To be used with college students, this guide contains a reading selection on collective bargaining, discussion questions, and suggestions for class activities. The reading section examines the history of collective bargaining and discusses the philosophy governing labor relations in New York state. Discussion questions follow the reading. Activities for involving students in the study of labor relations in the public sector are suggested. Some examples follow. Students write a history of public sector labor relations in the United States. They compare public sector labor relations in the United States with public sector labor relations in other industrialized nations and write a formal report on their findings. In other activities, students examine the arguments for and against giving public employees the right to strike, do a comparative analysis of three or more contracts involving public employee unions, and write critical reviews of three books dealing with labor relations in the public sector. (Author/RM)
COLLECTIVE BARGAINING
IN
GOVERNMENT
An Introduction and Teaching Guide
by
Mark Henry Saidens

Produced by
State University of New York
The Empire State College
Center for Business & Economic Education
and
The Hauppauge Unit of
Empire State College
1980
CONTENTS

INTRODUCTION

AN INTRODUCTION TO PUBLIC SECTOR COLLECTIVE BARGAINING Page 1

SUGGESTED ACTIVITIES FOR THE STUDY OF LABOR RELATIONS IN THE PUBLIC SECTOR Page 20

A BIBLIOGRAPHY OF READINGS ON LABOR RELATIONS IN THE PUBLIC SECTOR Page 22
INTRODUCTION

Many students at Empire State College are employed in the public sector. Indeed, all students at the Hauppauge, Long Island, unit are employees of the Suffolk County government or of township governments in Suffolk County. The newer Public Agency Center in Albany is also a unit for public sector personnel or for those contemplating public service occupations. Many others have an interest in labor relations in general. It is understandable, then, that the study of labor relations in the public sector is being incorporated into the degree programs of a large number of Empire State College students.

For the benefit of his own students, Dr. Mark Henry Saidens of the Hauppauge unit recently prepared a paper entitled "An Introduction to Public Sector Collective Bargaining and New York's Taylor Law." We believe that this paper could be used by the students of other Empire State College faculty members, and Dr. Saidens has agreed to permit us to publish it and distribute it. This paper can serve as a good introduction to the subject. We have added a bibliography of approximately 90 other publications dealing with labor in the public sector. Among those who suggested items for this list are Dean Richard Dwyer, Professor Al Nash, and Librarian Walter Jeschke of the Empire State College Center for Labor Studies in New York City, Professor E. Lester Levine of the College's Hauppauge unit, and Professor George Dawson of the College's Old Westbury unit. The section "Suggested Activities for the Study of Labor Relations in the Public Sector" was developed by Professor Dawson.

We hope that faculty members and students using this publication will find it helpful in developing interesting and valuable programs of study in the area of public sector labor relations.

The Empire State College Center for Business & Economic Education
AN INTRODUCTION TO PUBLIC SECTOR COLLECTIVE BARGAINING

Mark Henry Saidens, Ph.D.

The idea of collective bargaining is not new to organized labor. However, in the public sector it is still considered a recent phenomenon.

While private sector labor union growth during the past quarter century has remained relatively static, the growth in government employee associations has accelerated. The government was, for a time, considered as the employer of last resort. But from the 1960's through the mid 70's in many cases the government was considered as the first source of employment. Thus the ranks of government workers have grown so that one out of every six now in the labor force is employed in government service.

Today public employee collective bargaining is a fact of life in New York State. As such, in every area of government involvement within this state, public employees have organized and negotiated collective bargaining agreements. But how did this come to pass, and what is the philosophy governing labor relations in the Empire State?

Private Sector Labor Relations

Labor relations in the United States is generally divided into two distinct areas commonly referred to as the public
sector and the private sector. The private sector includes everyone who is engaged in private industry, whereas the public sector is limited to government (federal, state, and local) employees.

United States organized labor union affiliation began in the private sector where early labor history was not very pleasant. In 1935 the Federal government through the enactment of the National Labor Relations Act (popularly known as the Wagner Act) precipitated a new era in labor relations. The philosophy of the Wagner Act was that it is desirable that terms and conditions of employment be formulated by collective bargaining between management and trade unions. Employers were prohibited from engaging in certain anti-union practices which were designated as "unfair labor practices".

