums are fixed by law, but benefits and carrier are subject to employee negotiation.

This arrangement has given private carriers an incentive to align with union representatives in the disability insurance legislative bargain and to side with employer representatives when workmen's compensation is at stake. As a result there is less legislative resistance to changes in non-occupational disability benefits than in the case of workmen's compensation—particularly with respect to compensation for permanent disability.

Benefit trends

The movement of maximum weekly benefits since the adoption of the three systems clearly reflects this bargaining pattern.

Maximum weekly benefits under workmen's compensation, which was the pioneer social insurance program, have only recently moved upward at a rapid rate, and since 1951, benefits to the temporarily disabled have outstripped those to the permanently disabled. The maximum weekly benefit under non-occupational disability is now \$50, \$10 above the maximum weekly benefit payable to the permanently disabled and unemployed. This remarkable result has been achieved in a brief 12 years and is in part attributable to the excellent financial position of the non-occupational disability system.

Next year's issues

What benefit changes will be at issue in the forthcoming legislative session?

The history of earlier sessions and this year's discussions point to the following likely labor-sponsored proposals:

1. An effort will be made to gain a \$70 maximum and 66⅔ per cent limit for weekly non-occupational disability benefits, as well as an increase in the daily hospital allowance.

2. A \$60 maximum weekly benefit, with a 39-week duration, and a revision in disqualification provisions will be the major targets for unemployment compensation reform.

3. In workmen's compensation, the goal will be to restore two-thirds of lost wages for the temporarily disabled, with a \$70 weekly maximum benefit. Accompanying proposals will be an increase to \$60 for the permanently disabled, longer benefits for survivors in death cases, and a rehabilitation allowance, which at an employee's option could be converted into cash.

Likely reactions

What will be the reactions to these proposals? Since the non-occupational disability program has provided the primary leverage for benefit bargaining in the other two programs, employers have sought an influential voice in its development—even though they pay no premiums under the law. This year, when the State Fund is declining and when private carriers' business is far less profitable than it has been in the past, it seems safe to assume that resistance will be stronger than usual to attempts to liberalize disability benefits.

A 39-week unemployment compensation benefit limit, given its strong recent endorsement by the Federal Administration, seems to have a fair chance of acceptance, although employers will demand more rigorous eligibility standards in order to limit application in the case of seasonal workers.

In workmen's compensation, employers, because of concern with the flexible limits on liability in cases of permanent disability, have tended to accept the policy of improving benefits which go to the temporarily disabled more than those which go to the permanently disabled—a policy which has strong support from the insurance carriers. It is likely that the results of two current studies, a state-sponsored survey of rehabilitation and an Institute of Industrial Relations (Berkeley) study of the whole field of workmen's compensation, will be weighed in any early decision on workmen's compensation.

* The others are New Jersey, New York, and Rhode Island.

ITEMS OF INTEREST . . .

Employment of Youth

A conference for the purpose of discussing the role of youth employment in combating juvenile delinquency took place on the Berkeley campus in November.

Panel sessions were held on legal aspects of youth employment, counseling programs in public schools, and community responsibility for youth employment.

Two members of the Institute staff participated in the conference: Dr. Seymour M. Lipset, professor of sociology, spoke on "Youth Employment and the American Way of Life"; John Hutchinson, coordinator of labor programs, served as chairman of one of the workshop groups.

Kaiser Medical Care Entities

The program for management personnel of Kaiser Medical Care Entities which began in September with a resident conference will conclude this month with the last of a series of follow-up seminars.

Professor Leon Festinger of Stanford University reviewed psychological studies of communication on November 12. On November 19, Professor Mason Haire of the University of California led a discussion of the problems of organization as seen by psychologists. The final session has been arranged by Kaiser management and will be devoted to the organizational structure and functions of the Medical Care Entities. Certificate awards will be made to participants at the same meeting.

Apprenticeship Conference

Over 70 California Apprenticeship Division Consultants participated in a five-day training conference early this month in Fresno. Developed in cooperation with Virginia B. Smith of the Institute staff, the program was designed to cover the techniques of appraisal and selection of candidates for apprenticeship programs.

Workshops were held on aptitude testing, counseling, interviewing, and evaluation.

Speakers included: Janet Leach, research psychologist at the Institute; Charles F. Hanna, chief of the California Division of Apprenticeship Standards; Gerry Harris, State Department of Employment; and Ben Lieberman, Science Research Associates.

Recent Labor Seminars

Meetings of the San Francisco and East Bay Labor Seminars were held in October and November.

In October both groups were addressed by Dr. Earl Cheit, who reviewed the history of the union security issue and spoke on the principal features of current efforts to obtain open-shop legislation.

Dr. Peter Odegard, professor of political science, spoke at the November session of the East Bay Labor Seminar. He analyzed the election results in terms of trade union interests and programs.

A similar speech was made before the San Francisco Labor Seminar in November by John F. Henning, director of research and education of the California State Federation of Labor.

Colgate-Palmolive Series

A ten-week series of conference sessions for management personnel of the Colgate-Palmolive plant at Berkeley opened December 3. Under the direction of Dr. H. R. Hackett, those attending the weekly meetings will consider various phases of in-plant communication and will concentrate heavily on the theory and practice of conference leadership.

Conference Proceedings

Proceedings of the Seventh Annual Conference of the Association of State Mediation Agencies, which was presented in cooperation with the Institute, have been published in the October 1958 issue of the *Labor Law Journal*.

Institute Director Addresses Industrial Relations Alumni

Frank Pierson Carlsen, an engineer at Pacific Telephone and Telegraph, has received the Institute's annual award for the highest grade average maintained by a student receiving an Industrial Relations Certificate in 1958.

The presentation took place at an Industrial Relations Alumni Association dinner on November 24. Carlsen took his first course in the program in 1954 and received his Certificate last October.

Arthur M. Ross, director of the Institute, addressed those present on "Future Trends in Industrial Relations." He predicted that unionism will become better entrenched in the fields where it is presently well established, but is not likely to spread quickly into areas where it is still weak. He added that there is likely to be more cooperation between unions in the same fields.

Speaking of possible changes in managerial policy, Ross suggested that employers might move toward stronger and better organization, and that they will be more inclined in the future to make demands upon unions. We can also expect to see growing complexity in the structure of collective bargaining units, with a different type of unit for different bargaining purposes within the same industry.

Supervision and Leadership Course Will Be Repeated

Plans are being made to repeat, starting in April, a recently concluded short course entitled, "Human Factors in Supervision and Leadership."

Directed by Professors Sam Trull and Lyman W. Porter, eight weekly sessions were devoted to isolating and discussing the human elements important in effective management. As attendance was limited to allow full participation, many applicants from Bay Area companies could not be accommodated.

Starting dates and registration deadlines for the repeat course will be announced in February.

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