

First Issue of INDUSTRIAL RELATIONS Will Be Published This October

Institute Members To Study, Analyze Economic Development

A research and training program in comparative economic and social development will be added to the Institute's activities in the fall.

The project will bring together scholars who are interested in problems of industrialization in various parts of the world.

Seymour M. Lipset, Professor of Sociology and Institute Research Associate, will direct the program. A five-year grant from the Carnegie Corporation will help pay the expenses of students, research assistants, and visiting scholars.

University faculty members who will

(Continued on page 4)

Management Seminar Announced for Next Fall

A six-week seminar on performance appraisal will be offered by the Institute in the fall.

Plans call for the group to meet once a week from 4 to 8:30 p.m., dinner included, at the Men's Faculty Club on the Berkeley campus. Enrollment will be limited.

Some of the subjects to be covered include: the setting of job objectives and standards, the appraisal interview and review, wage and salary determination, and personnel development planning.

Extent of coverage of the above or other subjects will depend on the particular interests of seminar participants.

Discussion leaders and speakers will be drawn from the University faculty and Bay Area industry.

Further information on the seminar may be obtained from William E. Rogin, Coordinator of Management Programs, at THornwall 5-6000, Ext. 2571.

Subscriptions Now Accepted For New Institute Journal

Subscription orders are now being accepted for INDUSTRIAL RELATIONS, the newest publication of the Institute.

INDUSTRIAL RELATIONS is to be a journal concerned with all aspects of the employment relationship in modern society.

It will be published regularly in October, February, and May, and will first appear this October. Prices are: \$1.25 an issue, \$3.50 a year, and \$8 for three years.

The journal will include both symposia and individual articles by leading American and foreign specialists in the fields of economics, sociology, psychology, political science, and law.

Content has been planned to be of use and interest to management and labor representatives, government officials, attorneys, scholars, and students.

The October 1961 issue of INDUSTRIAL RELATIONS will feature a symposium on recent developments in collective bargaining: "The Employer Challenge and the Union Response." Herbert R. Northrup will consider long-range employer strategy, Jack Barbash will deal with union reactions, and Frank C. Pierson will analyze new patterns of multi-employer collaboration in key industries.

Joseph W. Garbarino, Clark Kerr, Seymour M. Lipset, and Arthur M. Ross are also making contributions to the issue.

Special symposia on "Work and Leisure in Modern Society" and "Industrial Relations and World Trade" are planned for February and May 1962.

Margaret S. Gordon, Acting Director of the Institute, is Managing Editor of INDUSTRIAL RELATIONS.

The Board of Editors includes: Arthur M. Ross, Chairman, Benjamin Aaron, Reinhard Bendix, Irving Bernstein, Earl F. Cheit, Walter Galenson, Joseph W. Garbarino, Mason Haire, Clark Kerr, Seymour M. Lipset, Philip Selznick, and Lloyd Ulman.

Manpower Council, Institute Sponsor Regional Conference

A West Coast regional conference on "Manpower Problems and Policies of the 1960's" was held early in May at Pebble Beach.

Sponsored by the Institutes of Industrial Relations at Berkeley and Los Angeles and the National Manpower Council of Columbia University, the three-day meetings were attended by top representatives of industry, labor, government, educational institutions, and civic organizations.

The conference was designed to assist the NMC in its long-term studies of manpower problems and how the nation's manpower resources can be more effectively developed and utilized.

A major address was made by Lee A. DuBridge, President of the California Institute of Technology, on "The Manpower Implications of Scientific and Technological Developments in the 1960's."

Full-time Labor Leaders To Attend 10-Week Course

The Institute, in cooperation with the National Institute of Labor Education, will present a summer residential study program for full-time trade union leaders.

Classes and seminars will be given from June 26 to September 1 in four major subject areas: economics, political science, sociology and psychology, and trade union history and philosophy.

Twenty participants have been selected by a NILE committee of university and union officials. Tuition is free. Grants to cover room and board have been made by NILE and sponsoring unions.

The purpose of the study institute is to help union officers to develop a better understanding of our industrial society, the problems which confront it, and the solutions which are proposed.

Four University faculty members have

(Continued on page 4)

CURRENT RESEARCH ACTIVITIES

Among the new research projects on which work has recently been initiated at the Institute is a study of *Cultural Patterns in the Role of the Executive* by Mason Haire, Edwin E. Ghiselli, and Lyman W. Porter.

Supported by a three-year grant from the Ford Foundation, the study will be concerned with differences in the way society views the role of the executive and in the way the executive perceives his own role in selected European countries and the United States.

