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Current Research on Industrial Relations Regulation, Bargaining Theory, Progressive Discipline, and Occupational Influences on Unionism

Abstract

We are pleased to be able to present, in this third volume of the *Advances in Industrial and Labor Relations* series, some original, important, and in some cases provocative research on industrial relations regulation, bargaining theory, progressive discipline, and occupational influences on unionism. In what follows we will briefly review each of the papers in the volume and pinpoint what we believe to be the major contributions each makes to the advancement of research in industrial relations. Where relevant, we will also mention questions left unresolved by the research at hand and potential directions for future research on the subjects under study.

Keywords

industrial relations, bargaining theory, unionism, labor movement, occupational influence

Disciplines

Collective Bargaining | Labor Relations | Unions

Comments

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**Current Research on Industrial Relations Regulation, Bargaining Theory,
Progressive Discipline, and Occupational Influences on Unionism**

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We are pleased to be able to present, in this third volume of the *Advances in Industrial and Labor Relations* series, some original, important, and in some cases provocative research on industrial relations regulation, bargaining theory, progressive discipline, and occupational influences on unionism. In what follows we will briefly review each of the papers in the volume and pinpoint what we believe to be the major contributions each makes to the advancement of research in industrial relations. Where relevant, we will also mention questions left unresolved by the research at hand and potential directions for future research on the subjects under study.

The first half of this volume is devoted to studies of the regulation of industrial relations. Since the early 1960s, almost half of all federal regulatory statutes (and perhaps as large a proportion of state statutes) have dealt with the regulation of human resources, labor markets, and labor relations.¹ Unfortunately, only very limited inquiry into the effects of these regulations has been conducted.

We say “unfortunately” because we believe that a major debate about the deregulation of human resources, labor markets, and labor relations is soon likely to take place in the United States—indeed, it appears already to have begun²—and yet that debate is unlikely to be informed by a substantial body of scholarly work that can help public policy makers and the citizenry assess the existing regulations. Fortunately, however, a few studies of the effects of regulation on labor relations and labor markets have recently been conducted, and four of these are presented here.

HENDRICKS

Of the four, Wallace Hendricks’s paper is perhaps the most fundamentally regulatory in its focus: it assesses the effects of industry and product market regulation on the labor market and on labor-management relations. After reviewing several different types of industry regulations, Hendricks concludes that all such regulation reduces competition, increases unionization, and, in a similar fashion, increases wages. The common regulatory effect is to limit entry into certain industries and sectors, making product and labor market demands more inelastic than they would be otherwise. Correspondingly,

deregulation brings about more elastic product and labor market demands and facilitates the entry of new firms into the marketplace. The fact that union officials argued strenuously against the recent deregulation of airlines, trucking, and, to a lesser extent, telecommunications suggests that they were well aware of the gains achieved under regulation and of the threats to previously negotiated pay levels, work rules, and, indeed, union jobs that were posed by deregulation of these industries.

Their fears were well justified, as Hendricks clearly shows. The deregulation of the airline industry in the late 1970s was soon accompanied by major wage reductions, pressures for more flexible work rules, and numerous bargaining concessions by unions. The entry of new carriers, including many nonunion carriers, was swift and occurred on a large scale. That so powerful a union as the Air Line Pilots Association has recently been party to a number of concessionary labor contracts attests to the serious impact of deregulation on collective bargaining in the airline industry.³

Similarly, in trucking, substantial evidence has accumulated to show that in the early post-deregulation period, teamster wages were frozen or reduced; cost-of-living adjustments were frozen, reduced, or eliminated; and employment increasingly shifted to the nonunion sector. According to Hendricks, significant departures from the National Master Freight Agreement in trucking were instituted in the early 1980s, and unemployment among Teamsters rose dramatically.

In telecommunications, the deregulation scenario was somewhat different from that in the airlines and trucking industries. Hendricks points out that the Communication Workers of America (CWA) tended to favor, not oppose, industry deregulation, in large part because of the union's historical success in negotiating employment security provisions. The CWA leadership apparently judged the potential for new organizing opportunities to exceed the threats to current union members' wages, benefits, and jobs that were posed by deregulation. A recent analysis by Koch, Lewin, and Sockell of portending changes in bargaining structure under the AT&T divestiture arrangement suggests, however, that the CWA may have been overly optimistic about the benefits its members would realize under deregulation of their industry.⁴

In reviewing and assessing the effects of deregulation on industrial relations in these industries, Hendricks raises two interesting public policy questions. First, should workers whose pay, benefits, and working conditions are lowered or otherwise negatively affected by deregulation be compensated in some way for their losses? Second, if, under deregulation, the market distortions that led policy makers to institute the regulation in the first place remain in existence, should the deregulation effort be abandoned? These are, of course, difficult questions to answer. Nevertheless, by raising them, Hendricks alerts us to the fact that the matter of individual (private) versus social (public) costs is as relevant a consideration to the regulation and deregulation of industrial relations as to the economy more broadly.

BLOCK AND WOLKINSON

Richard Block and Benjamin Wolkinson's paper examines the regulation of private sector labor-management relations in the United States by the National Labor Relations (Wagner) Act, as amended, principally, by the Taft-Hartley and Landrum-Griffin Acts. Their analysis of the act (the term is used here to refer to the Wagner Act and all of its subsequent amendments) focuses on representation election processing time, the effects of employer and union campaigns on representation election outcomes, and National Labor Relations Board (NLRB) and court rulings on employer and union campaign behavior.