Administration of the Act was entrusted to a National Labor Relations Board. The N.L.R.B. was also empowered to conduct secret balloting so as to determine whether the employees wished to be represented in collective bargaining, and if so, by whom. Additionally, the N.L.R.B. could ask that its rulings be enforced by a Federal Court of Appeals. One of the results of this milestone in labor-management relations was that union membership in the private sector doubled during the next five years.

A strong criticism of the Wagner Act was that its treatment of unions and management was inequitable. Employers were
said to have no protection against trade unions' unfair use of their economic power. Post World War II strikes in steel, coal, and the automobile industry, and a nationwide railroad strike over wages, helped to intensify the campaign to curb union power. In 1947, Congress passed the Labor-Management Relations Act, popularly known as the Taft-Hartley Act.

The Taft-Hartley Act was in form an amendment of the Wagner Act, and most of the Wagner Act's provisions remained intact. However, while the emphasis of the Wagner Act was on protecting unions, the emphasis of Taft-Hartley was on protecting employers, individual workers and the general public.¹

The Public/Private Dichotomy

Although private sector employees were free to form unions and negotiate, public sector employees were not afforded the same opportunity. The nature of the job was inconsequential: what mattered was that the individual involved was a government employee. As such, there could be two bus companies operating on adjacent streets, one privately owned and the other operated by a municipal government. The private company employees could form a union, collectively negotiate a contract, and even call a strike. The personnel of a

municipally owned and operated bus line, who were providing the same service to the same clientele were not permitted all the same options.

**The Doctrine of Sovereignty**

The obstacle which prohibited public employees from negotiating with their employers -- federal, state and local governments -- was the Doctrine of Sovereignty. Sovereignty, according to Black's Law Dictionary, "is the supreme, absolute and uncontrollable power by which any independent state is governed."\(^1\)

In terms of the body politic, the sovereign is the person, body or state in which the supreme authority is vested. In our country, sovereignty rests with the people. The national and state governments theoretically act as the agents of the sovereign. In turn, the state government delegates some of its power to counties, municipalities and special districts (e.g. school districts). This delegation of temporal authority is enacted so as to meet more effectively and efficiently the needs of the constituency which is being serviced.

Public employers invoked the doctrine of sovereignty to rationalize their unilateral authority over their subordinate employees as necessary to preserve the integrity and

---

The granting of union recognition and collective bargaining rights was held an illegal delegation of public authority and an abdication of responsibility.

Repeatedly, labor leaders tried to show that there were similarities between the public and private sectors. Government officials, however, based their objections to meeting with government employee representatives on a statement made by President Franklin Delano Roosevelt in a letter to Mr. Luther Steward, President of the National Federation of Employees. In that letter, President Roosevelt wrote:

... the process of collective bargaining, as usually understood, can not be transplanted into the public service ... The very nature and purpose of government make it impossible for administrative officers to represent fully or bind the employer in mutual discussions with government employee organizations ...

Many government officials who incorporated the tenets of the Roosevelt letter in official personnel manuals, failed to note the comments of FDR three years later at the dedication of the Chickamauga Dam of the Tennessee Valley Authority. At that Labor Day dedication, Roosevelt remarked that, "collective bargaining and efficiency have proceeded hand in hand." 2

---

1 Letter from President Franklin Roosevelt to Luther Steward, August 16, 1937.

The Decline of the Doctrine of Sovereignty

While most state officials sought to remain aloof from public sector collective bargaining, there were municipal leaders who worked in the opposite direction. Notable among these city leaders was the Mayor of the City of New York, Robert F. Wagner, the son of the author of the 1935 Wagner Act.

In 1954 Mayor Wagner issued an Interim Executive Order which recognized the rights of city employees to join organizations of their own choosing and, at the same time, granted representatives of those organizations the right to represent their members in joint consultation with department heads on proposals relating to conditions of employment. Shortly thereafter, he issued Executive Order #49, which declared it to be the City's policy to "promote practices and procedures of collective bargaining prevailing in private sector labor relations."

While many government officials tended to avoid public sector collective bargaining by hiding behind a cloak of sovereignty, others chose to engage in some form of constructive employee/employer relationship. Nationally, there was no uniformity with regard to invoking the doctrine of sovereignty.