It is common knowledge that there are differences in the attitudes of business leaders and in their relative prestige vis-à-vis persons in other occupations from country to country, but few attempts have been made to develop careful comparisons of these differences and their significance.

One of the main techniques to be used in the new study is the administration of an identical questionnaire to management groups.

The questionnaire will be concerned, among other things, with the kinds of satisfactions felt by managers to attach to their positions. Particular parts of the questionnaire will explore security needs, social needs, need for esteem, need for autonomy, and self-actualization needs.

This technique has been used in a group of companies in the United States and has proved successful in identifying patterns of motivation among managers, in distinguishing among levels of management, and the like.

In recent weeks the questionnaire has been translated into a number of foreign languages by graduate students on the Berkeley campus, most of whom are natives of the relevant countries. The translators have been instructed to devote particular attention to preserving the cultural meaning of the terms used rather than to seeking a literal translation.

Mason Haire left for Europe in January to work on preliminary arrangements.

* * *

In September 1961, Melvin K. Bers will return to the Institute to undertake a two-year study of *Labor Relations in Public Employment*. For the last six years Dr. Bers has been associated with the Carnegie Institute of Technology. He is author of an Institute monograph, *Union Policy and the Older Worker* (1957).

INSTITUTE PUBLICATIONS

BOOKS

Trade Union Democracy in Western Europe

By Walter Galenson

(Berkeley and Los Angeles: University of California Press, 1961; \$2.25)

Professor Galenson's latest book should prove of exceptional interest and value to people who are concerned with the question of democracy in American trade unions. Although he deals primarily with the problems of freedom as they arise in Western European unions, he also relates his findings to matters which have currently been receiving attention in the United States. As Clark Kerr remarks in his preface, "On the one hand, [Galenson] has written an excellent summary description of the structure of the European labor movement. That, in itself, is an accomplishment. On the other hand, he has made a very real contribution to the discussion of democracy and trade unionism in America. By helping us to see Europe, he helps us to see ourselves."

Trade Union Democracy in Western Europe covers Austria, Belgium, France, Great Britain, Holland, Italy, and Scandinavia. Particular attention is paid to dual unionism and to how its existence or absence in these countries has appeared to affect the degree of internal union democracy. The institutions of union government are treated in a similar way. For example, Galenson's research raises pertinent questions regarding the roles of high salaries and election of all officials in creating and perpetuating undemocratic practices in American unions. Also of special interest are the tentative conclusions he draws as to the importance of union security in creating an environment conducive to democracy.

The study is based largely on interviews conducted in Europe in 1959. It was done under the auspices of the Trade Union Study of the Center for the Study of Democratic Institutions, which is supported by a grant from the Fund for the Republic. The Trade Union Study, under the chairmanship of Clark Kerr, has been concentrating on various aspects of problems of freedom in American unions.

REPRINTS

Work Satisfaction and Industrial Trends in Modern Society, by Robert Blauner (No. 151). Reprinted from *Labor and Trade Unionism* (1960), Blauner's article surveys research on attitudes of workers toward their work, especially those investigations commonly called job satisfaction studies. His purposes are to locate differences in work satisfactions among those in different occupations and settings and to find the factors that, in accounting for differences, seem to indicate the important preconditions for work satisfaction.

The Structure of Enterprise in the Nineteenth Century: The Cases of Britain and Germany, by David S. Landes (No. 152). In a paper given before the 11th International Congress of Science Historians in Stockholm, Landes a) describes the nature of the nineteenth century individual business unit or firm in Britain and Germany and b) gives some consideration to the implications of the structure of firms for the organizations of markets.

The Validation of Selection Tests in the Light of the Dynamic Character of Criteria, by Edwin E. Ghiselli and Mason Haire (No. 153). When selection tests are validated, scores are typically related to some measure of job performance obtained during a brief initial period of employment. Ghiselli and Haire address themselves to the following question: Do tests validated against such a brief initial criterion maintain their validity over a longer period of measured performance?

Captain of a Mighty Host: A Note on the Retirement of John L. Lewis, by John Hutchinson (No. 154). In an entertaining reprint of an article first published in *The Yale Review*, Hutchinson describes and evaluates high points in the long career of one of labor's most colorful, brilliant, and controversial leaders.

IS WAGE RESTRAINT POSSIBLE?

by Lloyd Ulman

(The following is an excerpt from an address given at the University of California and reprinted in *Business Scope* on April 1, 1961. Dr. Ulman is a University Professor of Economics and Industrial Relations and an Institute Research Economist. His observations in this column represent his personal views and should not be regarded as opinions of the Institute or the University.)

