

AN ENVIRONMENTAL APPROACH TO UNION DECLINE

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Introduction

Since reaching a high point in the 1950s, the tide has ebbed for the union movement in the United States, particularly in terms of organizational strength and effectiveness. In the past approximately sixty years, union membership (as a percentage of all wage and salaried workers in the workforce) has fallen from 34.9 percent in 1954¹ to a current level of approximately 10.7 percent.² The decline has been noticeably acute in the past three decades.

What does this bleak picture indicate about the future of unionization in this country? This paper will analyze the problems facing unions today in terms of union organizational structure. A case will be made to show that union structure is outdated and obsolete in today's dynamic society, and the environment could offer a ready explanation for a portion of the decline.

Since 1935, national industrial relations policy in the United States has largely revolved around what is generally described as the Wagner Framework, which resulted from the passage of the National Labor Relations (Wagner) Act (the "NLRA").³ The framework indicates an adversarial, or confrontational, approach to formalizing the collective bargaining process. The parties to the model, union and employer/management, have fundamentally different philosophies, but both positions are based on self-interest. Unions are primarily looking at "getting a bigger piece of the employer's pie," while the employer is focusing on minimizing labor costs in order to maximize revenue.

Much of the leading theoretical research in this field during this period was developed by John Dunlop.⁴ Using what was often referred to as the Dunlopian Model (See Figure 1), Dunlop perceived a need for greater theoretical structure and orientation, and proposed a general theory of industrial relations where outcome was based on a "web of rules."⁵ A purpose was to refocus on the entire field of industrial relations, not just the function of collective bargaining. The theory, systems-based in nature, was described in his classic book *Industrial Relations Systems*⁶ as an industrial relations system composed of "certain actors, certain contexts, an ideology that binds the industrial relations system together, and a body of rules created to govern the actors at the

¹ Unionstats.com, *Union Membership Coverage and Database from the CPS*, <http://www.unionstats.com> (last visited May 15, 2017).

² Id.

³ 29 U.S.C. §§ 151-169 (1935).

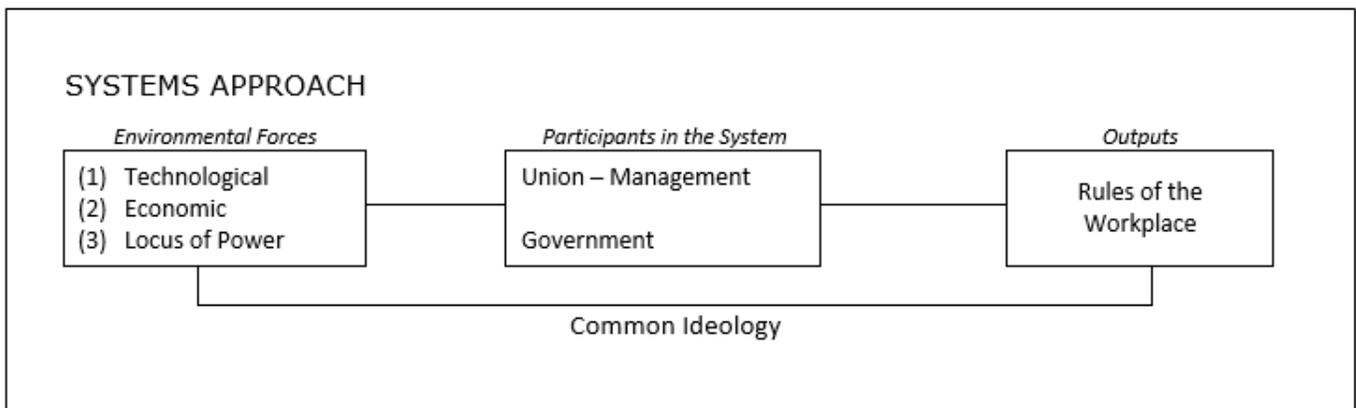
⁴ John Dunlop (1914-2003), served as Secretary of Labor under President Gerald Ford.

⁵ Some argue that Dunlop's approach is more of a conceptual framework than it is a true theory. See, e.g., R.J. Adams, "Theoretical Construction and Assessment: A Checklist." In R.J. Adams & N. Meltz, eds. *Industrial Relations Theory: Its Nature, Scope, and Pedagogy*, Metuchen NJ & London: IMLR Press/Rutgers University and The Scarecrow Press, Inc. (1993).