Each state has its individual way of viewing the public sector and its relationship between the public employer and the public employee. The extent to which the collective bargaining relationship between the two exists, or is prohibited, depends upon the decisions of the state courts, the opinions of the state attorney general, the legislature and its statutory laws.
a local level, if not prohibited by state policy, the legal structure consists of local executive orders, resolutions, ordinances, civil service statutes and procedures establishing or affecting the terms and conditions of public employee employment.

While trends could be cited, the collective bargaining relationship depends on the legal/political environment of that specific jurisdiction. As such, unless barred by law (as in North Carolina whose general statutes state that "any contract between a public employer and a labor organization is against public policy and of no effect")[^1], governments usually have the option of choosing whether or not to engage in collective bargaining with their employees.

**Collective Bargaining on the Federal Level**

On January 17, 1962, a major breakthrough occurred on the national level which was destined to usher in a new era of management-employee relations. President John Fitzgerald Kennedy issued Executive Order #10988. There were many labor leaders and public administrators who would characterize the signing of this Presidential executive order as the beginning of the erosion of the Doctrine of Sovereignty. The order also stimulated the process by which state and local government officials were able to rationalize collective negotiations with

[^1]: North Carolina, General Statutes (1959), secs. 95-98.
their employees. History, in all probability, will bear them out. In the interim, however, it does appear certain that this was a major breakthrough in the field of labor/management relations.

The major thrust of Kennedy's Executive Order #10988 was that it extended to Federal employees a limited right to negotiate working conditions. Federal employees were given the right to organize, or to refrain from organizing. The basis of unit determination paralleled the scheme followed by the National Labor Relations Board. Personnel policy, practices and matters affecting working conditions were bargainable, and the results of the negotiations would appear in the form of a written agreement.

There were areas, however, where a departure from the established course of labor legislation can readily be noted. The role and authority of management were explicitly preserved. In fact, Section 7 of the document contained a management rights clause which specifically spelled out the areas which would be non-negotiable...

Management officials of the agency retain the right, in accordance with applicable laws and regulations, (a) to direct employees of the agency, (b) to hire, promote, transfer, assign, and retain employees in positions within the agency, and to suspend, demote, discharge or take other disciplinary action against employees, (c) to relieve employees from duties because of lack of work or for other legitimate reasons, (d) to maintain the efficiency of the government operations entrusted to them, (e) to determine the methods, means and personnel by which such operations are conducted; and (f) to take whatever actions may be
necessary to carry out the mission of the agency in situations of emergency.¹

Impact on State and Local Governments

The effects of the Executive Order extended well beyond the circle of federal employees. In addition to directly stimulating employee organizations and negotiations on the federal level, it indirectly did so at the state and local level as well. Consequently there was significant growth in the ranks of public sector unions at all levels of government. The magnitude of increased union membership was very similar to the growth in private sector unions subsequent to the passage of the Wagner Act of 1935. The spill-over effect carried the impetus of this Act down to every level of government.

As a result of federal acknowledgement of the rights of public employees to organize and to engage in collective negotiations with their employer, the states were encouraged not to hide behind a cloak of sovereignty. Consequently, many states began to enact statutes covering the collective bargaining of state and local employees. These ranged from the comprehensive laws enacted in New York, Michigan, Pennsylvania and Hawaii to the sparse "meet and confer act" of

¹ Executive Order of the President of the United States #10988, Section 7, January 17, 1962.
California. However, there still were states, such as Tennessee, where counties and municipalities did not have the authority to enter into collective bargaining agreements.2

New York State and the Taylor Law

In 1967, the New York State Legislature passed the Public Employee's Fair Employment Act, Article 14 of the Civil Service Law. This act is often referred to as the Taylor Law. It was a response to the recommendations of the Taylor Committee to the State Legislature. This committee, composed of George Taylor, its chairman, and four other out-of-state labor relations experts, was appointed in January 1966 by Governor Nelson Rockefeller.

The stated purpose of the committee was two-fold: First, they were to make legislative proposals so as to protect the public from the disruption of vital services caused by strikes. A previous law, the Condon-Wadlin Act, had been on the books for some twenty years, but it was so severe that it was for the most part unenforceable. In fact, during 1965 and 1966, the Legislature was granting amnesty for violators and, in many

1 On April 1, 1976, a new law governing the relationship between public employees in California and their government employer went into effect. In terms of teachers, for example, the new law provided for exclusive bargaining with regard to wages, hours and employment conditions. In addition, teachers would be involved in consultation with school officials with regard to books and curriculum.

