
Fourth Edition

LABOR RELATIONS

Development

Structure

Process

JOHN A. FOSSUM

Labor Relations

Development, Structure, Process

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1989 Fourth Edition

BPI
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Homewood, IL 60430
Boston, MA 02116

To all my parents

PETER, ALMEDA, HERB, and JANE

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PREFACE

The fourth edition of *Labor Relations: Development, Structure, Process* follows the publication of the first edition by one decade. During this decade, the practice of labor relations has changed radically. Membership in labor unions has declined markedly. Unions, for the first time since the 1930s, have agreed to major economic concessions. Pattern bargaining has eroded substantially. At the same time, public sector unions have gained members and held their own in economic settlements.

During the 1980s, labor unions and collective bargaining have become a topic of increasing research interest. Major efforts have yielded increasing amounts of information about the influence of unions on economic outcomes of employees and organizations. These are perhaps best represented in Richard Freeman and James Medoff's *What Do Unions Do?* Additional work has been done to explore the adaptation of organizations and unions to the changing economic environment of the 1980s, culminating in the publication of *The Transformation of American Industrial Relations* by Thomas Kochan, Harry Katz, and Robert McKersie. This edition, like the last, benefits substantially by the burgeoning research in labor relations.

Major changes in this edition include an examination of the role of political action committees of unions, additional evidence on the increasingly contentious area of union organizing, the effects of unions on the economic performance of organizations and employee outcomes, new models and evidence related to union-management cooperation, and models and evidence related to grievance processing and contract administration. Additionally, evolutionary changes and increased inclusion of evidence related to the effects of labor relations have been added.

I hope that you will see this book as presenting a balanced perspective—balanced from a labor or management viewpoint, and balanced from a behavioral, institutional, and economic perspective. In the development of this approach, I am indebted to many institutions and

individuals—my graduate school professors at the University of Minnesota and Michigan State University, my colleagues over time at the University of Wyoming, University of Michigan, UCLA, and now in the Industrial Relations Center at the University of Minnesota.

Specific acknowledgments are also necessary to credit those who have assisted me with the preparation of this book. The thorough reviews and helpful comments of Hoyt Wheeler of the University of South Carolina and I. B. Helburn of the University of Texas significantly assisted the preparation of the first edition. The second edition was aided by suggestions and comments from Jim Chelius of Rutgers University, Sahab Dayal of Central Michigan University, and George Munchus of the University of Alabama at Birmingham. The third edition was aided by the reviews of George Bohlander of Arizona State University, Richard Miller of the University of Wisconsin, Edmond Seifreid of Lafayette College, and Bobby Vaught of Southwest Missouri State University. This edition has benefited from the reviews of Edward Reinier of the University of Southern Colorado and Jack E. Steen of Florida State University.

Reference materials are particularly important in preparing a text, and reference librarians are thus helpful in pointing out new information and locating it. I have been assisted by several in preparing this text. For the first two editions, JoAnn Sokkar, Mabel Webb, and Phyllis Hutchings of the Industrial Relations Reference Room at the University of Michigan provided this assistance. For editions three and four, Georgianna Herman and Mariann Nelson of the Industrial Relations Center Reference Room at the University of Minnesota have found obscure sources and provided quick turnaround. Library services are very important in preparing a text and also important for students in making the maximum use of the exercises in this book. It's likely that many graduates of the Master of Arts in Industrial Relations program at the University of Minnesota are indebted to Georgie Herman for information she found for them that enabled them to complete papers required by their degree programs. Research assistants are also an important resource that substantially facilitates text preparation. I was particularly fortunate to have two energetic, persevering, and analytic assistants who helped me locate material for this text; Kelli Watson, now with Pfizer; and Molly Casserly, who is completing her degree during the quarter in which this book is published. My thanks to all of these people who assisted me. Any errors or omissions in this text should not be attributed to them. I have occasionally ignored advice which was probably beneficial and may have overlooked information provided to me.

Finally, I owe a permanent debt to all of the parents of my family who provided me with the examples and support to undertake an academic career; to my wife, Alta, who has made the personal sacrifices of moving several times, has subordinated her interests during

times when I was writing, and has offered the wisest counsel; and to my children, Andy and Jean, who had to explain to their friends that their father was not “terminally weird” for spending many consecutive weekends in front of a microcomputer display after being harassed for failing to meet deadlines. And yes, Jean, you can sneak a copy of this edition into the junior high library, just like you did with the last edition in the grade school library, but don’t expect your classmates to move it to the top of the “most borrowed” list.

John A. Fossum

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CHAPTER 1

Introduction

Most readers of this book are or have been employed, but most have probably not been union members, and most do not expect to be union members in the future. But readers have likely formed attitudes toward labor unions and collective bargaining. These opinions have been formed largely through information provided by the news media. Media attention is usually focused on unusual events. In labor relations, this usually means a major negotiation, strike, lockout, or an unlawful practice charge. The media shouldn't be faulted for this—excitement does draw viewers and sell newspapers, but it does not reflect day-to-day labor relations in the United States. Overt disagreement, reflected in strikes, lockouts, and unlawful practices, occurs relatively infrequently.

Labor relations and employment have undergone major changes during the 1980s.¹ The proportion of employees represented by unions has declined substantially; unionized employees in many industries have agreed to economic concessions; and employers have become more successful in resisting union-organizing campaigns. Many commentators marked the 1981 air traffic controllers' strike and their subsequent discharge as a major event in the recent decline in union power. However, future commentators may note the organization of the National Air Traffic Controllers Union and its certification in 1987 as the bargaining representative to negotiate with the Federal Aviation Agency as the beginning of a renewed vitality in the union movement.

¹ For a comprehensive examination, see Thomas A. Kochan, Harry C. Katz, and Robert B. McKersie, *The Transformation of American Industrial Relations* (New York: Basic Books, 1986).

PLAN OF THE BOOK

The title, *Labor Relations: Development, Structure, Process*, was not chosen haphazardly. The first part of the title indicates a focus on the employment relationship in unionized settings. The words following the colon establish the topical flow of the book.

Development

The present state of the labor movement and collective bargaining is the result of a variety of economic and social situations in which strategic choices were made by labor leaders and managers. In examining the *development* of the labor movement, the conditions related to the initial formation of unions must be understood. Public opinion influenced the response of public officials toward both the subsequent formation of unions and their operation.

Other areas of interest concern the reactions of employers to unions. Where did unionization begin? In what industrial sectors have unions been most prevalent? How have the parties adapted to each other over the long run? What are the present stances of employers toward unions, and where are the greatest changes taking place?

Chapters 2, 3, and 4 address development issues, tracing the historical evolution and present public policy environment in which American labor operates. Although union activity has occurred throughout the history of the country, effective labor organizations are just over 100 years old. These chapters indicate that labor law and its enforcement have played an important role in the development of collective bargaining. The development chapters trace societal and economic changes and detail the statutes that have contributed to the development and particular shape of collective bargaining in the United States. In particular, legislation passed in the 1930s to protect employees in forming unions and engaging in collective bargaining contributed to union growth.

Structure

The examination of union *structure* focuses on the offices and institutions that either make up the labor movement or have major impacts on it. In this regard, the last part of Chapter 4 details the federal institutions involved in regulating collective bargaining. Chapter 5 examines the various organizational levels in the labor movement and identifies the location of the power centers within the movement. Chapter 5 also discusses the organizational structure of several national unions, the roles played by union officers, and the causes and consequences of the recent increase in union mergers. The various