⁶ John T. Dunlop, *Industrial Relations Systems*, New York: Henry Holt and Company (1958).

workplace and work community.”⁷ In Dunlop’s framework, there are three actors: managers, workers, and specialized government agencies. Both managers and workers exist in hierarchies, representing different levels of authority, responsibility, and duties. The government agencies are part of the system to facilitate interactions between managers and workers. All three sets of actors function within an environment that is composed of different subsystems, with the ones having the most impact upon industrial relations identified as 1) the technological context, 2) the economic context, and 3) the locus of power context. The technological context refers to the impact that technology has on the industrial relations (“IR”) system, implying that advances in technology (which occur on a consistent basis) will alter this particular environment. The economic context looks at the product markets, factors of production, and budgetary constraints under which the actors work. The locus of power context is an amalgam of social, political, and ideological variables that will affect the labor relations process.⁸

Figure 1 – Conceptual Diagram of Dunlop’s Model for Industrial Relations



Source: Dunlop 1958, *Industrial Relations Systems*

The actors in the system are impacted not only by the environment, but also by ideology and rules. Dunlop describes ideology, for purposes of his framework, as “a set of ideas and beliefs commonly held by the actors that helps to bind or to integrate the system together as an entity.”⁹ This generally refers to common ideas or beliefs that each of the actors holds within its grouping. These ideas do not have to be identical across actors, but should be relatively compatible and consistent (e.g., how the role of a manager is defined by managers, as well as by workers and by the government). That being said, each of the actors will have its own ideology, and as long as there is reasonable congruence and compatibility among the actors, the industrial relations system should be stable and functioning. Since this relationship among actors is based on conflict, Dunlop

⁷ Id. at 47.

⁸ Id.

⁹ Id. at 53.

notes that it is useful to distinguish disputes that arise based on inconsistencies in the system, which could serve to destabilized the model, from those that arise within the agreed upon framework, i.e., collective bargaining.¹⁰

Lastly, all of the actors in the system promulgate rules and procedures in which to administer the system (the “web of rules”). Such rules may be substantive or procedural, and may be written, oral tradition, or customary practice. Each hierarchy of actors may have rules that pertain only to themselves (e.g., employer policies and procedures, union policies), those that pertain to the interaction with another actor (e.g., collective bargaining agreement), and those that affect all three of the parties (e.g., National Labor Relations Board rulings). It should be noted that, in addition to this specific web of rules pertaining to the collective bargaining process, there are many other separate sets of rules within system that may indirectly impact the collective bargaining process: compensation laws, performance evaluation policies, laws relating to pension administration, etc.

I. Extension of the Dunlopian Model: KKM

A. Development of a More Responsive Model

For purposes of this paper, the authors are using a model that is a derivation of the Dunlopian Model, one developed by Thomas Kochan, Harry Katz and Robert McKersie in their critically-acclaimed book *The Transformation of American Industrial Relations*,¹¹ hereafter referred to as the KKM Model. This model represents an extension of Dunlop’s model, particularly by more precisely defining the external environment, and by introducing the concept of strategic choice through emphasizing a range of options available to actors in responding to environmental changes. The model also looks at the government’s role as facilitator (primarily through the National Labor Relations Board) as still necessary, but as an actor, the government exerts much more influence today through the public policy environment. These additions allow it to be more responsive and flexible than that of Dunlop, while still retaining the environment/ideology/web-of-rules concept.¹²

KKM describe their model as being driven by expectations and outcomes of the three actors, and how they are achieved through the institutional structures and processes of collective bargaining (See Figure 2). The model itself presents the potential for interaction between the parties at three different levels: strategic, functional (collective bargaining), and workplace.

The KKM model describes the environment in a more expansive way than does Dunlop. It includes economic, technological, social, public policy (the latter two of which comprised the

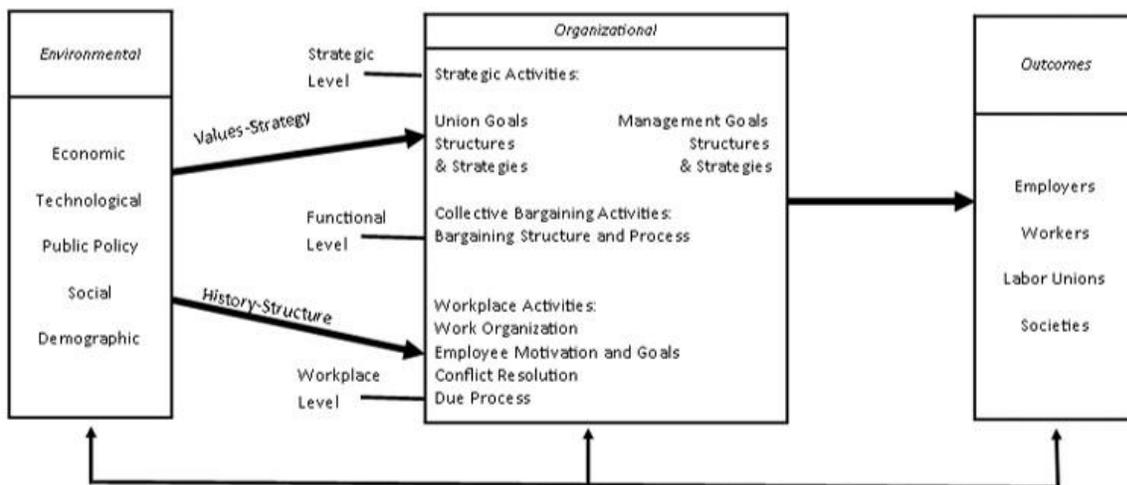
¹⁰ Id. at 54.

