CHAPTER 2

THE INDUSTRIAL RELATIONS UNIVERSE

JOHN T. DUNLOP*

All who are at these meetings today, presumptively, have a concern with industrial relations—be they drawn from labor, management, government, or from the third world of neutrals; or be they academics, observers, the fourth estate, public regulators, or practitioners for the parties; or be their concern the private business sector, government employment, or nonprofit organizations; or be the center of their attention workers in unions, professional associations, or the unorganized labor force; or be it managers in formal associations or in loose affinity to similarly situated enterprises; or be they specialists in a subject area such as health, safety, pensions, affirmative action, discipline, wages and benefits, seniority, conflict resolution, economics, anthropology, or law; and so forth.

In the last 30 years the universe of industrial relations has expanded very rapidly with ever greater complexity and detail. Our capacity, and even our concern, to portray and appreciate the greater whole has receded apace. My impression is that each set of participants—legislators, regulators, negotiators, arbitrators, mediators, press and media, and subject specialists—is increasingly isolated, tucked into a small corner of the industrial relations universe. We tend to think of our parochial activity as if it were the whole. The capacity to see, to describe, to analyze, much less to change consciously our industrial relations arrangements or their major parts, has declined appreciably. Even the perspective of international comparison has not generally been used analytically and imaginatively to appreciate the truly distinctive characteristics of our system in the United States and to identify basic problems. None of us is learning enough from the experiences of England, Japan, and Western Europe about fundamentals, as distinct from a preoccupation with a few frills whose popularity is fleeting.

* Member, National Academy of Arbitrators; Lamont University Professor, Harvard University, Cambridge, Mass.

As the universe of industrial relations has expanded, it is my impression that many participants feel more isolated and that distances have grown even where least expected. Let me illustrate: In private business the relations and communications between chief executive officers and industrial relations vice presidents and personnel officers is often remote, despite the decisive character of labor costs and productivity to an enterprise. Industrial relations personnel too often shudder at the thought of their top bosses' meeting with union presidents; chief executive officers are not amused, however, at the view that they can readily be taken in by meeting with union leaders. This is not to deprecate the need for organizational integrity. On the union side, the complex distances and interrelations among members, locals, intermediate bodies, national unions, and the federation always involve tensions and reassessments. In the academic community, the devotees of human capital who now purport to be the labor economists of this generation have little or no intelligible communications with industrial relations. In the arbitration fraternity, too often the repetitive attention to grievances has dulled the mind and hardened the seat, creating an unfulfilled longing for other neutral roles in the industrial relations universe. But no initiatives are taken. Government regulators in the employment area usually do not regard or know collective bargaining; they have not thought about how to turn the creative processes of collective bargaining to achieve or reinforce the purposes of regulatory legislation. Collective bargaining and personnel policies are seen as separate worlds from government regulation of conditions of employment —having no bearing on safety, health, pensions, equal pay, and affirmative action, and making no contribution to these ends—as regulators go about their duly appointed course. All these, and other parts of the industrial relations system, are not sensitive to the whole.

The fact is, of course, that the industrial relations universe is highly interdependent, perhaps more so than ever before. Collective bargaining has been a major factor influencing the policies of all managements—organized and unorganized alike—as my colleague Professor Slichter so sensitively demonstrated in his last volume,[1] just as nonunion developments have shaped and constrained collective bargaining in many industries over the years.

[1] Sumner H. Slichter, James J. Healy, and Robert Livernash, THE IMPACT OF COLLECTIVE BARGAINING ON MANAGEMENT (Washington: Brookings Institution, 1960), Ch. 31.

Unions and employee organizations in the public sector are now significant in their consequences for the private sector, as is the converse. One industry's developments impinge on another, though not in a simple or uniform way. Government regulation of conditions of employment is now decisive—too influential, in my view—in industrial relations, impinging on and constraining collective bargaining.

The question appropriately arises in this professional association as to how to reduce our parochialism in industrial relations. One has a sense today of an underlying aspiration to be less isolated, to be less narrowly specialized, and to appreciate better the fullness of industrial relations experience, if for no other reason than that one's own spheres of activity might be the more meaningful and illuminated.

