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Collective Bargaining as an Institution - A Long View: Discussion

Abstract

[Excerpt] Professor Barbash states that "pluralistic capitalism of the North American and Western European variety provides the most favorable environment for power-based collective bargaining." I would only point out that the economic systems that go under the label "capitalism" differ widely in their characteristics, including the proportion of enterprise that is state-owned. Collective bargaining, after all, had its roots in 19th century capitalism but continues to thrive in the vastly different environment of the modern welfare state. It seems to me that there is nothing necessarily incompatible between collective bargaining and democratic socialism, but that collective bargaining cannot survive under totalitarian regimes, whether they be socialist or capitalist in nature.

Continuity and change characterize all social systems. Professor Barbash has emphasized the enduring features of collective bargaining in the U.S. My purpose has been to show that these features have undergone a considerable amount of change and modification. In terms of the objectives of the parties and the structure, process, substance, and environment of bargaining, collective bargaining is very different today from what it was in the past.

Keywords

collective bargaining, United States, labor relations

Disciplines

Collective Bargaining | Labor Relations

Comments

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DISCUSSION

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Professor Barbash provides a useful summary of the fundamental and enduring features of collective bargaining in the United States. Students of industrial relations can certainly profit from a careful reading of his paper.

The major portion of his paper is devoted to a discussion of "the historic continuities—i.e., the historically durable features—of collective bargaining." Although he does spend some time discussing the "forces working to reshape collective bargaining," it seems to me that his emphasis on the historically enduring features of the institution slights the dynamic and flexible nature of collective bargaining in the United States.¹ No institution can survive for a long period of time if it lacks the capacity to adapt to the internal and external forces that impinge on it. Collective bargaining, no less than our legislative bodies, our schools, and even our professional societies, has demonstrated the flexibility and malleability that has enabled it to meet challenges that could easily have resulted in its obsolescence.

In adapting and responding to a variety of challenges, collective bargaining has become something different today from what it was in the 19th century and, in indeed, from what it was in the 1930s. Certainly there are enduring features, but a "long view" of collective bargaining must also recount the dramatic changes that have occurred, particularly over the past 30 years.

In thinking about Professor Barbash's seven "historically durable features," I found it useful to classify them according to the following categories:

1. The objectives of the parties: protectivism.
2. The structure of bargaining: decentralization.
3. The process of bargaining: distributiveness and incrementalism.
4. The substance of bargaining: economism and power.
5. The environment of bargaining: market capitalism.

Classified in this way, I think it becomes apparent that the major features of collective bargaining in the U.S. have undergone substantial,

¹ Collective bargaining seems equally flexible and adaptable in other western democracies. For a recent survey, see, *Collective Bargaining in Industrialized Market Economies* (Geneva: International Labor Office, 1973).

if not radical, change over the past several decades. Let us consider these categories in turn:

The Objectives of the Parties

Labor's major objectives, at least in the United States, are very narrowly defined. Unions in this country have not historically been interested in joint management of the enterprise. As Professor Barbash puts it, "unions want only to bargain with the enterprise, not to run it." Thus, unions have, for the most part, been content to deal with management on a select number of issues—principally those that concern the working conditions and job rights of the union's constituents and the organizational security of the union itself.

[Although we may still call "protectivism" the major objective of trade unions, the expansion of union interests into new areas has certainly served to redefine the meaning of this concept.] Once upon a time, unions achieved protection of workers' interests by establishing a standard rate and enforcing the closed or union shop. By the end of World War II, all unions recognized that protection of workers' interests did not end with the signing of a contract, but extended throughout the period of the contract. Hence, protectivism came to mean the right to grieve and to arbitrate, if necessary. Recently many unions have come to believe that protection of workers' interests involves an expansion of the union's concerns into areas once thought entirely outside the purview of bargaining. For example, unions are now more than ever concerned to enhance the quality of working life. I, for one, do not think that union concern for the quality of working life is a passing fancy. Indeed, if we ever again achieve a full-employment economy, such issues will certainly be on the bargaining table in full force.