The authors begin by analyzing representation election data for the 1940- 81 period, about which they draw two major conclusions. First, there is no evidence that the time between the filing of an election petition and the board's actual holding of the election has lengthened over time or that it is greater than it "ought to be"; and second, election delay may not be the widely used employer weapon that unions believe it to be. These conclusions are provocative because they run counter to the views of numerous (for the most part, legal) scholars and labor-management practitioners.⁵

Nevertheless, Block and Wolkinson do show that the union success rate in representation elections has declined steadily, if irregularly, since the early 1940s; and they judge this decline to have resulted from a combination of expanded employer freedoms and increasing restrictions on union

behavior in the conduct of election campaigns. To support this view, the authors do not cite or show a pattern of increasingly pro-employer decisions on the part of the NLRB. To the contrary, and unlike some other analysts,⁶ they state that no such tilt has characterized board decisions, at least up to the early 1980s. Rather, it has been the courts—the U.S. Courts of Appeals and the Supreme Court—that have supported expanded employer freedoms and restricted union freedoms in the conduct of election campaigns.

Testing this hypothesis, Block and Wolkinson review numerous court decisions in labor cases over roughly a 40-year period and conclude that “the courts have given greater deference to the property rights of the employer than has the board in cases in which legitimate union interests and legitimate employer interests were in conflict.” A second hypothesis—namely, the more the courts of appeals are involved in deciding labor cases, the more the board will attempt to adjust its interpretations of the NLRA to agree with those of the courts—is judged by the authors not to have been supported by their review and analysis of board and court decisions. Block and Wolkinson are far from sanguine about their first conclusion; they urge the industrial relations community to engage in a major debate over the propriety of a national labor-relations policy that, at present and in its actual enforcement, strongly favors employer over union interests.

Some additional perspective on this provocative and undoubtedly controversial view of the regulation of private sector labor-management relations may be gained by recognizing that employer or, more pointedly, private interests have long been favored by the judiciary in cases of clashes with other, more intangible property interests.⁷ Further, the NLRA contains many other sections and provisions than those examined by Block and Wolkinson, and these, too, deserve careful study if a full assessment of U.S. labor law is to be made. Again, an important limitation on any such assessment, as identified by Delaney, Lewin, and Sockell in their recent review of 50 years of research on the act, is that many of the act’s provisions have been subject to little or no systematic empirical inquiry.⁸ Finally, if one accepts Block

and Wolkinson's main conclusions, a logical policy recommendation is to repeal the NLRA—a position that has been forcefully advocated by some prominent labor leaders.⁹ If such a recommendation were to be seriously debated, if not adopted, the age-old question of freedom through the market versus freedom from the market would once again, as in the 1930s, become central to the debate.¹⁰ Block and Wolkinson's analysis should help to inform that debate.

DELANEY, FEUILLE, AND HENDRICKS

In their paper on interest arbitration in municipal police departments, Delaney, Feuille, and Hendricks review and extend their analysis of findings from their larger study of police collective bargaining.¹¹ Treating interest arbitration as a form of regulation, they ask, and attempt to answer, the question: What are the benefits and costs of such regulation?

According to the authors the principal benefits of interest arbitration are that it (1) reduces strikes by covered employees, thereby serving the public interest; (2) encourages covered employees to unionize for the purpose of collective bargaining, which is consistent with the aims of public sector labor relations and bargaining policies; and (3) is associated with, though does not necessarily cause, higher salaries and fringe benefits and better working conditions for police. (The authors recognize that not all scholars or practitioners would agree that the second and third items are benefits of regulation.) The costs of interest arbitration as a form of regulation are that it (1) may inhibit representative government by enabling public and union officials to avoid making certain decisions about wages and other employment conditions, thereby allowing them to evade some of the responsibilities they were elected carry out; (2) may inhibit the use of the collective bargaining process to resolve union-management differences; and (3) may alter the mix of employees hired to deliver police services and increase the costs of delivering those services.

The authors usefully point out that a precise valuation of these various costs and benefits cannot easily be determined; rather, individual values and judgments must be the basis for calculating a number of the costs and benefits. For example; those who highly value a reduction in public employee strikes

would probably judge the benefits of interest arbitration to outweigh its costs, whereas those who are more concerned with the increased cost of providing police service that results from interest arbitration would reach the opposite judgment.

This brief summary of the principal findings and public policy conclusions of Delaney, Feuille, and Hendricks hardly does justice to the detailed empirical analysis performed in their study. The authors' ordinary- and generalized-least-squares regression analyses show, for example, that the *availability* of interest arbitration is significantly and positively associated with higher police salaries (though not uniformly across states), whereas the actual *use* of interest arbitration is not. In addition, estimates of the effects of collective bargaining on police salaries and other terms and conditions of employment are lower when the authors control for arbitration variables. The authors also find intertemporal changes in the effects of bargaining on the minimum and maximum salaries of police; specifically, the bargaining effect peaked in the late 1970s and declined thereafter through the early 1980s.

In reaching these and many other conclusions, Delaney, Feuille, and Hendricks have assembled the most comprehensive data set yet available concerning police labor relations and collective bargaining. This point is important because it underscores both the importance and the limitations of the available data in estimating the effects and in judging the costs and benefits of collective bargaining and interest arbitration in the public sector as a whole. Although it is not generally recognized, the adoption of one or another form of collective bargaining legislation for public employees by 38 U.S. states during the past 25 years represents perhaps the most widespread regulatory development in the field of industrial relations since the end of post-World War II.¹² In our judgment, Delaney, Feuille, and Hendricks properly call attention to the major data collection and assessment effort that is required if we are to make an informed judgment about the consequences of these regulations. Put differently, the authors would be the first to admit that their findings and conclusions are confined to police labor relations and may not be

representative of municipal services or municipal governments as a whole, let alone the entire governmental sector.

