

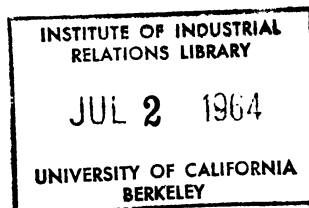
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New Developments in Governmental Industrial Relations Statistics

The Role of the State Statistical Agencies ;



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by

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New Developments in Governmental Industrial Relations Statistics

The Role of the State Statistical Agencies

The previous speakers have talked about new developments in governmental industrial relations statistics primarily for nationwide bargaining. I want to come down to the local level. Because it is at this level that most collective bargaining settlements are made--both in terms of contracts and number of workers affected.

I agree with Nelson Bortz and Phil Arnow that there will be need for the kinds of data and services they have outlined. But, we must remember there will continue to be a need for the bread and butter statistics that are being used every day by labor and management at the local level in renegotiating existing contracts or writing new ones.

I see the role of the State labor statistics agency as fulfilling this need, complementing and supplementing what is being done at the national level.

If we take an inventory of what the States are doing in this field, we find very few with any kind of an industrial relations statistics program. This, in my opinion, points up one of the most serious gaps in State labor statistics today.

The previous speakers have emphasized the fact that collective bargaining contracts govern the wages, hours, and working conditions of millions of workers in this country. The terms of employment for millions more not covered by union agreements--office workers, employees of State and local governments, and others--are indirectly determined by collective bargaining. It is of the utmost importance that agreements entered into be in reasonable accord with the public interest, and that they be reached, if possible, without interruption of production and employment. There is a greater probability that this will be the case if the parties approach the bargaining table with a realistic attitude, based on a knowledge of pertinent facts.

Increasingly, we find that collective bargaining decisions are being made against a background of relevant facts. As the ambit of the agreement has broadened to include health and welfare, pensions, and complex job security and income-protection provisions, the demand for factual information has grown. Third party participation in negotiations, by invitation or otherwise, has also stimulated the parties to try to build their case on a solid statistical foundation.

This need is also recognized in connection with hearings before committees, boards, commissions and similar bodies. Statistics the parties themselves put together may be challenged as self-serving and may be subjected to lint-picking criticism from the other side of the table.

While nationwide negotiations in railroads, basic steel, and other industries receive greatest attention in the press, it is a fact, as I have already pointed out, that most collective bargaining is conducted at the local level. When labor and management sit down to draft a first contract, or to modify an existing one, they usually want to know about the prevailing practices in their industry in the particular locality covered by the agreement. Frequently, they are also interested in the provisions of agreements in other industries and in the agreements of other unions. The U.S. Bureau of Labor Statistics furnishes local information to a limited extent; such data as it supplies is generally for the larger metropolitan areas.

As I see it, then, the goal of the State labor statistics agency should be to provide as much of the currently needed and relevant local data as possible. It should strive to generate as much light as possible so as to reduce heat in collective bargaining to a minimum. Acceptance by both parties of data prepared by an impartial agency can reduce or eliminate disputes over the facts and permit the parties to concentrate on resolving true areas of disagreement.

So much for a general statement of the goal. What data should be provided and how it should be compiled are questions I will try to answer by drawing upon our California experience.

I recognize that not all State labor statistics agencies have resources comparable to ours. Also, needs for industrial relations information will vary from State to State, depending on the industry composition of the workforce, the extent of unionization, and other factors. Nevertheless, most States should be able to offer some of the services we provide.

In a broad sense, all programs of the California Division of Labor Statistics and Research provide services in the field of industrial relations. The hours and earnings figures that come out of the current employment statistics program have been used extensively in negotiations and in arbitration proceedings. So have the reports of our Minimum Wage and Work Injury statistics sections. This afternoon, however, I will be talking about the program of our Industrial Relations Research Section, which has responsibility for developing data used by labor and management in setting wages and conditions of employment. Its work is similar to that carried on by the Division of Wages and Industrial Relations in the Bureau of Labor Statistics.

