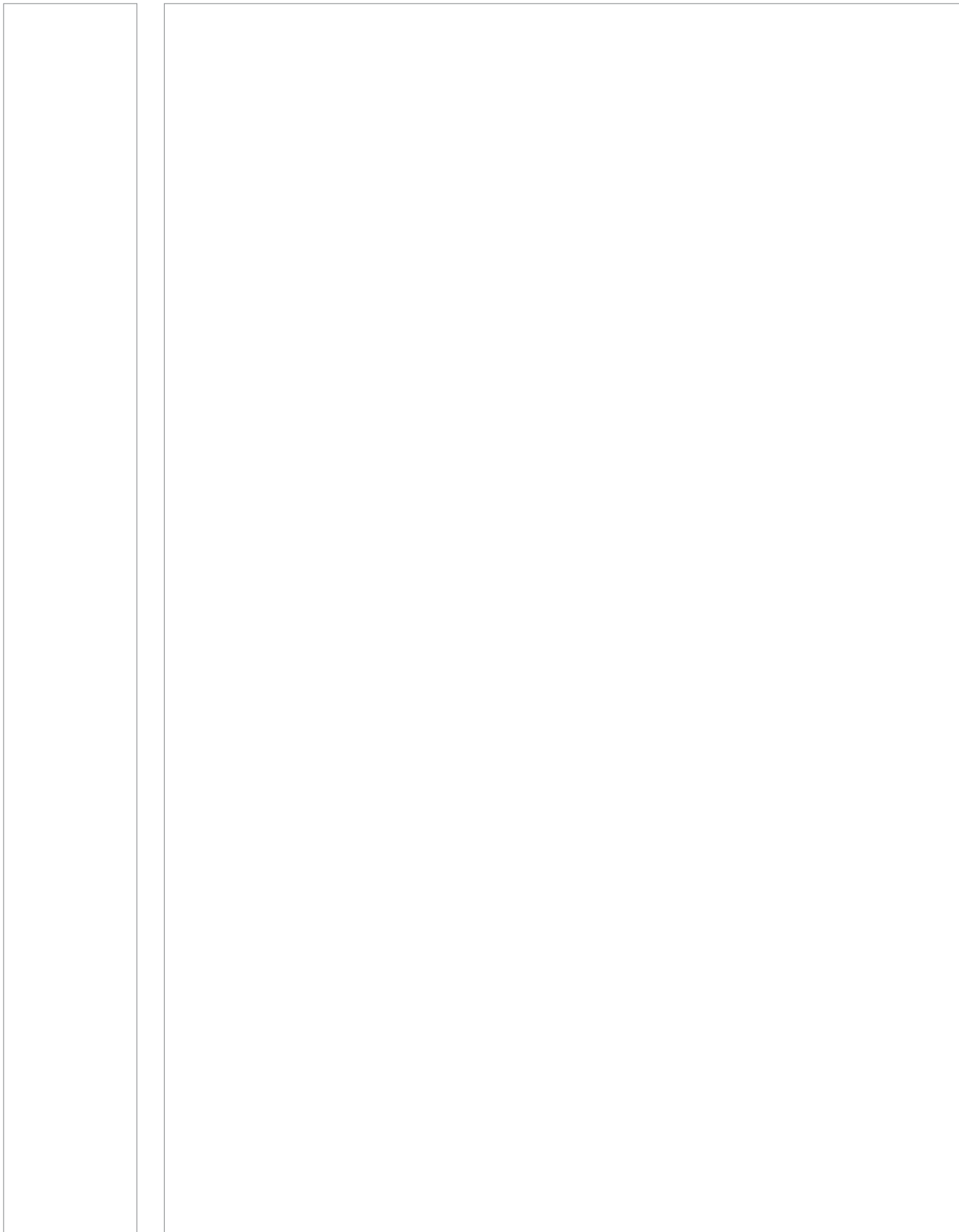


Part 1

Introduction

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Chapter

1

A Framework for Analyzing Collective Bargaining and Industrial Relations

Whether we are at work or at leisure, we are affected by the conditions under which we work and the rewards we receive for working. Work plays such a central role in our lives and in society that the study of relations between employee and employer cannot be ignored.

This book traces how labor and management, acting either as individuals or as groups, have shaped and continue to shape the employment relationship. Employment is analyzed through the perspective of **industrial relations**, which is the interdisciplinary field of study that concentrates on individual workers, groups of workers and their unions and associations, employers and their organizations, and the environment in which these parties interact.