LEONARD

Jonathan Leonard's paper focuses in part on another major subset of industrial relations regulation, namely, employment discrimination. But rather than testing for the effects of federal and state anti-discrimination statutes, Leonard seeks to determine whether Hispanics, blacks, and women fare better or worse with respect to termination, new hire, and promotion rates in union than in nonunion manufacturing plants. Matching collective bargaining contract data for several hundred establishments and several hundred thousand workers in the state of California in the late 1970s with U.S. Department of Labor affirmative action review data, Leonard performs several regression analyses of gender and race differentials in personnel flows in union and nonunion plants. The regression estimates are made within a theoretical model of the demand for and supply of union and nonunion labor.

In brief, Leonard finds that Hispanics (California's largest minority group), blacks, and women were not significantly more likely to suffer a termination or to fail to be hired or promoted in union than in nonunion plants during the period in question. He interprets these findings to mean that union seniority systems no longer cause the disproportionate layoffs of low seniority minorities and women that they once were assumed to cause; in fact, these systems may now protect relatively high-seniority minorities and women.

Leonard also estimates the effects of union status on the change in the employment shares of Hispanics, blacks, and women in California manufacturing establishments during the late 1970s. One important finding is that union status does not have a statistically significant effect on changes in minority and female employment shares. The most significant variable influencing these shares is total employment growth within a plant (whether union or nonunion); the higher the growth rate of total employment within a plant, the larger the increase in minority and female shares of employment. These

findings strongly suggest that economic forces are more significant than institutional forces (unionism and legislation) in the external and internal labor market success of minorities and women, and they parallel those of other scholars who have investigated this issue at the more macro level of analysis.¹³

Other (earlier) portions of Leonard's paper deal with union-nonunion differences in employment growth and employment variation over time in California manufacturing establishments. Leonard finds that during the late 1970s employment grew significantly more rapidly in nonunion than in union plants, a finding that is consistent with models in which unions raise wages and production costs and in which union plants are at a competitive disadvantage vis-a-vis nonunion plants. For example, over "rolling" five-year periods between 1969 and 1981, employment grew by 17 percent in the nonunion plants but by only one percent in the unionized plants in Leonard's sample. Moreover, the greater intertemporal variation in employment in the union than in the nonunion California plants is consistent with models in which wages are more rigid in the union than in the nonunion sector, and in which union plants are relatively more likely than nonunion plants to respond to product demand fluctuation by varying employment more than (or instead of) wages. Although the generalizability of research findings derived from data on single state is, of course, limited, Leonard's empirical work represents a careful, balanced assessment of union effects on employment growth and on employment opportunities for minorities and women—an assessment that should be attempted for other states and regions in the nation.

The next two papers in this volume provide theoretical analyses of the bargaining process. Bargaining theory has been a topic of major interest in several disciplines, but each discipline has tended to emphasize different facets of the bargaining process. The first paper here is rooted in the tradition of work on the subject by economists and game theorists. The second paper grows out of the attempt by sociologists and industrial relations scholars to understand the nature of bargaining power.

CHAMPLIN AND BOGNANNO

The first paper, by Frederic C. Champlin and Mario F. Bognanno, has three fundamental objectives. First, the authors develop a “simple” model of bargaining behavior that is based on the well-known work of Nash.¹⁴ The model is a simple one in the sense that it can be understood by readers with little knowledge of mathematics and game theory. Second, the authors apply their basic model to previous work that has attempted to explain bargaining behavior in the presence of various compulsory arbitration schemes. Most of this previous work has been the province of economists, who have tried to understand the conditions that provide the parties with an incentive to bargain rather than to submit their disputes to arbitration. Third, the authors use their basic model to explain the circumstances under which bargaining is likely to lead to disagreement and conflict. Understanding the existence of “costly conflict” has always been a problem in economic theories of bargaining, which usually envision agreement as the parties’ only “rational” response.

In Champlin and Bognanno’s model each bargainer operates on the basis of a well-defined utility function, attempting to maximize his own utility. Each can make an accurate calculation of the “expected utility” he will obtain from a negotiated agreement and compare it to the expected utility he will obtain if there is disagreement, which in the authors’ model triggers the use of arbitration. “Since either side may unilaterally invoke arbitration,” the authors note, “each side may guarantee to itself an outcome that is no worse for it than the arbitration outcome. Thus, the conflict outcome—arbitration—is special because it is always available and because it establishes the minimally acceptable outcome for each side. Neither side will accept a negotiated settlement that is less in its favor than the arbitration award simply because it can always invoke arbitration.”

The three key concepts in the authors’ model are the “threat point,” which is represented by the expected utilities from arbitration that each party calculates for itself; the “superior set,” which is “the subset of the attainable utility set that is no less preferred by both parties than arbitration”; and the

“contract zone,” which is the collection of points in the superior set compared to which there are no other points in the superior set that both parties prefer (that is, the contract zone is the locus of Pareto- optimal outcomes). The authors then show that threat points within the attainable utility set (namely, “interior threat points”) generate superior sets, contract zones, and agreement, whereas threat points outside the attainable utility set eliminate the possibility of agreement, thus producing conflict.