Establishing a contract file

The raw material for the production of facts on prevailing collective bargaining practices must be a comprehensive file of current collective bargaining agreements covering every organized industry in every area of the State.^{1/}

^{1/} Maurice I. Gershenson, "Services a State Labor Department Can Render by Collecting Labor-Management Agreements" - Proceedings of the 14th Interstate Conference on Labor Statistics, June 1956.

In establishing such a file in California, we have made no attempt to seek out every single contract in the State, but have adopted this policy. We try to obtain:

1. Every contract covering 50 or more California workers (although we do collect contracts covering fewer than 50 workers).
2. All contracts, regardless of size, covering workers in industries or occupations where the number of agreements is small. Included in this category are agreements covering office, technical, and professional employees.

The active file contains more than 3,500 current agreements covering a total of a million and a half workers. Five hundred of these contracts cover less than 50 workers each.

For ready reference and for other purposes, as I shall explain, all contracts, regardless of size, are indexed by union, area, industry, employer, number of workers covered, effective date, and expiration or reopening date.

What can be done with such a file of labor-management agreements? Here in California we use it to provide two kinds of service.

Access

One is to give access to the file, except to those few agreements sent to us with the understanding that they be maintained in confidence and used only for statistical purposes. Those who consult the individual contracts extract whatever information they need. Many representatives of management, labor, and other organizations make this kind of use of the file each year.

Continuing analysis of contract provisions

The other service we provide is to prepare statistical summaries of information contained in the contracts. These summaries are generated by what we call our "continuing analysis." As soon as a new or renegotiated contract comes in, certain clauses are routinely indexed and analyzed in more or less detail. The information extracted from the agreements is translated into numerical codes and stored in a deck of punch cards.

Before this program of continuous analysis was initiated we would merely identify the contracts and file them. Later, when we wanted to extract information about a particular type of clause, it was necessary to go through the entire file in order to locate those agreements containing such clauses. This made it difficult to supply data quickly. It also meant multiple-handling of each contract during the year--as often as we had to read or scan them searching for a particular clause. The present practice of analyzing and coding selected contract provisions on a continuing basis makes it possible to store a great deal of readily accessible information with one handling of the agreement.

What clauses to analyze?

To make the greatest contribution, the State agency should be able to satisfy a legitimate need for impartial information on any contract provision. Limitations of budget and staff, however, will compel the agency to confine its studies to a restricted number of contract clauses.

This poses the policy question, "What clauses should be analyzed?" Our fundamental rule is to select for analysis subjects in which there is a continuing and widespread interest, as demonstrated by the requests we receive. Ordinarily, these will be provisions which either are common to many union agreements or are being rapidly introduced or modified.

In the choice of contract provisions for continuing analysis we have also been guided by certain rules of expediency. We try to avoid provisions which are not easily susceptible to translation into numerical codes. A good example is "seniority." The many variations and complexities of seniority clauses make it difficult to set up a practical set of codes that could be confined within the column capacity of the punch card presently used for the continuous analysis.

How detailed should the analysis be?

A related policy question is, "How detailed should the analysis of contract clauses be?" With limited resources, the answer must be based on a judgment as to what facts are most important for negotiations and to serve other needs.

For example, insofar as most paid leave provisions are concerned, we find that interest is primarily in the annual allowances and the periods of service required to qualify. The vacation provision is a good illustration. Vacations have been long established in most union contracts, and such details as the scheduling of vacations and calculation of vacation pay are rarely issues in negotiations these days. The greatest demand is for data on length of vacation and years of service required. Paid sick leave provisions, on the other hand, are still found in a minority of California agreements. Since new clauses are being established each year there is a demand for more detail. Consequently, we code not only the annual allowances and service requirements, but also such details as amount of sick-leave pay, waiting period, disposition of unused allowance, accumulation provisions, and use of sick leave as a supplement to workmen's compensation benefits.

Certain types of contract clauses are relatively simple in content, tending to group in a small number of easily defined categories. Examples are weekly hours of work, severance pay in lieu of notice, and union security provisions. These we code in very little detail.