Industrial relations differs from other disciplines that study work because of its focus on labor and trade unions and on the process of collective bargaining. Thus this book describes how collective bargaining works and helps explain, for example, why it may lead to high wages in one situation and to low wages in another.

The study of industrial relations focuses on the key participants involved in the process, the role of industrial conflict, and the performance of collective bargaining. This chapter defines these various aspects of industrial relations and describes how this book analyzes them.

The Participants

The key participants (or parties) involved in the process of industrial relations are management, labor, and government.¹

Management

The term **management** refers to those individuals or groups who are responsible for promoting the goals of employers and their organizations. In fact, management encompasses at least three groups: (1) owners and shareholders of an organization, (2) top executives

and line managers, and (3) industrial relations and human resource staff professionals who specialize in managing relations with employees and unions. Management plays key roles in negotiating and implementing a firm's industrial relations policies and practices.

Labor

The term **labor** encompasses both employees and the unions that represent them. Employees are at the center of industrial relations. Employees influence whether the firms that employ them achieve their objectives, and employees shape the growth and demands of unions.

Government

The term **government** encompasses (1) the local, state, and federal political processes; (2) the government agencies responsible for passing and enforcing public policies that affect industrial relations; and (3) the government as a representative of the public interest. Government policy shapes how industrial relations proceed by regulating, for example, how workers form unions and what rights unions may have.

Assumptions about Labor and Conflict

More Than Just a Commodity

One of the most important assumptions guiding the study of industrial relations is the view that labor is more than a commodity, more than a marketable resource. For instance, because workers often acquire skills that are of special value to one firm and not to another, the possibilities for them to earn as much "in the labor market" as they can at their existing employer are limited. In addition, changing jobs often costs workers a lot: moving locations can be expensive and can also entail large personal and emotional costs. For these reasons and others, labor is not as freely exchanged in the open, competitive market as are other, nonhuman, market goods.

Furthermore, labor is more than a set of human resources to be allocated to serve the goals of the firm. Instead, employees are also members of families and communities. These broader responsibilities influence employees' behaviors and intersect with their work roles.

A Multiple Interest Perspective

Because employees bring their own aspirations to the workplace, industrial relations must be concerned with how the policies that govern employment relations, and the work itself, affect workers and their interests, as well as the interests of the firm and the larger society. Thus, industrial relations takes a **multiple interest** perspective on the study of collective bargaining and industrial relations.

The Inherent Nature of Conflict

A critical assumption underlying analysis of industrial relations is that there is an inherent conflict of interest between employees and employers. That conflict arises out of the clash of economic interests between workers seeking high pay and job security and employers pursuing profits. *Thus, conflict is not viewed as pathological.* Although conflict is a natural

element of employment relations, society does have a legitimate interest in limiting the intensity of conflicts over work.

Common as Well as Conflicting Interests

There are also a number of common interests between employers and their employees. Both firms and their work forces can benefit, for example, from increases in productivity through higher wages and higher profits.

At the workplace there is no single best objective that satisfies all the parties. *The essence of an effective employment relationship is one in which the parties both successfully resolve issues that arise from their conflicting interests and successfully pursue joint gains.*

Collective bargaining is only one of a variety of mechanisms for resolving conflicts and pursuing common interests at the workplace. In fact, collective bargaining competes with these alternative employment systems. Not all employees, for example, perceive deep conflicts with their employers or want to join unions. In dealing with their employers, some workers prefer individual over collective actions. Others exercise the option of *exit* (quitting a job) when dissatisfied with employment conditions rather than choosing to *voice* their concerns, either individually or collectively.²

One of the roles for public policy is therefore not to require unionization and collective bargaining for all workers, but to provide a fair opportunity for workers to choose whether collective bargaining is the means they prefer to resolve conflicts and to pursue common interests with their employer.

Trade-Offs among Conflicting Goals

Since many of the goals of the major actors—workers and their unions, employers, and the public or the government—conflict, it is not possible to specify a single overriding measure of the effectiveness of collective bargaining. Focusing on any single goal would destroy the effectiveness of collective bargaining as an instrument for accommodating the multiple interests of workers and employers in a democratic society.