Accordingly, the key to understanding the likelihood of agreement or disagreement in bargaining lies in identifying the factors that determine whether the parties have an interior threat point. Using this basic model, Champlin and Bognanno examine work by Stevens,¹⁵ Farber and Katz,¹⁶ Bloom,¹⁷ Hirsch and Donn,¹⁸ Schelling,¹⁹ and Crawford²⁰ in an attempt to pinpoint the factors those scholars have postulated lead to a negotiated agreement or to conflict (arbitration). This previous work, Champlin and Bognanno demonstrate, can easily be accommodated within their own basic model. By postulating the key factors leading to arbitration or to agreement, each of the previous theorists attempted—at least implicitly—to identify the location of the threat point vis-a-vis the superior set and the contract zone. Each theorist, however, tended to focus on only one or two of the factors that Bognanno and Champlin believe determine the location of the threat point. By surveying the earlier literature, the authors are able to assemble a more comprehensive list of factors that explain the existence of conflict between rational bargainers.

Their model suggests a twofold classification of these factors: those that influence the location of the threat point, and those that influence the content of the attainable utility set. Among the several factors that affect the location of the threat point are each party’s beliefs about (or probability estimate of) how favorable to its interests an arbitration award will be, a factor stressed by Stevens and by Farber and Katz; the possibility that arbitrators may issue inferior (or unworkable) awards, a factor stressed by Stevens; the parties’ risk preferences, a factor emphasized by Stevens, Farber and Katz, and Bloom; and the exogenous costs of arbitration, a factor discussed by Bloom and by Hirsch and Donn. The factors that affect the

content of the attainable utility set are the exogenous costs of negotiation, first emphasized by Bloom, and the endogenous costs associated with “commitment” strategies, suggested by Schelling and elaborated by Crawford.

Thus, parties are more likely to use arbitration when they are optimistic about the arbitration award and pessimistic about the terms of a negotiated settlement; when they do not believe an arbitrator will issue an unworkable award; when they are risk averse and believe the arbitration alternative will be less risky than a negotiated settlement; when the “out of pocket” (or exogenous) costs of arbitration are lower than the comparable costs of negotiation; and when they might incur costs associated with “commitment” strategies that reduce the value of any negotiated settlement relative to the value of an arbitration award.

Champlin and Bognanno acknowledge the limitations of their model. For example, the model is not equipped to incorporate the effects of the parties’ lack of bargaining skill, lack of information, or other sources of misperceptions. Moreover, it is not easy to collect the kinds of statistical data needed to test the hypotheses generated by the model, a limitation shared by other economic theories of the bargaining process.²⁰ Nevertheless, because it integrates within a common framework much of economists’ previous work on bargaining incentives, the authors believe that their model provides “a broad foundation for improving our understanding of the effects of dispute resolution schemes on bargaining behavior.”

LAWLER AND BACHARACH

In the second paper on bargaining theory, Edward J. Lawler and Samuel B. Bacharach review and extend their earlier work on bargaining power.²² For Lawler and Bacharach, bargaining power grows out of a party’s dependence on its opponent. That is, “the power of actor A is based on actor B’s dependence on the benefits that can be provided by A, while the power of actor B is based on A’s dependence on the benefits that can be provided by B.” Power-dependence theory further stipulates that an actor’s

dependence on an opponent is based on two conditions: the availability to the actor of alternative sources of outcomes and the degree of “commitment” by the actor to the outcomes at stake in bargaining. It should be noted that Lawler and Bacharach’s use of the term *commitment* differs from the use of that term by Schelling and by Crawford. By commitment, Lawler and Bacharach mean the “subjective importance the actor attaches to the outcomes at issue.”

Power-dependence theory treats a bargainer’s alternative outcome sources and his commitment as analytically distinct phenomena. The basic proposition of power-dependence theory is that an actor’s bargaining power should be greater the poorer the opponent’s alternative outcome sources and the greater the opponent’s commitment to the outcomes at stake. This conception of bargaining power, it might be noted, is fundamentally different from Chamberlain and Kuhn’s well-known formulation.²³

Lawler and Bacharach’s conception of bargaining power leads to several propositions that are not always intuitive. For example, if A’s dependence on B increases, B’s bargaining power increases. But an increase in A’s dependence on B does not necessarily mean that B’s dependence on A decreases. B’s bargaining power can therefore increase even while A’s bargaining power remains unchanged. It follows that *total power* in a relationship (the *sum* of A’s dependence on B and B’s dependence on A) can increase or decrease according to whether the parties’ mutual dependence on each other increases or decreases. Lawler and Bacharach are careful to distinguish total power from *relative power* (the *ratio* of A’s dependence on B to B’s dependence on A, or vice versa). As the authors point out, “It is important to recognize that the same degree of relative power can occur with different degrees of total power, and the same degree of total power may occur with different degrees of relative power.”

In contrast to the concerns of economists, Lawler and Bacharach are not as interested in predicting the outcomes of bargaining as they are in specifying the conditions that will lead to a party gaining or losing bargaining power. The economist’s assumption that bargainers attempt to maximize

their outcomes (or utilities) in bargaining is discarded by Lawler and Bacharach in favor of the assumption that bargainers attempt to maximize their bargaining power.

The heart of Lawler and Bacharach's paper is an examination of four intriguing "paradoxes" that grow logically out of power-dependence theory. The first is the notion that "power is based on giving." To gain power, a party must make his opponent dependent on him. Party A's dependence on party B is increased if B can provide benefits to A. The trick, of course, is for B to provide benefits to A that A values but B does not. Specifically, according to the authors, if a union wants to maximize its power over management in the long run, it should seek to provide benefits to management that are significantly greater than the prospective benefits management could obtain from alternative sources (such as nonunion workers). This paradox suggests that a union's concessions in one round of contract negotiations may actually serve to increase the power it can wield in future contract rounds.

