

# A New Journal of Industrial Relations

The first issue of the Institute's new periodical, *INDUSTRIAL RELATIONS: A Journal of Economy and Society*, was published in October.

In a foreword, Arthur J. Goldberg, Secretary of Labor, states, "A Journal of opinion of high intellectual promise has emerged on the industrial front at a moment in American history when the future of our freedom may well be turning upon an economic base."

Following introductory statements by Clark Kerr, President of the University,

and Arthur M. Ross, Director of the Institute, the journal presents a special symposium, "The Employer Challenge and the Union Response," on controversial aspects of recent developments in collective bargaining. Herbert R. Northrup describes the employers' position, Jack Barbash deals with union reactions, and Frank C. Pierson analyzes new patterns of multiemployer collaboration in key industries.

Individual articles include: "The Prospects for Industrial Conflict" by Arthur

M. Ross, "Trade Unions and Social Structure" by S. M. Lipset, "The Lower Classes and the 'Democratic Revolution'" by Reinhard Bendix, and "Arbitration in Great Britain" by Morrison and Marjorie L. Handsaker.

*INDUSTRIAL RELATIONS* will be published regularly in October, February, and May. Prices are: \$1.25 an issue, \$3.50 a year, and \$8 for three years. A subscription order appears on the back page of this *Bulletin*.

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UNIVERSITY OF CALIFORNIA, BERKELEY

## INSTITUTE OF INDUSTRIAL RELATIONS

# BULLETIN

Vol. 4, No. 3

November 1961

### Special Conference For Public Employees To Be Held Dec. 2

A conference on collective bargaining rights and legislative action will be held for employees of state and local government agencies on December 2.

The meeting is to be sponsored by the Institute in cooperation with local unions of public employees.

The state of collective bargaining in public employment throughout the United States and the prospects in California will be examined at the morning session.

A member of the state legislature will speak at lunchtime on recent legislative developments affecting public employees in California.

In the afternoon, a mock hearing on a model bill covering public employment will be staged. Witnesses for and against will be questioned by four assemblymen. Conference participants will be allowed to question the assemblymen and witnesses.

Helping to plan the conference are: Frank Brantley, International Representative of the Operating Engineers Union; Richard Liebes, Research Director for the Building Service Employees International Union; James Marshall, Executive Secretary for the Joint Action Committee of the American Federation of State, County, and Municipal Employees; and Ronald Weakly, Business Manager, Local 1245, International Brotherhood of Electrical Workers.

### Institute Introduces New Seminar Series On Economic Policy

For many years the Institute has been conducting evening seminars as part of its management program. The meetings allow members of the University and business communities to meet to discuss and study current problems.

This fall the Institute is initiating a Labor and Economic Policy Seminar which will meet once a month to analyze the political implications of economic and technological change, with particular reference to industrial relations policies.

Topics to be covered include: "The Problem of Persistent Unemployment" on October 25, "The Question of Wage and Price Restraint" on November 12, and "The Impact of Automation in Labor Relations" on December 13.

Participants will be from business, the University, and the legal profession. Membership is by invitation.

The seminar will meet from 6 to 9 p.m. at the Mark Hopkins Hotel.

More information on special Institute programs may be found on page four.

For additional details on new or continuing programs for labor and management groups, contact the Institute's Community Services department, THornwall 5-6000, Extension 2571.

### Personnel Course For Management To Start This Month

A six-week seminar on employee development will be offered by the Institute this fall.

The seminar will meet on November 30, December 7 and 14, and January 2, 11, and 18 from 4 to 8:30 p.m. in the Men's Faculty Club on the Berkeley campus.

Although the emphasis of the course will depend on the interests of the participants, it is anticipated that sessions will cover the following:

Session 1—position analysis, duties and responsibilities, standards of performance, and functional relationships.

Session 2—managerial abilities, working with people, and personal characteristics.

Session 3—preparation of forms, performance review, and interviewing situations.

Session 4—development opportunities; training, education, and budgeting; and evaluating the effects of the program.

Session 5—assessing promotionability, predicting performance, and succession considerations.

Session 6—forecasting organizational objectives, future demands of organization, and organizational attitude.