While the Administration's top economic advisors have been analyzing the country's economic problems with clarity and candor, the solution of one of these problems seems to have been entrusted to an eminent noneconomist, Secretary of Labor Arthur Goldberg.

The problem is: attaining coexistence of a) peaceful collective bargaining in key sectors of the economy, b) stable prices, and c) high levels of economic growth and employment.

This latter condition, of course, increases the ability of unions to force up wages and prices.

Economists have been unable to come up with a solution to this three-sided problem, primarily because monetary and fiscal policies cannot eliminate union-induced components of inflation without at the same time reducing employment.

The dilemma has been aggravated by two developments—a basic deficit in our international balance of payments and a growing labor force.

Existence of a deficit has reinforced the public desire for price stability and narrowed the range of public policies available to increase employment and economic growth. *However*, larger additions to the labor force have underscored the need for more rapid growth.

The Eisenhower Administration's reliance on monetary policy and its irritation with exponents of "growthmanship" suggest that it was prepared to accept some slack in employment and capacity as the price for peaceful collective bargaining and price stability—though this was never explicitly acknowledged.

The Kennedy Administration's employment and growth targets appear to be more ambitious. Its interest in maintaining industrial peace is at least as strong. Nor does the President seem willing to compromise on price stability.

First pass at the tripartite target is to be made by Mr. Goldberg who will attempt to persuade unions and management in key industries to come up with less generous wage settlements in the future.

I believe, however, that the prospect

for the next few years is for manufacturing wage increases in the neighborhood of 3 to 4½ per cent a year and that this will probably produce increases in unit labor costs even if output per manhour improves on its 2 to 2½ per cent annual rate of increase.

In my opinion, then, Mr. Goldberg and his colleagues will *not* be able to bring off their *coup*, despite the fact that they have a fighting chance.

The case for optimism

1. *The committeemen.* At Mr. Goldberg's suggestion, the President appointed a 21-member Advisory Committee on Labor-Management Policy to make recommendations to labor, management, and the public. One of the strongest assets of the Committee is the high calibre of its personnel. Outstanding representatives of labor and operating management were selected, in addition to talented and sophisticated public members, three of whom are well-known professional mediators. If the Committee fails, it won't be for lack of talent; if it succeeds, it will be in large part because of the capabilities of its members.

2. *Absence of excess demand for labor.* Unions have pushed wages in manufacturing, mining, construction, and transportation to such high levels that even under conditions of very low unemployment there is not likely to be a danger of labor shortage in these areas. Thus, most businessmen won't have to raise wages to attract and retain labor. It remains for the "third party" members of the President's Committee to persuade unions not to strike for increases.

3. *Union vulnerability to pressure.* Unions may be particularly susceptible to such persuasion at present. First, labor's reputation has not yet recovered from the revelations made by the McClellan Committee. The underdog image has vanished almost without trace. As union leaders are not insensitive to public opinion, they may be inclined to moderate their demands and avoid strikes to forestall unfavorable Congressional reaction and to purchase protection from the Administration.

Second, there is reason to believe that union members may be less inclined to strike for large wage increases in the near future. Living costs have not risen greatly, while members' incomes and assets have been reduced sharply by unemployment and strikes in some sectors of the economy.

The case for pessimism

1. *Public persuasion.* The professional "third parties" on the Advisory Committee have often been successful in the past in persuading union leaders to accept peaceful settlements. Formalizing and dramatizing the third-party role allows public opinion to bear more directly on the contestants; this makes it easier for union officers to sell a moderate settlement to the membership. But it also restricts flexibility to maneuver and tends to harden opposing positions. Moreover, failures by Mr. Goldberg or his Committee to effect peaceful settlements will be public failures and may impair subsequent effectiveness.

2. *Opposition to price restraint.* Big business largely ignored President Eisenhower's pleas for price restraint; how attentive will they be to similar pleas now? This problem may prove ticklish as the economy moves from recession to recovery. Many businesses have not been able to match past wage increases with price increases during the recession and look forward to restoring profit margins as soon as possible.

3. *Landrum-Griffin law.* By making union election and judicial processes more democratic, the law has already made local union officers more responsive to the demands of their constituents. This means that in many cases union leaders may have to be less responsive to the wishes of the public.