"To use power is to lose it," according to Lawler and Bacharach.²⁴ This second paradox hinges on recognizing that the use of power inherently involves coercion. A party's use of coercion has the effect of either increasing the benefits it receives from the opponent or decreasing the benefits it provides to the opponent. If a union reduces the benefits it supplies to an employer (for example, by striking), it reduces the dependence of the employer on the union and its members. And again, a reduction in the employer's dependence on the union in turn reduces the union's bargaining power. If a union increases the benefits it extracts from the employer (for example, by winning a very high wage increase), the union and its members' dependence on the employer increases and, hence, the employer's bargaining power increases. In either case, the use of coercion to win or withhold benefits undermines the union's relative power vis-a-vis the employer. "Coercion, therefore, may be a very useful strategy for achieving short-term benefits," Lawler and Bacharach maintain, "but in a bargaining relationship that continues over time, it can have serious longer-term [deleterious] effects on an actor's power."

The third paradox is that “power can have integrative effects on labor- management relations.” The authors explain, “If both labor and management rely on tactics that increase the other’s dependence, mutual dependence will grow. We argue that the growth of mutual dependence will increase the potential for a more cooperative, integrative bargaining relationship.” The irony here is that an increase in mutual dependence, in Lawler and Bacharach's scheme, is equivalent to an increase in the total power in the relationship. Thus, tactics designed to increase a party’s power, if matched by tactics designed by the opponent to increase its own power, can have the counterintuitive result of increasing the parties’ mutual dependence and hence of fostering cooperation.

The fourth and final paradox is that “inferior power can provide a tactical advantage.” If it is true, as Lawler and Bacharach postulate, that a party’s commitment to the outcomes at issue increases that party’s dependence on its opponent, then a highly committed party has inferior power. But the authors also maintain that a highly committed bargainer may be more motivated to expend more tactical effort to manipulate the opponent and thereby acquire the outcomes he values highly. Thus, “tactical effort” by a bargainer can overcome inferior power. Paradoxically, a party with high power may actually find itself yielding, at least in the short run, to an opponent whose high commitment undercuts its relative power. This possibility, according to the authors, underscores “the importance of placing the short-term aspects of bargaining in the context of the ongoing power struggle.”

Lawler and Bacharach conclude by noting that each of the four paradoxes illuminates how “tactical action within contract negotiations can have unintended effects on the ongoing power relationships.” One virtue of power- dependence theory, they submit, is that it raises such issues and provides general theoretical answers.

The papers by Champlin and Bognanno and by Lawler and Bacharach both deal with bargaining theory, but each is rooted in a different tradition. Each is concerned with different aspects of the bargaining relationship: bargaining outcomes, bargaining incentives, and the existence of conflict, in the

case of Champlin and Bognanno; and bargaining power, bargaining tactics, and the longer-term relationship between the parties, in the case of Lawler and Bacharach. Read in tandem, the two papers enrich our understanding of the bargaining process. What is still required, however, is additional work that advances the integration of the disparate approaches to bargaining theory.

JACOBY

The next paper in the volume, by Sanford M. Jacoby, explores the historical development and consequences of progressive discipline in American industry. Jacoby traces the origins of disciplinary methods to England during the industrial revolution. In the eighteenth and nineteenth centuries, the discipline applied to industrial workers was harsh, “reflecting the employer’s low regard for the worker and his work ethic,” according to Jacoby. The English common law supported the employer’s right to impose harsh discipline, sometimes including even corporal punishment, on the employees.

That common law of employment was imported by the young American nation. Although many American employers (for example, the New England textile manufacturers) adopted a paternalistic attitude toward their workers, most continued to apply the full range of harsh disciplinary methods. The shopfloor system of discipline used in the early textile mills was widely imitated in other industries. By the late nineteenth century, the so-called drive system was the common approach to disciplining a work force. Under this system the foreman had almost total responsibility for maintaining discipline. As Jacoby says, “Foremen relied on a combination of methods to maintain discipline, most of them negative: close supervision, fear, profanity, and abuse.” Formal rules of conduct did not exist, so each foreman made up his own set of informal rules regulating work behavior. By the late nineteenth century many workers were rebelling against the severity and arbitrariness of the drive system.

Unions, of course, played a major role in alleviating the worst features of the drive system. Leading the way was the Amalgamated Clothing Workers, which in 1910 signed the influential Protocol of Peace with the women’s garment industry. The Protocol included a grievance procedure and, although

the agreement ultimately fell apart, the innovation was widely copied. In 1911, for example, Sidney Hillman gained national prominence when he negotiated a pattern-setting agreement, based largely on the Protocol, with Hart, Schaffner and Marx. Under this and other pioneering labor agreements of the day, the major principles of progressive discipline were put into place. One feature of the new approach was the use of neutral umpires, or arbitrators, to settle unresolved grievances. Most of these neutrals, Jacoby notes, “had backgrounds in the Progressive movement and were therefore predisposed to the idea that an educated neutral could mitigate industrial conflict, in part by displacing the traditional authority of the employer.”