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

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## CURRENT RESEARCH ACTIVITIES

Seymour M. Lipset, who has returned from a year spent as visiting research professor at Yale University, is serving as chairman of the new Research and Training Program in Comparative Developmental Studies, which has recently been organized under Institute auspices with support from a Carnegie Corporation grant (see the May 1961 issue of the *Bulletin*). Other members of the group include: anthropologist David Mandelbaum; economists Walter Galenson and Harvey Leibenstein; historians Thomas Kuhn and David Landes; and sociologists William Petersen and Neil Smelser. Sociologist Reinhard Bendix, who has been a member of the Institute staff for a number of years and will also be affiliated with the new group, has been awarded a Carnegie fellowship for 1961-1962 and will spend the greater part of the year in India. Also on leave of absence is economist Henry Rosovsky, another member of the group, who is in Japan on a special research grant to work on a study of Japanese economic development.

\* \* \*

Work is well under way on the comparative study of Cultural Patterns in the Role of the Executive, which is being conducted under a grant from the Ford Foundation (see the May 1961 issue of the *Bulletin*). The project, which is being directed by psychologists Mason Haire, Edwin E. Ghiselli, and Lyman Porter, is concerned with differences in the way society views the role of the executive and in the way the executive perceives his own role in various countries. One of the chief techniques to be used is the administration of an identical questionnaire (carefully translated) to management groups in each country.

Haire and Porter are on leave of absence in Europe completing arrangements for administration of the questionnaire to European management groups, while Ghiselli is directing work on the project here at the Institute. Arrangements have been made for participation of management groups—including approximately one to five hundred middle and top management personnel in each country—in 11 European countries, Japan, and Argentina. Some months ago the questionnaire was distributed to a large sample of members of the American Management Association. Plans are also being made for the inclusion of several additional South American countries.

## INSTITUTE PUBLICATIONS

### BOOKS

#### **Injury and Recovery in the Course of Employment**

By Earl F. Cheit

(New York: John Wiley & Sons, 1961; \$12)

Four years ago the Institute of Industrial Relations received a generous grant from the Ford Foundation to undertake a study of compensation for occupational disability in the United States. At the time the plans for the study were formulated there was increasing discussion of the need for a thoroughgoing review of the adequacy of American workmen's compensation laws. Despite widespread criticism of these laws, relatively little was actually known about what happened to seriously disabled workers or to survivors in fatal cases. Statistical data made available by the various states were notoriously limited, and there had never been a sizeable field survey of the experience of occupationally disabled workers. Meanwhile, the victims of industrial injuries and their survivors were increasingly becoming eligible for benefits or supplementary payments under other social insurance programs and private employee benefit plans.

Were there wide inequities in the earnings losses suffered by various types of cases? How many seriously disabled workers returned to their former jobs, how many encountered great difficulty in obtaining satisfactory re-employment, and how many experienced downward occupational mobility? To what extent were disabled workers participating in rehabilitation programs? These were some of the questions to which it was hoped answers could be developed.

Professor Cheit's volume, which is the first of two books to be published on the basis of the study, reports on the findings of the statewide survey of seriously disabled workers and widows of deceased workers in California which he directed, as well as on his analyses of data relating to the programs for railway workers and seamen. He has developed new methods of estimating earnings losses, which have been applied, not only to his California survey data, but also to data for other states. Of particular interest are the data on the relative importance of workmen's compensation and other sources of support for seriously disabled workers and widows.

On the basis of his findings, Professor Cheit arrives at a number of policy recommendations. Some of these are likely to be widely accepted and will almost certainly influence future legislative changes. Others, particularly his recommendation for an entirely new approach relating to the liability of employers for the re-employment of permanently disabled workers, are likely to stimulate a great deal of discussion and debate before reaching the point of serious legislative consideration. In any event, his conclusions will be of widespread interest to scholars, practitioners, and students in the occupational disability field.

### REPRINTS

**Wage Escalation and Wage Inflation**, by Joseph W. Garbarino (No. 155). In an interim report on a study sponsored by the Brookings Institution, Garbarino describes the development of present wage escalation techniques and evaluates their compatibility with a possible national wage policy.

**Labour and Indian Development**, by Van D. Kennedy (No. 156). Kennedy analyzes the impact of unionism on Indian economic and political development and finds that, on balance, the effects have been favorable.

**American Trade Unionism—Past and Present**, by Lloyd Ulman (No. 157). In two chapters reprinted from *American Economic History* (1961), Ulman deals with "The Development of Trades and Labor Unions" and "Unionism and Collective Bargaining in the Modern Period."