Finally, there are a few clauses we identify only on a "yes-no" basis without any detail. These include dues checkoff, severance pay, and unemployment benefit plans, including SUB provisions. When information is needed on any of these clauses, we can quickly locate the contracts that have them and can extract whatever detailed data are required.

Most of the agreements do not spell out in any detail the benefits provided in health and welfare and pension plans. When we undertake a special study of such plans, we find it necessary to assemble supplementary documents that give the details on benefit structure and administration. We have used these materials for several studies in depth, not only of the benefits but also of eligibility requirements, financing and other aspects.

Our analysis of negotiated health and welfare plans covered in great detail the types and amounts of benefits, including hospital care, surgical allowances, physicians' visits, maternity, outpatient laboratory and X-ray services and other medical care benefits; also life insurance, accidental death and dismemberment benefits and disability insurance.

The punch cards containing the contract analysis information constitute an inventory of semiprocessed material out of which we produce finished products. These finished products take the form of formal reports and special tabulations to meet specific requests. The formal reports are usually published in California Industrial Relations Reports, issued about three or four times a year. In addition, from time to time special reports are released, such as our recent digest of pension plans.

There is not enough time today to go into any of the methodological details of contract analysis. For those of you who may be interested in this aspect of the subject, I refer you to the Proceedings of a Conference on Statistics of Labor-Management Relations held at Asilomar, California, in 1955. This meeting was sponsored by the Pacific Coast Committee on Social Statistics of the Social Science Research Council and co-sponsored by the Institute of Industrial Relations of the University of California.

Local data

Aside from deciding what clauses to analyze and in what detail, there are other important considerations if the service is to be of maximum use. Since those seeking industrial relations statistical information usually want it for a particular industry or a particular area, let me again emphasize that the greatest need is for highly localized data. Our operations are geared to produce area data both in response to special requests and for formal reports. This is a service a State labor statistics agency must be able to supply if its industrial relations information is to be of maximum usefulness.

Flexibility and timeliness

Another policy we consider important is that the program be flexible and that it be revised in the light of changing needs. You will recall Nelson Bortz stressed this in his talk. In accordance with this policy, we drop subjects from the continuing analysis when the interest in them wanes or when we find no great changes occurring in a particular clause. We add new items as new needs arise.

Some clauses become of great interest at a particular time and then the interest dies down. I remember during World War II and during the Korean War there were many inquiries about night-shift differentials.

Reports on this subject were prepared in both periods, but we made no attempt to include this type of information in our continuing analysis.

Following the Ford-U.A.W. settlement in 1955, establishing the first supplemental unemployment benefit plan, we geared up to trace the development of such plans in our State. The first California report on this subject was published in 1956, and several follow-up reports have been issued since then.

Currently there is great interest in problems resulting from automation and technological change which has generated many requests for information on collective bargaining provisions negotiated to cope with these problems. We are, therefore, adding to our program the identification and analysis of contract clauses relating to advance notice and consultation, retraining benefits for displaced workers, joint automation committees, mechanization funds and related provisions.

Prompt service

It is very important to be able to supply information quickly to meet pressing needs. In too many cases the parties do not anticipate their requirements in advance and come asking for data at the very last minute. Fortunately, our records and procedures are such that many items of information can be produced on relatively short notice.

One rush job I recall was during the recent negotiations in the aerospace industry. We were asked to supply, within 24 hours, current data on union shop provisions in California contracts for presentation to the President's special aerospace industries commission. I am glad to say we were able to meet that close deadline.

We can't always be this prompt. That is why we look hopefully to the trend that appears to be emerging of having joint labor-management committees meet in advance of negotiations to review the facts and study the problems that face the parties. Some day it may be a rare occurrence for us to be asked for information the day before negotiations begin.

Wage settlements

One type of information much in demand for use in collective bargaining is data on negotiated wage settlements. The State labor statistics agency that compiles such data will find a contract file can be used to verify the wage changes reported in the press and other sources.