[The enhanced meaning of protectivism may not signify a quest by unions to share management responsibilities, but it certainly has meant the diminution of the scope of "management prerogatives."] Union objectives have more and more involved tighter reins on management initiatives and discretion. According to Allan Flanders, "a modern view of collective bargaining . . . must recognize that it is an institution for regulating labor management as well as labor markets. . . . When collective bargaining broadens its scope from regulating markets to regulating management, it changes its character because different demands are placed upon it."²

I think it is noteworthy that Professor Barbash did not deal with *management* objectives in collective bargaining. Here, it seems to me,

² Allan Flanders, "The Nature of Collective Bargaining," in *Collective Bargaining*, ed. Allan Flanders (Middlesex, England: Penguin, 1969), pp. 37-38.

the greatest changes have occurred. Certainly there are still many employers who sustain a high level of antiunion animus. Such employers view the union as an evil to be avoided and even destroyed, if possible. But in established (some would say "mature") bargaining relationships, most employers seem to have new objectives. For the employer, as George Brooks has pointed out, "the frame of reference is no longer 'who is going to win,' but 'what have we got to do in order to continue this agreement in satisfactory form.'"³ "Mature" managers have found the union apparatus a useful instrument to convince the rank and file that the terms of employment worked out in collective negotiations are the most satisfactory for all concerned.

The Structure of Bargaining

Professor Barbash says, "American collective bargaining continues to be a decentralized system mostly adapted to detailed wage setting at the level of the enterprise and in the nonfactory sector at the level of the industry in a locality." No one can deny that collective bargaining in the United States remains much more decentralized than the industrial relations systems of most other countries. On the other hand, the dominant drift of the structure of bargaining in the U.S. over the post-World War II period is toward greater centralization and consolidation. The signs of such a drift are so abundant and well known that I need only list a few here: the spread of multiplant bargaining; the development of coalition bargaining in nonferrous mining, electrical equipment, and other industries; the move toward regionalization of bargaining in the construction industry. Other signs of advancing centralization include the increased authority in bargaining of national union officers and corporate officials, the decrease in union rivalries and raiding efforts, and the wave of formal union mergers that began about a decade ago and continues unabated.

The movement toward centralization has been counterbalanced to some extent by such factors as the apparent increase in contract rejections, wildcat strikes, "revolts" by skilled workers, and the like. But note that such decentralizing forces have largely been unsystematic and ad hoc in nature.

The causes of increasing centralization are not difficult to identify.⁴ Principally they relate to market factors, particularly the growth of large

³ George W. Brooks, *The Sources of Vitality in the American Labor Movement* (Ithaca: New York State School of Industrial and Labor Relations, 1960), p. 20.

⁴ Arnold R. Weber, "Stability and Change in the Structure of Collective Bargaining," in *Challenges to Collective Bargaining*, ed. Lloyd Ulman (Englewood Cliffs, N.J.: Prentice-Hall, 1967), pp. 13-36; David H. Greenberg, "The Structure of Collective Bargaining and Some of its Determinants," in *Proceedings of the 19th Annual Meeting, IRRRA* (Madison, Wis.: The Association, 1967), pp. 343-53.

national and multinational corporations. Also important, however, are the desires of the parties themselves for stability in labor relations which can more easily be achieved through centralized structures. And the forces that Professor Barbash refers to as "socialization" and "rationalization" both tend to increase centralization of collective bargaining. The movement toward centralization may slow, but there is no reason to believe that it will reverse. Emphasizing the decentralized nature of American industrial relations obscures this significant trend.

The Process of Bargaining

According to Professor Barbash, "The adversary posture, with only occasional excursions into formal integrative bargaining, somehow seems to be collective bargaining's 'natural' state." But it seems to me that the central and overriding change in the bargaining process that has occurred over the past three or four decades is the movement from confrontation to accommodation. For most unions and employers collective bargaining is no longer a life-and-death struggle. On the contrary, what many observers now lament is not the continuation of adversary postures in bargaining, but a transition from constructive accommodation to cozy collaboration in well-established relationships.

There is, of course, much evidence of the decline of confrontation in collective bargaining. For example, many studies have documented the secular decline in aggregate strike activity in the United States.⁵ In recent years only about one in 20 new contract negotiations ends in a strike, and a high proportion of these strikes last only two or three days. Many factors may explain the trend decline in strike activity, and strike statistics are not the only—or necessarily the best—indicator of the movement to accommodation. Any reasonable observer, however, would have to say that the climate of collective negotiations is vastly different today from what it was 40 years ago.

