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BOOK REVIEW

MANAGING LOCAL GOVERNMENT UNDER UNION PRESSURE. BY DAVID T STANLEY. Washington, D.C.. The Brookings Institution. 1972. Pp. ix, 177. \$6.95.

RONALD C. BROWN*

Public employee unions are flourishing in many American communities. In this book, Mr. Stanley systematically examines the impact these unions¹ have had on the administration of local governments. His work properly avoids a discussion of the legal and emotional aspects of public sector collective bargaining—aspects which have been the subject of so many other books and articles—and concentrates on an empirical study of the following questions: Have unions distorted the normal political process by demanding and obtaining more than their share of the city's resources? If the demands have been made and met, have unions gained more than their non-unionized counterparts? Has union influence been so pervasive as to have altered the civil service laws and caused a distortion of the normal administration of local governments?

This study, sponsored by the Brookings Institution, is based on field research undertaken in 1969 in 15 cities and four urban counties ranging from New York City to Tacoma, Washington, and from diverse systems of government ranging from those that feature a strong mayor to those that are controlled by county boards of supervisors. Using illustrations based on countless interviews, the author sets forth the dominant patterns of change in public administration brought about by union activities in the areas of civil service systems, pay-setting processes, budget planning, and decisions on manning and work-loads.

Few writers have undertaken the complicated case study of collective bargaining relationships in local governments necessary to determine the *facts* regarding union influence on government administration. Mr. Stanley's study has succeeded in this task and therein lies the real contribution of his book; the data he has compiled enables him to dispel many myths concerning the ability of public employee unions to secure tangible economic benefits and to demonstrate the changing relations between unions and management, a change which has affected the management of local governments.

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1. Education and public utility unions were not included in this study

The author begins his study by noting the inherent dissimilarity between private and government employee unions; the latter are not subject to the same economic constraints as private industrial unions which must temper their demands by the employer's ability to pay. A possible consequence of this difference is that public employee unions might seek exorbitant gains since their employer—the government—has unlimited funds.² Other commentators have asserted that government administration is enhanced by allowing the employee-citizen group to influence managerial decisions. It is suggested that “[f]or decades mayors and city councils have been blocked or stimulated by chambers of commerce, bar associations, sewer contractors, taxpayers' leagues, and even gambling syndicates.”³ Therefore, it is argued, public employee unions should be able to influence government decisions which affect them. However, the author does not focus on the degree to which public employee unions should be able to exert influence upon local governments. Rather, the study examines the impact that unions have had in the various areas of public sector collective bargaining.

The author shows that union pressure has been of little effect in most areas of administration explicitly covered by civil service law. Such matters as hiring, promotion, training, manning, and work-load under civil service have been left primarily to statutory direction and management discretion. Unions have, consistent with existing civil service laws, obtained some seniority systems in non-supervisory jobs, but most governments successfully have resisted seniority as a criterion for promotion to supervisory jobs. Proffering one of his few value judgments, Mr. Stanley supports this resistance, asserting that such a criterion would “seriously weaken the fabric of urban government administration” because supervisors in public service must be chosen for “demonstrated enterprise, resourcefulness, and capacity for leadership.”⁴ The author, in assessing these areas of minimal union influence, points out that even aggressive unions in strong union towns like Milwaukee, New York, and Philadelphia generally are assuming a “hands off” posture on these subjects, preferring instead to concentrate their efforts on other objectives.⁵ Future conflicts are expected to be infrequent due to management's strong position and the unions' apparent lack of interest. The author cautions, however, that some past occurrences illustrate the kinds

2. See H. WELLINGTON & R. WINTER, JR., *THE UNIONS AND THE CITIES* (1971).

3. D. STANLEY, *MANAGING LOCAL GOVERNMENT UNDER UNION PRESSURE* 137 (1972).

4. *Id.* at 45.

5. *Id.* at 42.

of inroads which unions can make. For example, in 1965, New York City's social service caseworkers struck over a multitude of issues, one of which was the need for increased staffing. The strike did not resolve the issue at that time, but two years later a new contract, which increased the size of the staff, reflected the union's strong influence on management.⁶ Another example of the erosion of management prerogatives is the continual and sometimes successful argument by police unions that street dangers require two men in patrol cars—a manning question traditionally determined by management.