**Changing Social Structures**, by Clark Kerr (No. 158). A chapter from *Labor Commitment and Social Change in Developing Areas* (1960) in which Kerr describes the world-wide transition to industrialism and its role as a new form of social affiliation.

**Industrial Conflict and Unions**, by William H. Knowles (No. 159). A chapter from the same book (*Labor Commitment . . .*), in which the author traces the causes of labor and middle-class unrest in developing areas and the forms which unionism is taking.

# **LABOR AND EUROPEAN PROSPERITY**

**Arthur M. Ross**

*(In September Dr. Ross returned from an eight-month study of industrial relations in Europe, during which he met with business executives, labor leaders, government officials, and scholars in approximately a dozen countries.)*

In contrast to persistent underemployment and lagging economic growth in the United States, Western Europe has been enjoying the most prolonged period of prosperity and full employment in recent history. In this environment some radical changes are taking place in Western European labor-relations systems.

Of course it is difficult to generalize about countries as different as France and Germany, let us say, or Italy and Denmark. Each country has its own historical background, its own political institutions, its own cultural traditions, its own distinctive style. Nevertheless we can note some broad directions of change without doing too much damage to the facts.

## **European labor relations**

A convenient way to begin is by noting a few traditional differences between industrial relations in Europe and those in the United States. (a) European unions have generally organized a higher percentage of the labor force, but they are weak at the local and plant levels. (b) European unionism has exhibited a strong ideological and political bent. (c) Employer associations have played the predominant role in dealing with labor organizations. In fact, there is no legally recognized relationship between individual firms and unions in certain countries. (d) Consequently the structure of collective bargaining has been much more centralized than in the United States. Regionwide or nationwide agreements cover entire industries or (as in Italy) broad groupings of industries. Furthermore, economywide wage bargains are consummated by the central labor and employer confederations in Denmark, Holland, and Norway. (e) Typically the European collective agreements have been centered on minimum rates of pay and other general terms of employment. Detailed regulation of hiring, work assignment, advancement, demotion, and other personnel practices has not been common.

Under the influence of unprecedented prosperity and full employment, basic changes can be seen. In some countries unionism does not strongly appeal to the young workers or to the newer elements

in the labor force, such as white-collar and technical employees. The percentage of workers enrolled in unions has been levelling off. The intimate association between unions and labor parties seems to have grown weaker in a number of countries.

The most interesting tendencies, however, are the disintegration of highly centralized bargaining structures, the emergence of bargaining relationships at the plant level, and the more intensive regulation of employment conditions. The strength of these tendencies and the precise manifestations vary from place to place; in fact little or no change can be seen in some countries, such as Sweden. Nevertheless, the drift toward more decentralized American practices is quite widespread.

In the United Kingdom, for example, workers' earnings have risen far above the minimum rates of pay embodied in the industrywide agreements. Incentive pay, regularized overtime, and job evaluation are the principal media. Negotiation between local management and shop-steward committees has become much more significant than the traditional industrywide negotiations. National unions have found it difficult to control the shop stewards, who stand at the center of the "unofficial" strikes which constitute most of the work stoppages in Britain. The dilemma of British unions is that, together with the employer associations, they are wedded to a system of agreements intended to prevent competitive wage-cutting in loose labor markets and find themselves isolated from the really important bargaining at the local level reflecting competitive wage increases in tight labor markets.

## **Problems in Denmark**

In Denmark the major national agreements are renegotiated every two or three years. Issues unsettled after six or seven weeks are referred to central employer and labor federations. In this nationwide bargaining a wage formula or package covering most of Danish industry is developed. But in recent years the central organizations have had increasing difficulty in gaining acceptance of the formula. There were more strikes in 1956 than in any year since 1936. There were persistent illegal strikes among local work groups in 1959 and 1960 and many individual employers granted extra benefits. Although some strikers were fined by the Labor Court and some employers by the Federation, the upward drift could

not be halted. Once more in 1961 an economywide wage package was put together with the assistance of the chief government mediator; and once more consensus could not be achieved. Large strikes broke out in the transport and maritime industries and additional concessions had to be made.