As a professor, a greater attention to industrial relations history and to the operation of industrial relations systems in other industrialized countries is an easy prescription and indispensable to an understanding of our current industrial relations galaxy and our several perspectives.[2]

As a practitioner, I recognize how difficult it is to keep up with developments elsewhere and how high are the costs of superficiality. But if grievance arbitrators or mediators and representatives of the parties, or other specialists, are to reach out to a larger experience and understanding, the times seem to me to be appropriate for a number of activities which constitute a new emphasis but also have many precedents in the past. Four are particularly relevant:

1. In its origins in Great Britain and this country, collective bargaining developed in market-wide relationships, at the local, regional, or occasionally at the national level. Collective bargaining, and emerging roles for the neutral function, took form first in coal mining, clothing, printing, construction, glass, railroads, transit, and hosiery. It did not develop in the large industrial firm with an arbitrator or neutral, as we understand that grievance function today. Nor were the early neutrals confined to the handling of detailed grievances; they often fulfilled a role by "living" with the leading representatives of labor and management

[2] *See* John T. Dunlop, INDUSTRIAL RELATIONS SYSTEMS (reprinted: Carbondale and Edwardsville: Southern Illinois University Press, 1970); Clark Kerr, John T. Dunlop, Frederick H. Harbison, and Charles A. Myers, INDUSTRIALISM AND INDUSTRIAL MAN (Cambridge, Mass.: Harvard University Press, 1960). For historical studies, *see* volumes edited in the Wertheim Publications in Industrial Relations, Harvard University.

and assisting them in the broader development of the collective relationships, and the principles of their relatively simplified agreements.

These early neutrals and the leaders of the parties were able to see and to consider dynamic policy issues of their industry-locality or sector as a whole. The neutrals were attuned overall to competition, domestic and foreign, to technological developments, and to the shifting concerns of entrepreneurs and workers and union officers. They played a role in helping to shape opinions and resolve differences within the two sides and to formulate internal consensus, not merely at contract negotiation periods, but through the duration of the agreement. In some agreements, any problem or proposal, including changing competitive conditions, could be raised at any time for resolution. These neutrals served vital functions since they knew intimately the industry-localities, the changing problems of the sector, and the internal operations of the labor and management groups. The neutrals were mediator-arbitrator-advisers to the parties. George Taylor and Billy Leiserson, from whom many of my generation learned so much, were heirs to this tradition.

In recent years the rise of professional staff in labor and management organizations, and the growing legalisms of many aspects of industrial relations, have led to much more limited roles for most neutrals and have isolated all principals in the expanding universe of industrial relations. The danger that concerns me is the loss of any coherent view, or capacity to undertake timely and conscious change, in an industrial relations sector.

The fact is that in the contemporary world there is great need and opportunity in many situations for the mediator-arbitrator-adviser and the constructive relationships to the two sides, always beset with the problems of finding internal consensus. The neutral may operate from a private or public base. The program today shows that Wayne Horvitz will discuss this afternoon one form of this activity in the retail food industry. From my experience in the Federal Government, it is apparent that the parties in a number of sectors would welcome such a problem-solving approach. In a half dozen sectors where the parties were receptive, a diligent search on my part, however, failed to reveal a suitable and acceptable neutral.

The present purpose is not to deprecate grievance arbitration, no matter how petty issues may appear to an outsider, but rather to stress the creative opportunities in some sectors to adopt the

earliest forms of collective bargaining and tripartite relationships. Such relationships greatly enhance the capacities of all parties to contemplate and design coherent policies in an expanding industrial relations world.

2. A related role for a neutral is to work with labor and management organizations on a particularly difficult issue or range of issues, but short of the full span of the relationship. Thus, an assignment on a wage-incentive system, job evaluation, plant closings, affirmative action, work jurisdiction, fringe-benefit plans, or grievance procedure, particularly if extended over a period and for an industry-locality, can produce many of the larger perspectives and opportunities for constructive change discussed under paragraph (1) above. Beyond these illustrative topics, the most significant area for tripartite cooperation in any industrial relations system is the structure of bargaining itself, since these questions often result in serious and repetitive work stoppage. In many labor-management relations, there develop over time critical issues of rearranging the extent of decentralization or centralization, the relative roles of local and national officials, the procedures and specific representatives or parties involved in negotiations, and the relations to other union or management organizations.[3]

In the construction industry, for example, collective agreements seek to cover too large a segment of the industry in any locality. A single agreement specifying wages, working conditions, and work rules is not equally suitable to power plants, housing, commercial buildings, industrial plants, highways, pipelines, etc., each with significantly different technology and competitive markets. Moreover, a far greater role is required, in my judgment, for national unions cooperatively in the negotiations to reduce the extent of whipsawing among rival local crafts and cities. The fragmented contractor associations need to develop new methods of collaboration, including perhaps some more systematic relations with owners. The adaptations required in the structure of bargaining in this complex industry are significant and benefit from a perspective at least as broad as the whole industry. Detailed data systems and specialized personnel for negotiations require national coordination.

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[3] *See* Derek C. Bok and John T. Dunlop, LABOR AND THE AMERICAN COMMUNITY (New York: Simon and Schuster, 1970), Ch. 8.