The 1920s saw the rise of the personnel department in the American corporation. The paternalism of the new personnel managers, the resistance to change of foremen and other line managers, the decline of union strength, and the loosening of the labor market all served to slow the pace of disciplinary reform during that decade. The pace reaccelerated, however, after the Great Depression, the passage of the Wagner Act, and the rise of industrial unionism. In particular, the growth of collective bargaining in the 1940s and 1950s was accompanied by the incorporation of progressive discipline clauses and grievance procedures into labor contracts. Jacoby particularly emphasizes the role of labor arbitration in the adoption of progressive disciplinary methods throughout industry.

As the author points out, however, differences in the treatment of blue-collar and white-collar workers during this later period were substantial. “Although the ‘collar line’ (the income, status, and mobility gap between white- and blue-collar occupations) was narrower in the United States than in Germany or England, it did, nevertheless, exist.” On the one hand, discipline for the blue-collar worker was specified by a “web of disciplinary and work rules” that were uniformly applied. Discipline for the white-collar worker, on the other, involved “a more individualized, probing, and less rigid approach.” Thus, if meted out at all, discipline for white-collar workers was on an ad hoc basis, and dismissal was only a last resort.

In recent years, Jacoby maintains, there has been a “narrowing of the collar line” and consequently a convergence in the disciplinary treatment of white- and blue-collar workers. Disciplinary procedures for blue-collar workers are becoming more flexible and discretionary, while those for white-collar workers are becoming more formal and rule-bound. More white-collar employees are now suing their employers when they believe they have been dismissed unjustly. Indeed, many of these suits have successfully challenged the employer’s right to terminate employees at will.²⁵ Government regulation has also constrained employers in their treatment of white-collar as well as blue-collar workers. As a result, employers have begun to formalize the disciplinary procedures covering their nonunion, white-collar employees.²⁶

At the same time, younger blue-collar workers are less inclined nowadays to accept the restrictions on their autonomy imbedded in a rigid disciplinary system. The attitudes of these younger workers have been influenced by their higher levels of education, by the lingering effects of the “counterculture” of the 1960s, by the diffusion of middle-class norms, and by an elevation in their level of aspirations. One “heartening response” to the changing blue-collar attitudes, Jacoby says, has been the development of “quality of working life” (QWL) programs. Under OWL programs blue-collar workers are allowed to work in autonomous work groups with less direct supervision and fewer and more flexible disciplinary rules.²⁷

The irony in this development, Jacoby notes, is that it has been the nonunion firms that have, in the main, led the way in creating looser disciplinary systems for blue-collar workers. “Unions still operate under a low trust, rules-based system of discipline.... In the past, unionization was often the impetus for abolishing the drive system and adopting fairer methods of discipline. But today it is the nonunion sector that is the source of innovation in personnel management, including discipline.” If there has been a trend toward convergence in the disciplinary treatment of blue- and white-collar employees, Jacoby concludes, “it remains to be seen whether unions will be part of that trend, or whether it will bypass them.”

Jacoby's contribution advances our understanding of the development of progressive discipline in American industry. But whether the recent convergence in the disciplinary treatment of blue- and white-collar employees represents a trend that will continue in the future or only a temporary aberration from established practice remains to be seen.

FIORITO AND GALLAGHER

In the final paper of this volume, Jack Fiorito and Daniel G. Gallagher examine the influence of job content and job status on unionism. "Since at least Karl Marx's time," the authors observe, "job content and job status have been recognized as theoretical determinants of unionism. Only recently, however, has research in industrial relations begun to explore empirically the effects of these factors, and often in only an indirect or incidental manner." To close this gap in the literature, the authors provide a thorough review of the previous theoretical and empirical literature on job content, job status, and unionism and perform their own original empirical analysis.

In their review of the literature, the authors point out that most of the empirical research on the determinants of unionism does not directly account for the influence of job content and job status. Instead, indirect measures, such as those denoting the industry and occupation of the worker, are employed as explanatory variables. Only recently have some scholars delved more deeply into the effects of the content and status of workers' jobs on their propensity to join or vote for a union. Some studies, for example, have concluded that certain aspects of jobs, such as psychological stress, low promotion expectations, and low job autonomy, promote unionism to some extent.²⁸ But the authors maintain that the measures and findings of these previous studies have been inconsistent, leaving the question of the precise influence of job content and job status on unionism unresolved.

In developing useful measures of job content and job status, the authors seek guidance from the disciplines of industrial psychology, organizational behavior, and sociology. Researchers in these disciplines have paid considerable attention to the influence of job characteristics on worker attitudes and

behavior, but they have not usually been concerned with workers' propensities to join unions. Some research on attitudes and behavior has employed measures of job content based on the Job Diagnostic Survey (JDS) developed by Hackman and Lawler and subsequently refined by Hackman and Oldham.²⁹ The JDS provides detailed measures of three critical job content dimensions: the meaningfulness of the work, the sense of responsibility for work outcomes, and knowledge of results. Sociologists, on the other hand, have focused on broader measures of social stratification and hierarchy, employing estimates of occupational status such as the Siegel Prestige Scale and the Duncan Socioeconomic Index (SEI).³⁰ Other sociologists and behavioral researchers have developed measures of job content from data contained in the *Dictionary of Occupational Titles* (DOT).³¹ Fiorito and Gallagher believe that the use of DOT-based measures of job characteristics represents a methodological advance in research on jobs and occupations because those measures are based on more objective data than the self-reported responses of job incumbents contained in the JDS and because they also contain more detail on the actual content of jobs than the Siegel Prestige Scale or the SEI.