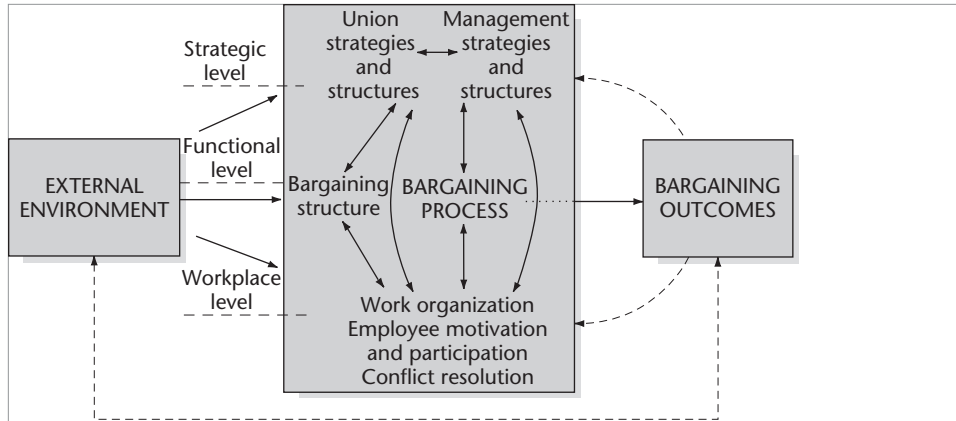
Unions could not survive or effectively represent their members, for example, if employers were completely free to suppress or avoid unionization. Likewise, employers could not compete effectively in global or domestic markets if collective bargaining constantly produced wages or other conditions of employment that increased costs above what the market would bear.

The Three Levels of Industrial Relations Activity

This book uses a three-tiered approach to analyze the operation of industrial relations.³ (Exhibit 1–1 provides the framework for this approach.) First we consider the environmental contexts of collective bargaining; then we look at the operation and outcomes of the bargaining system.

The top tier of industrial relations, the **strategic level**, includes the strategies and structures that exert long-run influences on collective bargaining. At this level we might compare the implications for collective bargaining of a business strategy that emphasizes product quality and innovation against a business strategy that seeks to minimize labor costs.

EXHIBIT 1-1
Conceptual Framework for the Study of Collective Bargaining



The middle tier of industrial relations activity, the **functional level**, or collective bargaining level, involves the process and outcomes of contract negotiations. Discussions of strikes, bargaining power, and wage determination feature prominently here.

The bottom tier of industrial relations activity, the **workplace level**, involves those activities through which workers, their supervisors, and their union representatives administer the labor contract and relate to one another on a daily basis. At the workplace level adjustment to changing circumstances and new problems occurs regularly. A typical question at this level, for example, is how the introduction of employee participation programs has changed the day-to-day life of workers and supervisors.

It is through the joint effects of the environment and the actions of the parties within this three-tiered structure that collective bargaining either meets the goals of the parties and the public or comes up short.

The Institutional Perspective

The perspective that guides our analysis of industrial relations was first developed by institutional economists at the University of Wisconsin. John R. Commons (1862–1945), the person who most deserves the title of “father of U.S. industrial relations,” identified the essence of institutional economics as “a shift from commodities, individuals, and exchanges to transactions and working rules of collective action.”⁴ Commons and his fellow institutionalists placed great value on negotiations and on compromise among the divergent interests of labor, management, and the public.

The institutionalists in the United States were heavily influenced in their thinking by Sidney and Beatrice Webb, two British economists and social reformists, who were members of the Fabian socialist society. They viewed trade unions as a means of representing the interests of workers through the strategies of *mutual insurance*, *collective bargaining*, and *legal enactment*.⁵

In following the Webbs, the institutionalists rejected the arguments of Karl Marx. Marx argued that the pain of the exploitation and alienation inflicted on workers by the

Beatrice Webb on the Balance of Power between Employee and Employer **Box 1-1**

If the capitalist refuses to accept the workman's terms, he will, no doubt, suffer some inconvenience as an employer. To fulfill his orders, he will have to "speed up" some of his machinery, or insist on his people working longer hours. Failing these expedients he may have to delay the delivery of his goods, and may even find his profits, at the end of the year fractionally less than before. But, meanwhile, he goes on eating and drinking, his wife and family go on living, just as before. His physical comfort is not affected: he can afford to wait until the labourer comes back in a humble frame of mind. And that is just what the labourer must presently do. For he, meanwhile, has lost his day. His very subsistence depends on his promptly coming to an agreement. If he stands out, he

has no money to meet his weekly rent, or to buy food for his family. If he is obstinate, consumption of his little hoard, or the pawning of his furniture, may put off the catastrophe; but sooner or later slow starvation forces him to come to terms. And since success in the higgling of the market is largely determined by the relative eagerness of the parties to come to terms—especially if this eagerness cannot be hidden—it is now agreed, even on this ground alone, "that manual labourers as a class are at a disadvantage in bargaining."