2 Weakley County Municipal Electrical System v. Vick, 3095 W. 2nd 792, (1957).
strikes, penalties were not being imposed.

The second stated purpose of the Commission was to consider the advisability of granting public employees the right to organize and to negotiate with their public employers.

The recommendations of the committee were published in a report to the Governor on March 31, 1966. In essence, they recommended that the Condon-Wadlin Law be replaced by a statute that would:

a. Grant to public employees the right to organize and to have representation.

b. Impose on public employers the correlative duty to recognize and negotiate with employee organizations representing public employees.

c. Create a public employment relations board to resolve disputes between public employees and public employers.

d. Continue the prohibition against strikes by public employees and provide penalties for violation of such prohibitions.¹

In 1967, the Legislature enacted a majority of the Taylor Committee's recommendations. At the same time, a Public Employment Relations Board (PERB) was created to administer the law.

The Taylor Law guarantees public employees in New York the right to representation by an elected employee organization of their own choice, and the right collectively to negotiate their

terms and conditions of employment. The legislative intent of the Act is to promote harmonious and cooperative relationships between government and its employees, with the aim to devise local solutions to problems through collective negotiations. At the same time, the Taylor Law seeks to maintain the orderly and uninterrupted operations and functions of government.

In order to insure the fairness and equitability of Article 14 of the Civil Service Law, the New York Legislature created an administrative agency known as the Public Employment Relations Board (PERB). PERB was empowered to act, in part, as a quasi-judicial body which would adjudicate or assist in the resolution of contractual disputes, improper practices -- employee organization and/or employer -- and to help delineate what is a proper subject of negotiations in whole or in part.

PERB is composed of three members, each serving a six year staggered term. In addition, there are assistants -- attorneys, mediators, fact-finders and others -- who serve as technical advisors.

For the most part, PERB acts as an umpire. It has the responsibility for resolving representation disputes, providing conciliation services, adjudicating improper practices, determining culpability of employee organizations for striking, ordering dues check off forfeiture, preparing statistical comparisons on a statewide basis, and making recommendations to the legislature with regard to any changes that should be made in the law. ¹

The Scope of Negotiations

A major problem in public sector labor relations concerns the issues or kinds of subjects that may be considered or excluded from negotiations. In the collective bargaining decision-making process, what are the areas that are to be unilaterally determined by management and management alone? What subjects are inappropriate for joint decision-making? What are the areas that could or should be bilaterally determined? These questions, in a simplistic fashion, encompass what is commonly referred to as the scope of bargaining.

Doctrine of Management Rights

The key to understanding the scope of negotiations lies in the concept of the doctrine of management rights, for unless prohibited by statute, management's authority is supreme in all matters affecting the employment relationship. When collective bargaining begins, managerial authority becomes subject to three restrictions.1

First is the written agreement. This is the end result of the discussions. The culmination of these talks is then formalized into a written document, known as an agreement, collective bargaining contract, or a memorandum of understanding. Thus,

---

1 Paul Prassow et. al., Scope of Bargaining in the Public Sector - Concepts and Problems (Washington, D.C., U.S. Department of Labor, 1972), p.5-13. Additionally, there are individual constitutional protections (i.e. free speech and due process) which are not dealt with in this monograph. For information related to these issues see among others David H. Rosenbloom, Federal Service and the Constitution. The Development of The Public Employment Relationship. (Ithica: Cornell University Press, 1971).
the agreement confirms the outcome of their meetings. Often included within the contract is a statement to the effect that restrictions will be placed on certain management reserved rights.

Second is the employer's implied obligation to continue to maintain those benefits or policies that have existed even though they were not discussed, or included within the final written agreement. An example of this can be found in the summer work hours of New York City municipal office workers. Prior to the installation of air-conditioning, all city office workers were allowed to leave at four o'clock and still be paid until five o'clock. The practice lasted until 1976 when, because of the financial crisis existing in New York City, and in exchange for other considerations, the workers traded off this long standing unwritten benefit.