In the second half of their study, Fiorito and Gallagher conduct an empirical investigation of the relationship between alternative measures of job content and job status and two measures of unionism: workers' pro-union voting intent and their actual union membership. The three alternative measures of job content and status used by the authors are the self-reported measures of job content contained in the Quality of Employment Survey (which are similar to the JDS measures), DOT measures of job content, and the Siegel Prestige Scale. They also use more traditional measures of a worker's occupation and industry. Their objective is to compare the relative power of these alternative measures of job content to predict workers' voting intent and union membership.

Fiorito and Gallagher test their model primarily by using data on a large sample of worker responses contained in the 1977 Quality of Employment Survey (QES). Simple correlations and ordinary-least-squares (OLS) regressions are used to analyze the data. In the case of their first dependent variable,

the results of the authors' OLS analysis suggest that only the QES measures of job content significantly contribute to the explanation of pro-union voting intentions. For example, two QES measures, "role conflict" and "high effort levels," are positively and significantly related to pro-union voting intentions, even when the analysis controls for other independent variables. The authors tentatively infer from these results that workers in "bad" jobs "perceive unions as a means of improving job content as well as other job conditions," whereas workers in "good" jobs "may view union representation as a threat to that job content." On the other hand, the authors find that the DOT job-content measures and the prestige score lose their influence when the analysis controls for other determinants of voting intent.

The results of the authors' analysis of the determinants of union membership suggest that union and nonunion jobs differ depending on a variety of job-content and prestige measures. Many of these differences, however, dissipate in multivariate analysis. Use of the DOT measures shows that unionized jobs involve lower levels of complexity and clerical skills and higher levels of physical activity than do nonunion jobs. Use of the QES measures suggests that union members perceive lower levels of autonomy and effort in their jobs than nonmembers, but higher degrees of regulation and guidance. Moreover, "the regression results indicate that the DOT measures are superior to conventional dichotomous measures of industry and occupation in describing membership results." Although the direction of causality is acknowledged to be a problem when worker perceptions are related to union membership, the strength of the objective DOT measures suggests that "more than differences in perception" between union and nonunion members is involved.

In summary, Fiorito and Gallagher warn that "the relationship between job content and voting intentions is more complex than the simple notion that workers in what are commonly considered 'bad' jobs look to unions as the means to change their jobs." The authors are sensitive to the methodological limitations of their study and therefore are cautious in drawing hard-and-fast conclusions. Nevertheless, the results of their study do demonstrate that, depending on the particular research question being

examined, detailed measures of job and occupational content, as well as measures of status, provide additional insights into the determinants of unionism. Fiorito and Gallagher have not succeeded in resolving all the anomalies that affect the complex relationship between the content of jobs and the propensity of workers to unionize. The authors, however, have provided a solid foundation on which future research can be built.

NOTES

1. See Murray L. Wiedenbaum, *Business, Government and the Public* (Englewood Cliffs, N.J.: Prentice-Hall, 1977); and James Ledvinka, *Federal Regulation of Personnel and Human Resource Management* (Boston: Kent, 1982).
2. See, for example, "Symposium: Labor Policy, Minorities, and Youth," *Journal of Labor Research* 3 (Fall 1982), 373-453; "Symposium: Market Failure, Collective Action, and Collective Failure," *Journal of Labor Research* 3 (Summer 1982), 243-309; and Donna Sockell, "The Legality of Employee-Participation Programs in Unionized Firms," *Industrial and Labor Relations Review* 37 (July 1984), 541-56.
3. Peter Cappelli, "Competitive Pressures in Air Transport: The Labor Relations Response," *Industrial Relations* 24 (Fall 1985), 316-39.
4. Marianne J. Koch, David Lewin, and Donna Sockell, "The Determinants of Bargaining Structure: The AT&T Divestiture." In Lewin, David B. Lipsky, and Donna Sockell, eds., *Advances in Industrial and Labor Relations*, vol. 4 (Greenwich, Conn.: JAI Press, forthcoming).
5. See, for example, William P. Murphy, "Establishment and Disestablishment of Union Representation." In Charles J. Morris, ed., *American Labor Policy: A Critical Appraisal of the National Labor Relations Act* (Washington, D.C.: Bureau of National Affairs), forthcoming.
6. See *ibid.*, and Walter E. Oberer, "The Regulation of Union Economic Power," in Morris, *American Labor Policy*.
7. See Neil W. Chamberlain and James W. Kuhn, *Collective Bargaining*, 3d ed. (New York: McGraw-Hill, 1985), chap. 2; and John R. Commons, *Legal Foundations of Capitalism* (Madison, Wis.: University of Wisconsin Press, 1961, originally published by Macmillan, 1924).
8. John Thomas Delaney, David Lewin, and Donna Sockell, "The NLRA at Fifty: A Research Appraisal and Agenda." *Industrial and Labor Relations Review* 39 (October 1985); 46-75.