Source: Mrs. Sidney Webb, ed., *The Case for Factory Acts* (London: Grant Richards, 1901), pp. 8–9.

capitalistic system would eventually lead to the revolutionary overthrow of the system. He believed that workers would eventually develop a class consciousness that would pave the way for revolution and the ultimate solution to their problems—a Marxian economic and social system. Marx supported trade unions in their struggles for higher wages, but he believed they should simultaneously pursue the overthrow of the capitalistic system.

There were, however, some interesting similarities in the views of Commons, Marx, and the Webbs. Like Marx and the Webbs, Commons and other institutional economists rejected the view of labor as a commodity, for two fundamental reasons. First, the institutionalists saw work as being too central to the interests and welfare of individual workers, their families, and their communities to be treated simply as just another factor of production.⁶

Second, the institutionalists echoed the Webbs and the Marxist theorists by arguing that under conditions of "free competition" most individual workers deal with the employer from a position of unequal bargaining power. That is, in the vast majority of employment situations, the workings of the market tilt the balance of power in favor of the employer. The selection from Beatrice Webb's classic essay on the economics of factory legislation in Britain, shown in Box 1-1, amply illustrates this argument.

The institutionalists concluded that labor required protection from the workings of the competitive market and that unions could materially improve the conditions of the worker. This led them to advocate two basic labor policies: legislation to protect the rights of workers to join unions; and legislation on such workplace issues as safety and health, child labor, minimum wages, unemployment and workers' compensation, and social security.⁷ Thus, in addition to making scholarly contributions, the institutionalists served as early advocates of the legislative reforms that became the centerpiece of the New Deal labor policy.

The Performance of Collective Bargaining

The performance of collective bargaining can be assessed by looking at how well it serves the goals of the parties involved and the public.

Labor's Goals

To see if collective bargaining is meeting labor's goals we can examine wages, benefits, safety conditions, and employee job satisfaction. A number of union-management efforts now seek to improve the quality of working life and employment security. Because many of these joint processes have expanded beyond the traditional agenda of collective bargaining, their success or failure in serving workers' interests must also be assessed.

Management's Goals

Management is concerned with the effects of collective bargaining on labor costs, productivity, profits, product quality, and the degree of managerial control. Management also has goals for various personnel concerns, such as employee turnover, motivation, and performance. All of these indicate the extent to which collective bargaining aids or hinders employers' quests for competitiveness in the product market.

Management, particularly in the United States, historically has not been very sympathetic to collective bargaining. The vast majority of U.S. employers have resisted unionization of their employees and have often been only reluctant participants in collective bargaining. Managers tend to evaluate the performance of collective bargaining by comparing it with the nonunion alternatives.

The growing sophistication of human resource management strategies and the increasing competitive pressures from nonunion sectors have led more and more corporate managers to scrutinize the performance of their labor relations functions. Most top executives are trying to integrate their labor relations strategies with their business strategies. For example, firms in the steel, auto, aerospace, and apparel industries have worked with unions to modify labor relations practices in order to make new investments in plant and equipment pay off.

The Public's Goals

Identifying the goals of collective bargaining for the public and the government is a more difficult task. Government labor policy requires the maintenance of industrial peace and union democracy. In addition, the government is concerned about the effects of collective bargaining on inflation and unemployment and on working conditions, such as safety and health, equal employment opportunity, and income security.

A free labor movement is important to any political democracy. So it is also necessary to assess whether public policies and private actions are producing a bargaining system that strengthens democracy at the workplace and in the society at large.

Since less than one-fifth of the U.S. labor force is now represented by trade unions, the regulation of employment conditions involves more than just collective bargaining. In some instances public policies preempt collective bargaining by creating alternative means through which labor-management issues are addressed, such as through government regulation of pensions.

The Plan of the Book

The chapters that follow analyze industrial relations by simultaneously moving across and downward through Exhibit 1–1. The framework in Exhibit 1–1 is broader and more dynamic than most models of collective bargaining. In particular, it emphasizes the range of choices management, labor, and government policymakers have in responding to environmental changes (such as increased competition or changes in technology), rather than in treating technology or competitive pressures solely as overriding constraints.

The following discussion provides a more elaborate description of the terms used in Exhibit 1–1. This material also sketches out in more detail the topics included in each chapter and their connections as the book moves across and downward through Exhibit 1–1. The reader may wish to return to this material from time to time as a review strategy to put the individual topics and chapters in perspective.