Third is the rule of reasonableness. A management decision can not be reviewed because of its "wisdom". The decision can only be reviewed in terms of the three-fold test of reasonableness: Unless the action of management was arbitrary, capricious or discriminatory in nature, the action can not be reviewed. In other words, management looks at a contract to see which of its rights it has either given away or agreed to share with the employee's organization. None of management's rights is derived from the negotiated agreement. Instead, all of management's rights are reserved. However, the bargaining agreement may specify which of those reserved rights will be restricted.
On a federal level, a management prerogative clause was used in President Kennedy's Executive Order #10988. The wording specified that certain reserved rights would not be included within the scope of negotiations.

On a municipal level the essence of the Kennedy Executive Order is frequently included, as typified by the following management prerogative provision of a New York City Contract whereby:

... standards of service offered by its agencies and standards of selection for employment, to direct its employees, take disciplinary action, relieve its employees from duty because of lack of work or other legitimate reasons, determine methods, means and personnel by which government operations are to be conducted, determine the content of job classifications to carry out its mission in emergencies and exercise complete control over its organization and technology by performing its work.

Managerial Prerogatives, Policy and Working Conditions

Upon inspection and consideration of the items mentioned, one could logically conclude that there is a relationship between them and what can be construed as the area of working conditions. Working conditions are clearly part of the bargaining process. Nonetheless, this topic is not free of conflict, since what could be considered as being one man's managerial prerogative might, in the same instance, be another man's working condition!

The distinction between policy and a working condition is also often murky. For example, with regard to class size, one educator remarked with some degree of wit that below thirty, class size is a policy decision; but when it is over thirty students, it is a working condition and is therefore subject to negotiations.

Negotiators in New York City might have had such thoughts in mind when the 1972-1975 teachers' contract was promulgated. In that contract, class size limitations, with specific exceptions, were spelled out. Additionally, in terms of other New York City contracts, while matters considered managerial prerogatives "are not within the scope of collective bargaining," questions concerning the practical impact that decisions on above matters have on employees, such as questions of workload or manning, are within the scope of collective bargaining."2

For professionals in municipal employment, a trend appears to have developed. Many of the decisions which were long regarded by public employers as being part of management's prerogatives have become bargainable issues. The question of what is to be considered a working condition or a policy decision often falls into a gray area. As such, today's discussable issue usually becomes tomorrow's bargainable issue.


City of New York, Executive Order #52 5c, 1967.
When viewed in this perspective, the management prerogative clause has become a paper tiger whose psychological intent is to reaffirm the areas where management does not wish to relinquish its ultimate responsibility.1

Terms and Conditions of Employment

The Taylor Law (201.4) authorizes negotiations with regard to "terms and conditions of employment". However, the phrase "terms and conditions of employment" has not been concisely defined in a useful form by PERB, the NLRB or the courts. There has been a general recognition that a concise definition is not given because of the great variety that exists in industrial customs, employer/employee relationships, and the possible technological changes that affect each relationship. Basically, any subject with a significant or material relationship to conditions of employment can be considered to constitute a term and condition of employment. However, where the basic goal or mission of the employer is involved this does not occur. As such, a determination as to whether a term and condition of employment exists usually depends on an analogy to existing precedents or creation of a precedent when a dispute arises.

1For an elaboration of this point see Spero & Capozzola, The Urban Community and its Unionized Bureaucracies. Pp.138-195, and chapter 8.
Future

The question for the future, however, appears to involve more than just the bargaining issues. A new focal point will revolve around the government's ability to pay, and its impact on the work force. Thus public sector unions will probably not be concerned with the philosophy of "gaining more and more". But instead they will most likely focus on the giving up of less and less so as to provide a cloak of security to their members in the face of the economic malaise precipitated by O.P.E.C. and an increasing inflationary spiral.


For a variety of readings in public sector collective bargaining see the bibliography in this booklet.
Points to Ponder

1. When the Taylor Law was passed by the New York Legislature it was called the "Public Employees' Fair Employment Act, Article 14 Civil Service Law." Is it truly a fair law or does it favor either the government or the public sector labor group?

2. Employment in the private sector is directly affected by the 1935 National Labor Relations Act and the National Labor Relations Board. In New York State, public employees are subject to the provisions of the Taylor Law. Is there a difference between the New York State public and private sector labor relations because of the Taylor Law and the National Labor Relations Board?