## **'Wage drift' in Germany**

In Germany, as in Britain, collective agreements cover large groups of employers and are attuned to the financial capacity of the less profitable firms. The "wage drift" has been so strong that actual earnings bear little relationship to the negotiated rates. Employers prefer to pay these large premiums as a matter of grace, or labor-market necessity, rather than contractual requirement, so that they will be free to lower wages if economic conditions should deteriorate. On the same score the unions are uncomfortable about the present situation and desirous of incorporating premium wages into binding agreements. In many plants more realistic wage schedules have been negotiated in the form of local job evaluation or "scientific wage evaluation" agreements. But this expedient has an important weakness from the union standpoint: the local agreements are negotiated with plant works councils, which have a legal status separate and distinct from that of the unions.

In Northern Italy also collective agreements are highly centralized. The "metal-mechanical" agreement, for example, sets minimum terms of employment for a large group of industries including steel, autos, machinery, shipbuilding, electrical goods, and others. During 1960 the unions, desiring to take advantage of divergent economic conditions in different sectors, succeeded in splitting this agreement apart, over the vehement protest of the employers' confederation. Some of the Italian unions are endeavoring to increase their "presence" at the local level, where the vacuum has been filled by company unions and by elected works councils or "internal commissions."

## **The Renault agreement**

Some of the French unions have been seeking to negotiate local plant agreements along the line of American collective bargaining contracts. An important breakthrough was achieved in 1955 with the negotiation of the Renault agreement, which dealt with many subjects ordinarily excluded from French labor con-

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# ITEMS OF INTEREST . . .

## White-Collar Unionism

A three-day seminar on the unionization of white-collar workers was sponsored by the Institute and the AFL-CIO Industrial Union Department on October 13-15 at Santa Barbara.

The seminar was designed to help union officers and staff representatives to understand the growing importance of white collar workers in the labor force and the recruiting challenges to the predominantly blue-collar American labor movement.

## Human Factors in Supervision

A special short course, Human Factors in Supervision and Leadership, is being offered this fall to nonacademic University personnel.

## NILE Residential Institute

Owing to the success of the 10-week residential program for union staff held this year in Berkeley, the National Institute of Labor Education has decided to cosponsor a similar program with the Institute next summer from June 17 to August 24.

The purpose of the program was to provide participants with a background in the economic, political, and social

problems confronting the labor movement and society today.

## Personnel Administration

The first meeting of the Personnel Administration Seminar is scheduled for October 31.

Membership is open to persons who are responsible for directing personnel in firms which have an interest in developing closer relations with faculty members in the personnel administration field.

Interested persons should contact the Institute's Coordinator of Management Programs.

## IAM Summer School

Tentative arrangements have been made to cosponsor a regional summer school with the International Association of Machinists next July.

## Travis Air Force Base

The first of two 10-week seminars for middle management personnel at Travis Air Force Base began on October 24. The Institute's program is designed to instruct participants in the techniques, tools, and systems utilized in the management process.

## European Labor

(Continued from page 3)

tracts. Subsequently about fifty important companies signed "Renault type" agreements. The practice has not spread much since 1958, however, perhaps because of opposition from the employer confederation, rivalry and competition among unions, and the weakness of organized labor during the De Gaulle regime.

Thus the experience differs from one country to another, but there seems to be a widespread tendency toward decentralization or supplementation of master agreements and toward greater bargaining activity at the plant level. If prosperity persists for another decade, European labor relations may come to resemble the American variety. Perhaps American practices will move in the European direction, but that is another story.

## A New Journal

(Continued from page 1)

The journal is to be concerned with all aspects of the employment relationship in modern society and will regularly include both symposia and individual articles by leading American and foreign specialists in the fields of economics, sociology, psychology, political science, and law.

The February 1962 issue of INDUSTRIAL RELATIONS will feature a symposium on "Work and Leisure in Modern Society." Contributions will be made by Harold Wilensky of the University of Michigan, Bennett Berger of the University of Illinois, Joffre Dumazedier of the Centre d'Etudes Sociologiques in Paris, Herman Prudenski of the Academy of Sciences of the USSR, and Erwin K. Scheuch of the University of Cologne.

Tentatively, articles on other subjects will be written by Benjamin Aaron, Joseph W. Garbarino, S. M. Lipset, and George Strauss.

A symposium on "Industrial Relations and World Trade" is planned for the May 1962 issue.

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## INSTITUTE OF INDUSTRIAL RELATIONS

## BULLETIN

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