The Environment

The external environment sets the context for collective bargaining and strongly influences the bargaining process and bargaining outcomes. The **external environment** includes five key dimensions: the economic environment (micro and macro), law and public policy, the demographic context, social attitudes, and the technological context. The laws and public policies that regulate collective bargaining are a key aspect of the environment and are outlined in Chapter 3. Chapter 4 describes how each component of the environment influences the process and the outcomes of bargaining.

The environment often transmits its effects through the exercise of **bargaining power**. For example, a law that grants employees the right to strike is important because it facilitates the emergence of collective bargaining and thereby alters the balance of power between labor and management. The ensuing shift in the balance of power is particularly noteworthy to the extent that it leads to different employment conditions (such as higher wages) than would otherwise exist. In this way something in the external environment (a law) affects the frequency of bargaining (the bargaining process) and wage levels (a bargaining outcome).

Similarly, the economic features of product and labor markets affect the behavior of labor and management and the outcomes of collective bargaining. Workers and unions, for example, have more bargaining leverage and are able to win higher wages during contract negotiations when it is easier for striking workers to find temporary or alternative employment. Thus, an aspect of the macroeconomy (the unemployment rate) influences workers' bargaining power and bargaining outcomes (the wage settlement).

Do the provisions of typical collective bargaining contracts adequately address the needs of women in the work force, of youths, and of the elderly? Is the government enforcing the existing labor laws? These questions concern additional interactions between the external environment (in the first case, the demographic context; in the second case, the public policy context) and collective bargaining.

As the book traces how the various components of the environment affect the bargaining process and bargaining outcomes, the discussion moves across the middle tier of the framework outlined in Exhibit 1–1. At the same time it is important to be aware of how the strategies and structures of labor and management both shape the middle tier of industrial relations activity and exert impacts at the workplace. Thus, as the text moves across the framework the analysis also simultaneously moves downward through our three-tiered

framework. The framework starts at the top by first considering the role played by labor and management strategies and structures.

The Strategic (Top) Tier

At the top tier of industrial relations activity are the strategies and structures that guide the long-run direction of U.S. industrial relations.

Management's Strategies and Structures

The strategies and structures of management are critically important in shaping the evolution of industrial relations. For instance, is a given company's top management content to work with its union(s) over the long run, or is it fundamentally committed to devoting its resources to nonunion pursuits and operations?

Chapter 5 analyzes the various strategic options available to managers, including the growing availability and sophistication of nonunion alternatives to collective bargaining. What leads management to aggressively seek to avoid unions in one case, whereas in another situation management is content to negotiate with the unions that represent its employees and to focus on improving the existing collective bargaining relationship? To help us understand what motivates management, Chapter 5 contrasts the key features of some of the nonunion employment systems with those of both traditional union practices (the *New Deal system*) and the participatory practices that have recently emerged in a number of unionized settings.

While management strategies are important, so are the various structures that management uses to organize itself for industrial relations. The second part of Chapter 5 considers how management organizes its industrial relations staffs.

Labor's Strategies and Structures

Labor's strategies and structures also exert a critical influence on the course of industrial relations. The various aspects of labor's strategic issues are addressed in Chapter 6. For example, is a given union leadership committed to maintaining a distanced and adversarial posture in negotiations, or is it interested in exchanging new forms of flexible work organization for greater control over the design of the production process? In addition, should the labor movement focus on political action or seek to improve employment conditions through collective bargaining? These are but two of the strategic issues that face the labor movement.

The labor movement, like management, also structures itself in its efforts to shape industrial relations. Chapter 6 describes the organizational structure of the American labor movement and delineates the division in the responsibilities of the American Federation of Labor–Congress of Industrial Organizations (AFL–CIO), national unions, and local unions.

A key strategic issue, perhaps the single most important issue, for the labor movement today is the extent of the work force that belongs to a union. Concerns about union organizing led to changes in the leadership and strategic direction of the AFL–CIO that are reviewed in this chapter. To understand the context for these changes in the strategic approach of the labor movement, Chapter 6 traces current union membership figures and some of the trends. This chapter also explains why union membership as a fraction of the work force has declined so substantially in the United States.

The emphasis in this book on the strategic level of industrial relations activity contrasts with most traditional treatments of unions and employers. The traditional approach focuses

on a narrow concept of the internal management structure for labor relations or on union wage objectives and internal politics. Today an understanding of the links between business and union strategies and collective bargaining is needed to interpret or to participate in the bargaining process.

The Functional (Middle) Tier

The middle tier of activity within a bargaining relationship encompasses the heart and soul of the bargaining process. This tier is the arena in which the process of contract negotiations takes place. It is here also that the terms and conditions of the labor agreement (the outcomes of bargaining) are established and periodically modified.