For a second and different reason, I believe it is misleading to call the adversary posture the "natural state" of collective bargaining. A better generalization, it seems to me, is to say that the parties normally engage in "mixed-motive decision making." For most agenda items, the parties will perceive opportunities for both competitive (i.e., distributive) and cooperative (i.e., integrative) behavior. Walton and McKersie have explained that the negotiator's persistent dilemma is to decide which

⁵ For example, see Arthur M. Ross and Paul T. Hartman, *Changing Patterns of Industrial Conflict* (New York: Wiley, 1960); Orley Ashenfelter and George Johnson, "Bargaining Theory, Trade Unions, and Industrial Strike Activity," *American Economic Review*, vol. 59, (March 1969), pp. 35-49; and Jack W. Skeels, "Measures of U.S. Strike Activity," *Industrial and Labor Relations Review*, vol. 24 (July 1971), pp. 515-25.

strategy to pursue to achieve his objectives.⁶ Any strategy entails risks and the "correct" strategy, even for an issue like wages, is not always self-evident. The result is that most sets of negotiations are characterized by a mixture of competitive and cooperative strategies. [The "natural state" of the bargaining process, it seems to me, is for the parties to be at some point on a continuum between distributiveness and problem-solving.]

Since I agree that the bargaining process is most suited to the achievement of incremental change, I will turn to the question of the substance of bargaining.

The Substance of Bargaining

Professor Barbash defines "economism" to mean "the strong predisposition to reduce bargained terms to a price or other number." I agree, first, that wages and related money items remain the major substantive issue in bargaining, and second, that even nonmonetary issues can be, and often are, expressed in terms of prices and numbers. The increasing scope and complexity of negotiated issues, however, has made it exceedingly more difficult to reduce bargained terms to a number. The parties themselves often disagree vehemently about the costs of a negotiated package. Those familiar with the procedures used to cost packages will attest that it is a labyrinthine art.⁷ Also, it is increasingly the case that the estimated value of negotiated benefits to the workers differs significantly from the estimated costs to the employer. Several studies of pattern bargaining in the post-World War II period have shown that deviations within an industry from a particular pattern became more prevalent over time.⁸ One explanation for this tendency is that it has simply become more difficult to identify what a "pattern" is. Professor Barbash has pointed to "enlargement of the compensation structure" as a force reshaping collective bargaining; it seems to me that this factor has most especially diluted "economism" as a characteristic of bargaining.

⁶ Richard E. Walton and Robert B. McKersie, "Behavioral Dilemmas in Mixed-Motive Decision Making," *Behavioral Science*, vol. 11 (1966), pp. 370-84, provide a succinct statement of this proposition. See also, Richard E. Walton and Robert B. McKersie, *A Behavioral Theory of Labor Negotiations* (New York: McGraw-Hill, 1965).

⁷ For an outline of the method used by the Bureau of Labor Statistics, see Lily M. David and Victor J. Sheifer, "Estimating the Cost of Collective Bargaining Settlements," *Monthly Labor Review*, vol. 92, (May 1969), pp. 12-26.

⁸ See, for example, Harold M. Levinson, "Pattern Bargaining: A Case Study of the Automobile Workers," *Quarterly Journal of Economics* (May 1960), pp. 296-317; George Seltzer, "The United Steelworkers and Unionwide Bargaining," *Monthly Labor Review*, vol. 84, (February 1961), pp. 129-36; and Kenneth Alexander, "Market Practices and Collective Bargaining in Automotive Parts," *Journal of Political Economy* (February 1961), pp. 15-29.

I have listed "power" under the heading, "substance of collective bargaining," because Professor Barbash identifies power with the union's efforts to maintain itself as a bargaining organization and with management's efforts "to resist price and power incursions by the union." Thus, I interpret Professor Barbash's conception of power to involve principally questions of union security and management rights. I have already indicated that I believe changes in the objectives of the parties are reflected in the ways in which they handle these two issues. In no area has change been more profound. The maintenance of a union as a bargaining organization once meant a ceaseless striving to organize new workers and to maintain current membership strength. It meant forceful or persuasive efforts to gain recognition from employers. But (today most union leaders are not involved in a struggle to organize and survive.) Indeed, as George Brooks has pointed out, a high proportion of current union members were actually "organized by the employer"—"that is, they were informed by the personnel officer that unless they joined the union within thirty days they would not be able to work in the plant."⁹ (Since the parties have moved to accommodation, the issue of "power" has involved not so much fundamental questions of the parties' relationship as marginal, tactical advantages that bargainers may exercise over each other in negotiations.)

The Environment of Bargaining

Professor Barbash states that "pluralistic capitalism of the North American and Western European variety provides the most favorable environment for power-based collective bargaining." I would only point out that the economic systems that go under the label "capitalism" differ widely in their characteristics, including the proportion of enterprise that is state-owned. Collective bargaining, after all, had its roots in 19th century capitalism but continues to thrive in the vastly different environment of the modern welfare state. It seems to me that there is nothing necessarily incompatible between collective bargaining and democratic socialism, but that collective bargaining cannot survive under totalitarian regimes, whether they be socialist or capitalist in nature.

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⁹ Brooks, p. 5.