9. See, for example, Leonard M. Apcar, "Kirkland's Call to Void Labor Laws Ignites a Growing Debate," *Wall Street Journal*, September 6, 1984, p. 33.
10. See Arthur Okun, *Equality and Efficiency* (Washington, D.C.: Brookings Institution, 1975); and John R. Commons, *Institutional Economics*, vols. 1 and 2 (Madison, Wis.: University of Wisconsin Press, 1961, originally published by Macmillan, 1934).
11. Peter Feuille, Wallace Hendricks, and John Thomas Delaney, *The Impact of Collective Bargaining and Interest Arbitration on Policing*, final report to the U.S. Department of Justice (Champaign, Ill.: University of Illinois, 1983).
12. B. V. H. Schneider, "Public Sector Labor Legislation—An Evolutionary Analysis." In Benjamin Aaron, Joseph R. Grodin, and James L. Stern, eds., *Public-Sector Bargaining* (Madison, Wis.: Industrial Relations Research Association, 1979), 191-223; and David Lewin, "Public Employee Unionism and Labor Relations in the 1980s: An Analysis of Transformation." In Seymour M. Lipset, ed., *Unions in Transition: Searching for a Future* (San Francisco: Institute for Contemporary Studies), forthcoming.
13. Andrea H. Beller, "The Impact of Equal Opportunity Policy on Sex Differentials in Earnings and Occupations," *American Economic Review* 72 (May 1982), 171-75; and James P. Smith and Finis R. Welch, "Black-White Male Wage Ratios: 1960-1970," *American Economic Review* 67 (June 1977), 323-338.
14. See John P. Nash, "The Bargaining Problem," *Econometrica* 18 (1950), 155-62; and John P. Nash, "Two-Person Cooperative Games," *Econometrica* 21 (1953), 128-40.
15. Carl Stevens, "Is Compulsory Arbitration Compatible with Bargaining?" *Industrial Relations*, 5 (February 1966), 38-52.
16. Henry S. Farber and Harry C. Katz, "Interest Arbitration Outcomes and the Incentive to Bargain," *Industrial and Labor Relations Review* 33 (October 1979), 55-63.

17. David E. Bloom, "Is Arbitration Really Compatible with Bargaining?" *Industrial Relations* 20 (Fall 1981), 233-44.
18. Barry T. Hirsch and Clifford B. Donn, "Arbitration and the Incentive to Bargain: The Role of Expectations and Costs," *Journal of Labor Research* 3 (Winter 1982), 55-68.
19. Thomas C. Schelling, *The Strategy of Conflict* (New York: Oxford University Press, 1960).
20. Vincent P. Crawford, "A Theory of Disagreement in Bargaining," *Econometrica* 50, (May 1982), 607-37.
21. For a discussion of this problem see, Jan Svejnar, "On the Empirical Testing of the Nash-Zeuthen Bargaining Solution," *Industrial and Labor Relations Review* 33 (July 1980), 536-42.
22. See especially, Samuel B. Bacharach and Edward J. Lawler, *Power and Politics in Organizations: The Social Psychology of Conflict, Coalitions, and Bargaining* (San Francisco: Jossey-Bass, 1980); and Samuel B. Bacharach and Edward J. Lawler, *Bargaining: Power, Tactics, and Outcomes* (San Francisco: Jossey-Bass, 1981).
23. Chamberlain and Kuhn maintain that the power of bargainer A is a function of the costs to bargainer B of disagreeing with bargainer A's terms relative to the costs to bargainer B of agreeing with bargainer A's terms. See Chamberlain and Kuhn, *Collective Bargaining*, 162-90.
24. Lawler and Bacharach acknowledge that this paradox was first discussed by Emerson. See R. M. Emerson, "Exchange Theory, Part II: Exchange Relations, Exchange Networks, and Groups as Exchange Systems." In J. Berger, M. Zelditch, and B. Anderson, eds., *Sociological Theories in Progress*, vol. 2 (Boston: Houghton Mifflin, 1972).
25. See "Protecting At Will Employees Against Wrongful Discharge: The Duty to Terminate Only in Good Faith," *Harvard Law Review* 93 (1980), 1816-28; see also, Richard A. Epstein, "In Defense of the Contract at Will," *University of Chicago Law Review* 51 (Fall 1984), 947-82.
26. Many nonunion employers have adopted complaint and appeal systems that resemble union grievance procedures. For an empirical study of three such systems, see David Lewin, "Conflict

- Resolution in the Nonunion High Technology Firm,” in *Human Resources in High Technology Firms*, eds. Archie Kleingartner and Cara Anderson (Greenwich, Conn.: JAI Press), forthcoming.
27. The agreement covering the new Saturn plant of General Motors, recently negotiated by GM and the United Automobile Workers, is an example of this sort of approach. See John Holusha, “Innovative Pact Wins Approval of Auto Union,” *New York Times*, July 27, 1985, p. 1.
28. See, for example, T. A. DeCotiis and J. LeLouarn, “A Predictive Study of Voting Behavior in a Representation Election Using Union Instrumentability and Work Perceptions,” *Organizational Behavior and Human Performance* 27 (1981), 103-118; and H. S. Farber and D. H. Saks, “Why Workers Want Unions: The Role of Relative Wages and Job Characteristics,” *Journal of Political Economy* 88 (1980), 349-69.
29. J. R. Hackman and E. E. Lawler III, “Employee Reactions to Job Characteristics,” *Journal of Applied Psychology Monograph* 55 (1971), 259-86; J. R. Hackman and G. Oldham, “Development of the Job Diagnostic Survey,” *Journal of Applied Psychology* 66 (1975), 159—70.
30. P. M. Siegel, “Prestige in the American Occupational Structure,” Ph.D. dissertation (Chicago: University of Chicago, 1971); and O. D. Duncan, “A Sociological Index for All Occupations,” in *Occupations and Social Status*, ed. A. J. Reiss (New York: Free Press, 1961), 109-161.
31. See, for example, P. S. Cain and D. J. Treiman, “The Dictionary of Occupational Titles as a Source of Occupational Data,” *American Sociological Review* 46 (1981), 253-78; and T. L. Parcel and C. W. Mueller, “Occupational Differentiation, Prestige, and Socioeconomic Status,” *Work and Occupations* 10 (1983), 49-80.