Union Organizing and Bargaining Structure

The formation of unions and workers' expression of interest in union representation precedes negotiations and the determination of bargaining outcomes. In the United States unions establish their right to represent workers in defined **bargaining units** through the vote of prospective members in a **representation election**. Thus, the first stage in our discussion of the process of bargaining (in Chapter 7) is consideration of how representation elections are held and the laws that regulate the conduct of those elections.

Unions have not fared very well in the representation elections held in the United States, particularly since the early 1970s. Thus an analysis of union organizing must consider some of the tactics management has been using to such great success and some of the recent steps taken by unions to increase their membership.

A critical factor that shapes the form and often the outcomes of organizing is the structure of the bargaining unit, the second major topic addressed in Chapter 7. **Bargaining structure** refers to the scope of employees and employers covered or in some way affected by the terms of a labor agreement. For example, are a number of different employers covered by a single collective bargaining agreement? Does a given company bargain with one union or with many? Does a given union represent workers with diverse or with homogeneous skills?

The structure of bargaining in the United States is highly decentralized: the U.S. Bureau of Labor Statistics estimates (no exact census has ever been attempted) that somewhere between 170,000 and 190,000 separate collective bargaining agreements currently exist in this country. This figure may overstate the actual degree of decentralization of bargaining, however. An informal process known as **pattern bargaining** often operates to tie separate agreements together, so that a change in one leads to similar changes in others within the same firm, region, or industry. For instance, the United Auto Workers union, which represents workers in both the auto parts and the auto assembly sectors, regularly has tried to extend the contract improvements it won in the assembly plants of the major manufacturers to the parts-producing plants owned by other companies.

Chapter 7 explores how the strength of pattern bargaining and other aspects of bargaining structures change over time. This analysis demonstrates the important links between bargaining structure and other concepts in the framework.

The Negotiations Process

At the heart of union-management relations is the negotiation of collective bargaining agreements, the topic that is the focus of Chapter 8. If a union wins the right to represent a

group of workers, the next phase in the bargaining process involves the union's (and workers') efforts to negotiate a favorable collective bargaining agreement. The **negotiations process** is a complicated affair, involving tactics, strategies, and counterstrategies by both labor and management. Given the mixed-motive nature of collective bargaining, the parties are often torn in negotiations between their distributive and integrative impulses. In this chapter we examine efforts adopted by some parties in recent years to maximize the joint gains in bargaining through a so-called **interest-based bargaining** approach. What makes the subject of negotiations particularly challenging is its dynamic nature.

Analysis of the process of negotiations considers the following sort of questions:

1. How can the dynamics of the negotiations process be described and explained?
2. What causes strikes to occur in some negotiations and not in others and to vary in frequency and intensity over time and across industries?
3. What role do union and business strategies play in shaping the negotiations process?
4. How can the parties increase the joint gains that could benefit both labor and management?

Chapter 8 examines the complete cycle of negotiations, starting with the presentation of opening offers and demands and proceeding through the signing of the final agreement.

Impasse Resolution

When labor and management reach an impasse in contract negotiations, a variety of techniques can be (and have been) used to settle the dispute. Chapter 9 assesses various **impasse resolution** techniques. This chapter examines the frequency of their use and some of the strengths and weaknesses of each.

Bargaining Outcomes

The bargaining process is important in its own right, but it is particularly relevant for its effects on workers' employment conditions, as analyzed in Chapter 10. Employment conditions are the most important **bargaining outcomes** that are shaped by collective bargaining.

Most, but not all, of the outcomes of the negotiations process are codified in the collective bargaining agreement. Exhibit 1–2 shows the range of the terms and conditions of employment that are covered in many labor contracts. This list illustrates that most of the agreements address, at the very least, the following sets of issues: (1) wage and fringe benefit levels, payment systems, and administration; (2) job and income security; (3) physical working conditions; (4) selected personnel management and plant operation practices; and (5) union and management rights and responsibilities.

Nonetheless, the scope and content of bargaining agreements in the United States vary widely. Yet, because contract provisions define the rights and obligations of each of the parties, they furnish a starting point for assessing how well the interests of workers, employers, unions, and society are faring at the workplace.

Recently, a number of companies and unions have moved to simplify the rules contained in their agreements as part of their efforts to lower costs and to increase flexibility in managing human resources. The chapter addresses both the historical growth in the complexity of bargaining agreements and the more recent efforts to streamline some of the work rule provisions.