3. How does the state of the economy affect New York State public sector labor life and its relationship to the Taylor Law and PERB?
SUGGESTED ACTIVITIES FOR THE STUDY OF LABOR RELATIONS IN THE PUBLIC SECTOR

In consultation with your instructor, select one or more of the following activities. Obtain the instructor's advice regarding style and format of presentation, length, amount of credit involved, etc.

- Select one public sector occupational category and do a formal research report on unionism or labor relations in that situation. Examples: public school teachers, professors at public colleges, police officers, fire fighters, sanitation workers, public health employees, public transit workers, social workers, prison guards, members of the military.

- Write a history of public sector labor relations in the United States.

- Compare public sector labor relations in the United States with public sector labor relations in other industrialized nations and write a formal report on your findings. How are they similar? How (and why) do they differ? What are some of the common problems? Could the United States adopt any of the foreign practices or laws?

- Select one or more strikes by public employees in the United States and do research on it (or them). What were the probable causes of the strikes? What were the legal aspects? What were the costs? What were the outcomes?

- Make a study of one public employee union, such as the CSEA. What is the history of the organization? How and why was it founded? How is it governed? How is it similar to (or different from) other unions? What is a typical contract like? What are its problems? How does it relate to the American labor movement as a whole? How effective has it been, in terms of its stated purposes?

- Compare your state's laws and policy regarding public sector labor relations with the laws and policies of several other states. How and why do they differ? How and why are they similar? How would you evaluate your state's laws and policies? What changes, if any, would you suggest? Why?

- Select one occupational category found in the public sector (such as accountant) and compare the situation with that in the private sector. How do the public sector wages and salaries compare with the wages and salaries in the private sector? Who do working conditions compare? How does the union situation compare? What accounts for any differences?

- Make a study of public sector labor relations in your town, county, or state. What are the major problems? What are the relevant laws? What is the union situation? Write a formal paper on your findings.

- Examine the arguments for and against giving public employees the right to strike. Write an objective and detailed statement setting forth the reasons in favor of the right to strike. Do the same, giving the reasons against the right to strike. Then write a conclusion in which you set forth your own
position on the issue. Be sure to explain your position and to defend it.

- Study three or more contracts involving public employee unions, and do a comparative analysis. How are they similar? How, and why, do they differ? How would you evaluate each contract in terms of the union's goals and objectives?

- Select three books dealing with labor relations in the public sector and write critical reviews of those books. Are the books thorough, accurate, objective, and analytical? Are they up-to-date? How useful would they be for other students studying this subject?

- and no pay increases for public employees!
A BIBLIOGRAPHY OF READINGS ON LABOR RELATIONS IN THE PUBLIC SECTOR

Note: This list is intended to apprise the reader of some of the available material dealing with labor relations in the public sector. It is not the result of a systematic search of the literature, and it is by no means complete. Books dealing with labor relations in general have not been included, although they sometimes include sections on public sector unionism. The items listed here range from short, non-technical publications suitable for the lay person to lengthy books or reports intended for professionals in the field. The fact that a publication is listed here does not imply that we recommend the item, nor does it suggest that we agree with its contents. Readers are urged to use this list as a starting point, conduct their own search and analysis of the literature, and select those items that will best meet their particular needs.


ACADEMICS ON STRIKE. New Brunswick, N.J.: Rutgers University Institute of Management and Labor Relations; 1976. (Case studies.)


Midwest Monitor: A DIGEST OF CURRENT LITERATURE AND DEVELOPMENTS IN PUBLIC SECTOR LABOR RELATIONS. Periodical published by the Indiana University School of Public and Environmental Affairs.


The following periodicals may contain material on labor relations in the public sector from time to time:

CIVIL SERVICE JOURNAL
GOVERNMENT EMPLOYEE RELATIONS REPORT
INDUSTRIAL AND LABOR RELATIONS REVIEW
JOURNAL OF LABOR RESEARCH
LABOR LAW JOURNAL
LABOR LAW REPORTS
P.E.R.B NEWSLETTER
PERSONNEL JOURNAL
PUBLIC ADMINISTRATION REVIEW
PUBLIC MANAGEMENT
PUBLIC PERSONNEL MANAGEMENT
STATE LABOR LAWS (See LABOR RELATIONS REPORTER)
JOURNAL OF COLLECTIVE NEGOTIATIONS IN THE PUBLIC SECTOR