We publish quarterly listings of all major wage settlements affecting 500 or more workers. In order to get the listings out promptly, we initially rely on press clippings and other notices which are not always accurate. All reported settlements are later checked by comparing the wage rates in the new agreement with those in the superseded contract. This check is completed by the time we are ready to publish the annual summary of wage settlements shortly after the end of each year. The report lists not only newly negotiated settlements but also deferred increases taking effect in the new year.

Prevailing wage data

Various other uses can be made of the wage information contained in the collective bargaining contracts.

We make extensive use of the data in connection with the responsibility of the Department of Industrial Relations to monitor the payment of prevailing wages on public works. The California law defines "per diem wages" for this purpose to include employer payments for health and welfare, pension, vacation and similar purposes. The law provides that in determining prevailing wage rates "the awarding body shall ascertain and consider the applicable wage rates established by collective bargaining agreements..." It also requires construction unions to file promptly with our Department "fully executed" copies of their collective bargaining contracts. As a result, we have nearly every building trades contract in California. From this comprehensive file, the current union wage rate and applicable fringe benefits can be supplied promptly for any construction trade in any locality in the State. Semiannually we publish a report giving for each county up-to-date wage rates and fringe benefits for practically every construction occupation.

The information is used extensively by State agencies, cities, counties, school districts and other special districts in determining prevailing wages and for the preparation of calls for bids on public works construction as required by law. We have had numerous requests for the data from engineers, architects and others for estimating costs in the planning of public works.

You can very well understand that with California's phenomenal population growth there has been a tremendous volume of construction of roads, dams, schools, hospitals and other public buildings. In view of this great volume, it is remarkable that very few disputes have arisen as to the proper determination of prevailing rates for public works. We believe the ready availability of the wage and fringe information has helped to keep disputes down to an insignificant number.

Except for the construction industry, we prepare very few formal reports on union wage rates, but we do provide a great deal of wage data from the contracts in response to specific requests from unions, employers, and others.

New plants

An interesting application of the wage data as well as the other contract information is for use in making decisions on new plant locations. We are frequently asked to furnish companies contemplating locating a new plant in California information about union wage rates and other union conditions in their industry in the locality, or localities, under consideration. That this service is appreciated is apparent from the many complimentary letters we receive.

Calendar of collective bargaining

Mention was made this afternoon of the need for an "early warning system" on industrial disputes. This brings to mind another use that can be made of a contract file.

For a number of years we have provided our State conciliators with semiannual listings of agreements scheduled to expire or reopen in the next six months. Separate listings are run for each area in the State which identify the parties to each agreement and show its expiration or reopening date. These listings alert the conciliator familiar with the past history of negotiations between the parties to a possible need for his services. This system was developed at the suggestion of Glen Bowers, whom I see in the audience. Glen, until his recent retirement, was the head of the California Conciliation Service.

In addition to these more comprehensive listings, we publish a Calendar of Collective Bargaining at the beginning of each year that lists by month of scheduled expiration or reopening all major contracts (covering 500 or more workers) which will be open for wage negotiations during the year.

Another possible byproduct of a properly classified and indexed contract file might be a report on the structure of collective bargaining in your State. We did one several years ago that we are frequently asked to repeat. It contained data on employment, union membership, number of collective bargaining agreements and workers covered, size of bargaining unit, and principal unions for every organized industry in the State.

Judging from our experience, you will find a calendar of collective bargaining and an analysis of the collective bargaining structure to be of particular interest to your State conciliators. You will also find that the conciliator frequently will have occasion to refer to the contract file.

Union membership statistics

So far, I have confined my discussion to those services that involve data extracted from the collective bargaining agreements. There are, of course, other industrial relations activities you may wish to undertake. I'd like to touch briefly on two of our programs that do not involve the contracts directly.

The first is our annual union membership census. Although attempts to measure union membership in California go back to the 1880's, it was not until 1896 that our agency began a systematic survey of labor unions in the State. Each year since then, the California Bureau of Labor Statistics (now the Division of Labor Statistics and Research) has directed a questionnaire to all local unions to secure various types of information including union membership figures. This annual census of labor unions has been highly successful because of the excellent cooperation we receive from the unions. We get a 93 percent response to a voluntary questionnaire

requesting highly confidential membership information. We attribute our success to the fact that we have scrupulously observed the confidentiality of the data and have made good use of the figures for statistical tabulations.