EXHIBIT 1-2 Typical Provisions in Collective Bargaining Agreements

Source: Adapted from Joseph W. Bloch, "Union Contracts—A New Series of Studies," *Monthly Labor Review* 87 (October 1964), pp. 1184–85.

Establishment and Administration of the Agreement

Bargaining unit and plant supplements
Contract duration and reopening and renegotiation provisions
Union security and the checkoff
Special bargaining committees
Grievance procedures
Arbitration and mediation
Strikes and lockouts
Contract enforcement

Wage Determination and Administration

Rate structure and wage differentials
Incentive and bonus plans
Production standards and time studies
Job classification and job evaluation
Individual wage adjustments
General wage adjustments during the contract period

Job or Income Security

Hiring and transfer arrangements
Employment and income guarantees
Reporting and call-in pay
Supplemental unemployment benefit plans
Regulation of overtime, shift work, etc.
Reduction of hours to forestall layoffs
Layoff procedures, seniority, recall
Worksharing in lieu of layoff
Attrition arrangements
Promotion practices
Training and retraining
Relocation allowances
Severance pay and layoff benefit plans
Special funds and study committees

Functions, Rights, and Responsibilities

Management rights clauses
Plant removal

Subcontracting

Union activities on company time and premises
Union-management cooperation
Regulation of technological change
Advance notice and consultation

Plant Operations

Work and shop rules
Rest periods and other in-plant time allowances
Safety and health
Plant committees
Hours of work and premium pay practices
Shift operations
Hazardous work
Discipline and discharge

Paid and Unpaid Leave

Vacations and holidays
Sick leave
Funeral and personal leave
Military leave and jury duty

Employee Benefit Plans

Health and insurance plans
Pension plans
Profit-sharing, stock purchase, and thrift plans
Bonus plans

Special Groups

Apprentices and learners
Handicapped and older workers
Women
Veterans
Union representatives
Nondiscrimination clauses

The Workplace (Bottom) Tier

The management of conflict and the delivery of due process are only two of several key activities that occur on a continuous basis at the workplace level of industrial relations activity. Other activities involve the motivation, participation, and supervision of individual workers and the structuring of work into jobs, groups, or teams. Should work be organized into highly fragmented jobs or, rather, placed in team systems of work organization? What does a shift to a team system imply for union leaders and the operation of the grievance system? These questions illustrate the issues being raised by the recent changes that have been occurring at the workplace level.

Administration of the Bargaining Agreement

Much of the workplace interaction between labor and management in unionized settings in the United States focuses on administration of the collective bargaining agreement. At the centerpiece of contract administration are the grievance and arbitration procedures analyzed in Chapter 11. Some analysts view grievance arbitration as the most significant innovation of the U.S. industrial relations system.

Grievance and arbitration procedures have been affected by the growth of external laws governing health and safety, equal employment opportunity, and other matters that influence the rights of individuals and add to the responsibilities of both unions and employers. Chapter 11 considers how these external laws also influence the workplace.

Participatory Processes

The negotiation and administration of a collective bargaining agreement have traditionally provided a way for employees to participate in decisions that shape their work lives and employment conditions. There has been much effort to go beyond these procedures and to directly involve employees in making decisions. Chapter 12 analyzes the variety of participatory processes that have emerged. The text also assesses forms of work organization, including team systems and quality circles, that have become part of labor and management's efforts to improve productivity and product quality.

Participatory processes have sprung up at strategic levels as well as at the workplace level. The options range from forms of employee ownership, to labor-management committees, to union representation on corporate boards, to the workplace processes discussed above.

Special Topics

Chapters 13 and 14 address selected topics that complete our understanding of collective bargaining in the modern economy.

Public Sector Collective Bargaining

The rules and procedures in public sector collective bargaining, examined in Chapter 13, differ from those used in the private sector in the United States. The public sector employs a wide diversity of employees, including public school teachers, municipal police and firefighters, and the office staffs of city, state, and federal governments. Public employees are not covered by the National Labor Relations Act (NLRA). This chapter considers the extent to which the theories presented in earlier parts of the book carry over to the public sector.

International and Comparative Industrial Relations

These days the industrial relations developments that are occurring around the world warrant the special attention they are given in Chapter 14. The labor movement has been at the forefront of the sweeping political changes that occurred in the formerly Communist bloc and in newly industrialized countries such as Korea. In these countries the labor movement is as much concerned with political change as it is with the determination of work conditions on the factory floor.