4. *Automation.* While workers might be reluctant to strike for higher wages, they are not likely to hesitate when job losses are threatened. On the other hand, the effects of automation on employment might be less severe if the parties could be persuaded to relate wage increases to productivity increases.

5. *Peace at any price level?* Not many industries will wish to raise money wage rates in the type of labor markets they are likely to have in the next period of prosperity, but many will prefer to meet union demands rather than incur shutdowns after a period of poor business. However, the less feasible management finds it to raise prices, the more willing it will be to take a strike.

If the unions cannot be sold on wage restraint, can management be asked to accept a policy of both price and strike restraint?

If not, the problem will continue to plague the Council of Economic Advisors, which may have to recommend settling for a level of 4 per cent prosperity unemployment.

ITEMS OF INTEREST . . .

Landrum-Griffin Conference

Approximately 100 people attended the Institute's second one-day symposium on the principles and problems involved in the administration of the Labor-Management Reporting and Disclosure (Landrum-Griffin) Act of 1959.

At the morning session, Benjamin Aaron, Director of the Institute of Industrial Relations at Los Angeles, spoke on the problems involved in the application of Landrum-Griffin to internal union matters.

Ivan McLeod, Regional Director of the New York National Labor Relations Board, addressed the afternoon session on the impact of the law on areas of labor-management relations covered by the Taft-Hartley Act.

Both speakers were followed by panel discussions.

Proceedings of the conference will be available from the Institute.

Supervisors Forum

The 8th Annual Spring Conference of the Supervisors Forum was held May 13 at the Claremont Hotel.

Principal subject for discussion this year was "Management's Role in Our Changing Industry." Keynote speaker

was S. C. Clark, Corporate Coordinator, Food Machinery and Chemical Corporation, San Jose.

Discussion groups were led by Lyman Porter, George Redman, and George Strauss of the University; Cornelis Visser of San Francisco State College; and Donald Woodworth, Bay Area management consultant.

Teachers' Summer Institute

The 5th Annual Summer Institute for Teachers will be presented July 31 to August 4.

Given in cooperation with the American Federation of Teachers, the program includes two one-unit courses in education and political science.

Lectures on Social Security

Four lectures commemorating the 25th anniversary of the passage of the Social Security Act were presented jointly by the Institute and four other University departments in April and May.

Speakers were Robert J. Myers of the Social Security Administration, Eveline M. Burns of Columbia University, James P. Dixon, M.D., of Antioch College, and Arthur Kemp of Claremont Men's College.

SUBSCRIPTION ORDER

INDUSTRIAL RELATIONS

201 California Hall
University of California
Berkeley 4, California

Name.....

Address.....

Organization.....

☐ one year (\$3.50)

☐ please send statement

☐ three years (\$8.00)

☐ remittance enclosed

Specialists to Confer on Occupational Disability

Fourteen specialists on aspects of occupational disability will attend an Institute-sponsored conference May 19 and 20 at Berkeley.

Participants are to discuss contributions they have made to a book now in preparation, *Occupational Disability and Public Policy*.

Four additional experts have been invited to act as outside critics: Monroe Berkowitz, Professor of Economics at Rutgers University; Maurice Gershenon, Chief of the Division of Labor Statistics, San Francisco; Edmund D. Leonard, San Francisco attorney; H. M. Somers, Chairman of the Political Science Department at Haverford College.

The volume, second of two to be published this year by John Wiley and Sons, represents the final product of the Institute's four-year project on occupational disability.

Editors of the book, as well as contributors, are Earl F. Cheit and Margaret S. Gordon of the Institute.

Economic Development

(Continued from page 1)

participate include: anthropologist David Mandelbaum; economists Walter Galenson, Harvey Leibenstein, and Henry Rosovsky; historians Thomas Kuhn and David Landes; and sociologists Reinhard Bendix, William Petersen, and Neil Smelser.

Political scientist David Apter of the University of Chicago, who will join the University faculty in the fall, will also be a member of the group.

Summer Labor Course

(Continued from page 1)

been selected so far to take part in the Berkeley program: Walter Galenson, Professor of Industrial Relations; William Goldner, Lecturer in Business Administration; Richard S. Lazarus, Professor of Psychology; Seymour M. Lipset, Professor of Sociology.

INSTITUTE OF INDUSTRIAL RELATIONS

BULLETIN

Published bimonthly during the academic year by the

Institute of Industrial Relations
University of California
Berkeley 4, California

Director: Arthur M. Ross
Editor: B. V. H. Schneider

Nonprofit Organization
U. S. Postage
PAID
Berkeley, Calif.
Permit No. 1