Our annual report, Union Labor in California, contains information on total membership by area, by industry, by sex, and by size of local. So far as we know, Massachusetts is the only other State that compiles union membership figures.

You may be interested to know that we are considering the collection of information on membership in employee organizations other than unions. A great many public employees at all levels of government belong to such organizations. Yet, very little statistical information is available on such employees and their organizations.

Work stoppage statistics

The other activity I'd like to mention in passing is the work stoppage statistics program. We have been carrying such a program in cooperation with the Bureau of Labor Statistics since 1940. Among the benefits of this cooperative relationship for the collection and compilation of work stoppage information are: (1) good coverage so that very few, if any, disputes are missed, (2) machinery for local follow-up when the parties fail to complete the Bureau of Labor Statistics work stoppage questionnaires, (3) economy of collection and tabulation, and (4) assurance of agreement between our figures and those of the Bureau of Labor Statistics for California.

We publish preliminary strike statistics quarterly and a comprehensive report that gives considerable detail by area on issues, industry, parties, and size and duration of the disputes annually.

Uses other than for collective bargaining

At the beginning of this talk, I suggested that the primary role of the industrial relations statistics program should be to provide data for use in collective bargaining. This type of information will, however, also be used for other important purposes. I've already mentioned plant location decisions and the determination of prevailing wages to be paid on public works. Another use is in connection with legislation. Still another use is as a primary source for research, and in the preparation of articles and books. Groups concerned with various social problems, such as adequacy of medical care, problems of the aged, deterrents to labor mobility, and discrimination against minority groups, will often be interested in particular collective bargaining practices. I should observe that we also supply a good deal of industrial relations materials to organizations of public employees and to civil service commissions at all levels of government, as well as to unorganized firms for use in reviewing or setting wages and working conditions.

Gaps

Although our present programs serve many needs, there are still a number of gaps in industrial relations statistics in California. We know this from the numerous requests we receive for data we cannot supply. Similar information gaps exist, I believe, in most States.

There is need for:

- (1) Information on annual earnings of nonsalaried employees. We are frequently asked for annual earnings data for construction workers and for other occupational groups that may not work the year round.
- (2) Comprehensive information on employer expenditures for fringe benefits by category of expenditure. The Bureau of Labor Statistics and the U.S. Chamber of Commerce surveys do not fill the need for local area data.
- (3) More occupational wage information, particularly for smaller cities. We have relatively few union agreements on file covering the smaller communities in California. Needed for these communities are wage and salary surveys of the unorganized as well as the organized establishments. We do a little in this field but not enough to fill the demand.
- (4) More information on intercity differences in the cost of living--not only between cities in California but between California cities and cities in other States.
- (5) More information on salaries and fringe benefits in public employment below the Federal and State level (counties, cities, school districts, special districts, etc.)

These are but a few of the gaps we see. I hope that we can close some of them before very long.

There is need for some research that may be more within the province of a university than a State labor statistics agency. We are aware of the fact that actual practice at the plant level may be different from what is specified in the contract. How extensive are these differences and how do they relate to the industry, the type of clause, the relative bargaining strength of the parties, and other factors? We would like to have some answers to these questions.

Conclusion

In conclusion, I want to stress one point--cooperation. Without the wonderful cooperation we get from unions, employers, and employer associations, as well as from other organizations, we could not provide the services I outlined this afternoon.

The unions and employer groups year after year voluntarily furnish copies of collective bargaining contracts and supplementary information. These, as I have said, form the raw materials out of which we fashion the products and services that have proven to be useful.

How can such cooperation be achieved? By maintaining in strict confidence all information supplied on a confidential basis. By being strictly impartial in the compilation and presentation of all statistical and text material. By maintaining the highest standards of accuracy and competency. And by fulfilling needs as they arise.

The kinds of services I have outlined this afternoon and adherence to the standards I have just cited are what I see as the role of the State labor statistics agencies in the field of industrial relations.