International trade and competitiveness have moved to the forefront of economic policy in the United States. In particular, there is much discussion about whether globalization has fundamentally increased management's power and advantage. Concern about globalization,

for example, has spurred various international workers' rights initiatives. Chapter 14 reviews the effects of globalization and provides examples of recent international workers' rights disputes and campaigns. Chapter 14 also reviews in detail the industrial practices in Japan and Germany. These two countries are informative because their practices are so different from those in the United States and because the performance of these economies has been relatively strong. Examination of industrial relations in other countries provides insight into American practice.

Labor Policy.

Chapter 15 returns to a primary focus on issues in the United States. This concluding chapter assesses broad public and social policies and their effects on industrial relations. In the face of all the changes emerging in U.S. collective bargaining, this chapter also considers the various policy options and the merits and implications of the alternative policies.

Summary

The expansion of participatory processes and the diffusion of team forms of work organization are some of the many changes that have been occurring in industrial relations in recent years. Yet these are only a few among many critical changes that have emerged. In the face of the wide-ranging changes that have come to industrial relations and collective bargaining, many of the earlier textbooks addressing those subjects have become out of date. For some analysts collective bargaining in recent years was noteworthy because of the modest wage increases or heightened concern for employment security that characterized collective bargaining in these years. For others, it was the continuing decline in private sector union representation that was so unusual. And for some other analysts it was the heightened pressures of globalization or new union organizing strategies that were most important. To us, each of these and other events were noteworthy, but it is even more important to understand how the various changes and events *fit together as a shift in the nature and form of industrial relations.*

We believe there has been a fundamental transformation in American industrial

relations that includes shifts in the focus of activity from the middle level to both the strategic and the workplace levels. Concern over employment security, union decline, and participation programs and other events in the United States can all be understood as parts of this transformation.

We developed the model of industrial relations presented in Exhibit 1–1 in our efforts to comprehend the scope of the changes that are under way. We believe these changes in collective bargaining should be viewed as neither a fluke nor a special case but, rather, as an illustration of the dynamics of industrial relations.

One cannot gain an understanding of recent developments or the workings of industrial relations without a sense of history. Chapter 2 provides a historical perspective on the evolution of industrial relations in the United States. This chapter highlights some of the key events and turning points in that history as it provides a perspective on the wide-ranging changes that have been occurring in collective bargaining in the United States.

Discussion Question

1. Name the actors, generally and specifically, who are involved in the collective bargaining process.
2. Exhibit 1-1 is essential in understanding how this book is arranged and proceeds in its analysis of collective bargaining. Describe this figure and how it pertains to the study of collective bargaining.
3. One of the fundamental aims of collective bargaining is the reduction of conflict between employees and employers. What are some basic assumptions about labor and conflict in this book?
4. What are some of the ways in which we judge the effectiveness of collective bargaining, with respect to the different actors involved in the process?

Related Web Sites

General index of union websites:

<http://www.access.digex.net/~umwu/unions.html>

Union sources and links:

<http://garnet.berkeley.edu:3333/labor/index.html>

<http://www.uniteunion.org>

Federal web locator:

<http://www.vcilp.org/Fed-Agency/fedwebloc.html#search>

Cornell University's School of Industrial and Labor Relations:

http://www.ilr.cornell.edu/gernal_ilr_info/aboutilr.html

General collective bargaining websites:

<http://claims.ubc.ca/collective/december/default.htm>

Centers for the Study of Labor Relations:

<http://www.nlma.org/lbr-link.htm>

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End Notes

1. See John T. Dunlop, *Industrial Relations Systems* (New York: Holt, 1958).
2. See Albert O. Hirschman, *Exit, Voice, and Loyalty: Responses to Declines in Firms, Organizations, and States* (Cambridge: Harvard University Press, 1970).
3. For a summary of the theoretical and empirical research on which this model is based, see Thomas A. Kochan, Harry C. Katz, and Robert B. McKersie, *The Transformation of American Industrial Relations*, 2d ed. (Ithaca, New York: ILR Press, 1994).
4. John R. Commons, *Institutional Economics: Its Place in the Political Economy* (New York: Macmillan, 1934), p. 162.
5. Sidney and Beatrice Webb, *Industrial Democracy* (London: Longmans, Green and Co., 1920).
6. Commons, *Institutional Economics*, p. 559.
7. For a discussion of the policies advocated by the early institutionalists and ultimately passed in the wave of New Deal legislation, see Joseph P. Goldberg, Eileen Ahern, William Haber, and Rudolph A. Oswald, *Federal Policies and Worker Status since the Thirties* (Madison, WI: Industrial Relations Research Association, 1977).