In rubber-tire negotiations, the problems of encompassing plants that produce tires and others that produce nontire products in the same agreement at the same rates have plagued these negotiations for many years. In the cement industry, the plant-by-plant or separate company negotiations have created a tendency to proliferate rules and benefits and to impart an upward drift to wage rates in the course of a single negotiating round. In the maritime industry, the existence of rival unions in both the officer and seaman classifications in offshore operations is widely recognized to create instabilities. These illustrations, and countless others, attest to the severe issues of the structure of bargaining. These issues are not to be identified with routine negotiations over terms of agreements since they concern the scope of negotiations. No government agency, I may add fortunately, is empowered to resolve such issues. Only imaginative discussion among and within the parties with a sense of the whole industrial relations systems, perhaps with the aid of an imaginative neutral, is likely to contribute to the resolution of such structural difficulties.

3. A somewhat new and expanding role in industrial relations is presented by the rapid growth in government regulations relating to the terms and conditions of employment—health and safety, pensions, affirmative action, equal pay, and so on. The task of relating and coordinating private bargaining and private personnel policies with the regulations derived from public policy poses a growing number of problems for the parties and for government agencies. There are special opportunities for government program officers to use the collective bargaining process, subject to legal restraints, to gather data, to present regulatory proposals, to comment realistically on proposed regulations, and to make a contribution to the understanding, acceptance, and enforcement of various standards.

To date, the regulatory process relating to the terms and conditions of employment has proceeded without regard to collective bargaining. As a consequence, the scope of bargaining and personnel policies has been narrowed, enhancing at the same time the sphere of bureaucratic decree, often at the expense of practicality and voluntary compliance. Government program officers need to learn the process of working with the parties to collective bargaining, recognizing that not all issues or problems are susceptible to this approach.

In some programs, such as health and safety and pensions, it seems to me appropriate to experiment with authorizing the rules developed or proposed by the parties or in established personnel policies to stand unless set aside by an order of the program officer on the basis of a showing that there is an overriding public interest to compel the government-formulated rule.[4] One of the great virtues of collective bargaining is that different rules may be set by separate parties in the light of special circumstances appealing to them. By contrast, government regulations tend to mandate a single uniform rule: George Taylor would have said it was like requiring everyone to wear a size nine shoe. The regulatory process in the employment area needs the infusion of practicality, decentralization, flexibility, informed participation, and voluntary compliance characteristic of industrial relations. The present course of regulatory agencies can lead only to formalism, litigious controversy, endless delays, bureaucratic overburden, unproductive programs, and deep resentment. The leaven of industrial relations is needed in a large measure in the regulatory process affecting conditions of employments.

4. The broad labor-management committee, at locality, industry, or economy-wide levels, constitutes a form of industrial relations and economic policy activity with the most general perspective.[5] Such committees differ from others concerned with more limited issues of industrial relations in that the management members tend to be drawn from top officers of major companies rather than industrial relations staff, and the center of concern is likely to be public policy for the country as a whole, a region, or a sector.[6] In the past, such committees, certainly at the national level, have been convened by the President and have operated with governmental staff. At the present time, a top-level labor-management group is continuing to meet purely as private citizens concerned particularly with general economic policy. A broad-based labor-management group, with the associated func-

[4] It might be noted that in many European countries the Ministry of Labor is authorized to extend the terms of a representative agreement to all enterprises and workers in an industry.

[5] Labor-management committees at plant or company level are excluded from this characterization. *See* William Gomberg, *Special Study Committees,* in FRONTIERS OF COLLECTIVE BARGAINING, eds. John T. Dunlop and Neil W. Chamberlain (New York: Harper and Row, 1967), 235–51; RECENT INITIATIVES IN LABOR-MANAGEMENT COOPERATION (Washington: National Center for Productivity and Quality of Working Life, February 1976).

[6] For historical background, Jack Stieber, *The President's Committee on Labor-Management Policy,* 5 IND. RELS. 2 (1966), at 1–12.

tions of a neutral, whether private or governmental, may serve a variety of functions.

- The continuing interchange and common views of such a group may serve to encourage other levels of labor-management discussion and joint activity; the top group provides, by example, a degree of legitimacy and stimulus to others.
- In a period of inadequacy in the political process, discussion and consensus among top labor and management leaders can prove effective and constructive, as in the case of the tax-reduction proposals for household and business tax cuts made to the President in December 1974.
- In the event of a serious intractable dispute of national significance or genuine international emergency, the personal relations and common discourse may be vital to the national interest.
- While there are many issues on which agreement or consensus is not possible, and even a few on which a common front might not be in the public interest, the common discourse is vital to the responsibility of labor and management in the democratic society and to creating a more cooperative social and economic climate.

These Academy meetings are an occasion to broaden our professional perspective and to remind ourselves of the expanding industrial relations universe. There are many roles for the parties, other participants, and particularly neutrals.