A topic of major concern to unions is grievance procedures. Unions have been so successful in negotiating grievance procedures that there is a clear trend away from the use of civil service procedures and increasing resort to contractual provisions which culminate in arbitration by persons outside the Government. The study indicates that there has been only a slight increase in the number of grievances, that the scope of the procedures tends to be narrower in public service than in private industry, and that the volume of grievance actions is much less in the public than in the private sector. Also, management and union officials believe that arbitration serves a valuable "safety valve" function and employees also prefer arbitration, believing it to be more objective than a government-managed civil service system.⁷ Additionally, the author presents facts which tend to show that the fear of a burdensome number of arbitration cases has not materialized; Milwaukee, for example, reported only seven decisions in a five year period.⁸

As to economic matters, excluding wages, the author points out that impressive advances have been made in such areas as fringe benefits, vacations, holidays, sick leave, health and life insurance, and retirement benefits. However, the author claims not to have made an authoritative examination of the extent of union influence in causing these increases. Notwithstanding that disclaimer, union pressure was pinpointed as a dominant influence in city administrators' decisions to replace compensatory time off with paid overtime, to implement new work assignments, and to obtain safety devices for workers, such as hardhats for policemen.

Regarding the effectiveness of unions in obtaining higher wages for employees, the study concludes that employees generally received increases closely related to increases in the cost of living and to increases in the earnings of the general labor force. "With few exceptions, mu-

6. *Id.* at 93-95.

7. *Id.* at 54.

8. *Id.* at 55.

municipal union pressures did not result in shocking or even surprising advances," and wage increases for municipal employees were comparable to those in other segments of the economy.⁹ Apparently the major cause of the increases was the supply and demand in the labor market; the author gives dimension to this generalization by several illustrations in which particular public employee unions, through strikes or other aggressive action, were able to obtain a relatively higher wage settlement.

Mr. Stanley submits that the changes in the amounts of benefits are less important than the changes in procedure and relationships whereby local government employees have been transformed from "passive recipients" and "lobbyists for increased pay and benefits" to power blocs and adversaries of management.¹⁰ In essence the author is suggesting that, in spite of the significance of the unions' gains, a more noteworthy area of inquiry is the manner in which the governments' decision-making process was affected by union participation.

With union participation on the upswing, it is important to assess the effect of increased union benefits on the budgetary process of local governments. After a lengthy analysis, the author concludes that unions have "added new stresses to the already difficult financial situation, but [they] have not basically altered the budget and finance processes."¹¹ For example, when the parties bargain beyond the deadlines for budget submission, the budgetary process is slowed and existing fiscal problems are exacerbated—but the city still functions. Thus, the author concludes that public employee collective bargaining has not seriously distorted the normal political or managerial process of local governments. However, there are exceptions to this general statement. For example, serious inroads into managerial prerogatives which adversely affected city services occurred recently in Dayton, Ohio, when public employee unions successfully negotiated an economic settlement which exceeded an already overburdened budget.¹² The city fulfilled its agreement only by refraining from purchasing needed equipment and by deciding not to fill vacant jobs. The city also found it necessary to divert funds previously allocated for capital expenditures to operating expenses. The pressures working to restrict the public manager's freedom to administer public funds to areas of his choosing may affect not only city services, but also non-union employees and supervisors. This was illustrated re-

9. *Id.* at 74. A more detailed analysis of the effect of unionism on pay levels is the subject of a current Brookings Institution study by Paul T. Hartman.

10. *Id.* at 88.

11. D. STANLEY, *supra* note 3, at 112.

12. *Id.* at 128-29.

cently in Wilmington, Delaware, and Buffalo, New York, when cost of living raises were not given to non-union members.¹³

A further instance of successful union pressure is a union's action in inhibiting city administrators from contracting out work currently performed by government workers. Although unions historically have not resisted outside contracts where expensive equipment is necessary to perform the work required, they tend to suspect that management is seeking inexpensive labor if work is contracted out where expensive equipment is not a factor. In such situations, unions view contracts as a threat to their job security, and their resistance has been quite successful. As a result, by agreeing to retain work for union employees, governments have surrendered some measure of their prerogative to determine management policies. Such a result is particularly troublesome when sound management policy would dictate that the work be done by outside contractors.

In predicting the future impact of union pressure on the management of local governments, Mr. Stanley observes that "there seems to be little prospect that the transaction will become overbalanced against management, given the exercise by management officials of a reasonable mix of resolution, ability to listen, decisiveness, labor relations knowledge, and good will."¹⁴ Furthermore, he predicts that "[e]ffective administrators of the future will accept the fact of unionism and will use their energies to build and maintain a sound legal framework for union relations, rather than use chauvinistic, unproductive anti-union tactics."¹⁵ This book will facilitate bringing this prediction to fruition. The book's depth of empirical scholarship elucidates the impact that unions have made on local governments and also puts to rest several popular misconceptions concerning the gains achieved by public employee unions.

13. *Id.* at 79.

14. *Id.* at 151-52.

15. *Id.* at 148. See also H. WELLINGTON & R. WINTER, JR., *supra* note 2, at 2.