¹¹ Thomas A. Kochan, Harry C. Katz & Robert B. McKersie, *The Transformation of American Industrial Relations*, New York: Basic Books, Inc. (1986).

¹² Kochan and Katz updated the external environment of the model in 1988, and that is the model that will be referenced in this paper. See Thomas A. Kochan & Harry C. Katz, *Collective Bargaining and Industrial Relations*, 2d., Homewood IL: Irwin (1988).

locus of power context in Dunlop’s model), and demographic (which was not part of the earlier model). The environmental contexts impact the afore-mentioned three tiers where changes in the environment force adjustments to be made, adjustments which are filtered through or constrained by institutional characteristics that are present in all organizations, such as values, strategies, history and structures. While most previous IR models have focused on the collective bargaining process as the heart of the model, the KKM approach synthesizes some of the recent literature in corporate strategy, structure and decision making. The revised model shows that activity at levels other than the functional level of collective bargaining have institutional effects¹³, i.e., as an institutional model of industrial relations, it includes unique variables that play a role in model

Figure 2 – Conceptual Diagram of the Kochan Katz McKersie Model for Industrial Relations



Source: Kochan and Katz 1988, *Collective Bargaining and Industrial Relations 2d*.

outcomes. Activities that occur at the top (strategic) level will impact the collective bargaining function at the middle level, as will activities that occur in the workplace (lower level). Of primary importance is the role that strategic choice plays in the model. Unlike earlier models which were deterministic in their approach, the aspect of strategic choice indicates that decisions may be made at all three levels which may have intervening impacts on outcomes that may differ, based on the decision that is made. This model reflects the words of the KKM authors, that “a key assumption...is that power held by the union and the employer in any bargaining pair is directly determined by environmental, structural, and organizational factors.”¹⁴

¹³ Kochan, Katz & McKersie, *supra* note 11, at 11.

¹⁴ Kochan & Katz, *supra* note 12, at 54.

B. Environmental Contexts of the Model

Economic factors, both micro (relevant to a particular bargaining relationship) and macro (nation-wide) will have a strong influence on the collective bargaining system. Microeconomic factors include the strike leverage in a particular bargaining relationship (the ability and willingness to sustain a strike), industry concentration (where a higher concentration and less competition is favorable for development of union power), profits, and productivity (both of which affect an employer's ability to absorb an increase in wages). Macroeconomic factors include a government's fiscal, monetary, and incomes policies, which have an indirect effect on the collective bargaining relationship.¹⁵

The technological environment has had major impacts upon industrial relations. Going back to the middle ages, in analyzing the processes in which labor and capital have been combined, it has shown that dramatic changes in technology have typically been followed by changes in the industrial relations process.¹⁶ Moving from agrarian economies, to the first Industrial Revolution, and on to the second Industrial Revolution, the way in which workers have organized has been altered (moving from the medieval guilds found in Europe, to craft unionism, and on to industrial unionism). These different time frames have been characterized by major changes in technology. Kerr, Dunlop, Harbison, and Myers argued that it was the process of industrialization, rather than capitalism, that led to changes in the employer-worker relationship, which eventually led to unionism.¹⁷ This occurs when technological changes are significant enough to create changes in bargaining power between management and labor

The social context, which was part of the locus of power in Dunlop's model, is a separate feature of the KKM model. It alludes to how the union movement, and industrial relations in general, are viewed by the American public. Union public image is something that varies over time, and includes how unions are viewed in terms of growth, effectiveness in politics, union security, and loyalty of its members. This can impact union performance in the collective bargaining process. A study by Thomas Kochan, using data from a 1977 Conference Board survey, found "dual images" of union activity. The survey indicated that public sentiment toward unions clustered around two distinct ideas: People viewed unions as big, powerful organizations ("big labor" image) that could influence legislation and are led by leaders who were more interested in their own benefit, and at the same time these same people also viewed unions as organizations who could be beneficial and protect the interests of workers.¹⁸

Demographics were not considered as part of the Dunlopian model, but in the last forty years, seem to be becoming a variable of some influence in the collective bargaining process. A

¹⁵ Id. at 53-60.

¹⁶ See generally Steven L. Popejoy, Chockalingam Viswesvaran, & Satish P. Deshpande, "Structural Change and Union Survival," *Proceedings of the Forty-Fifth Meeting*, Industrial Relations Research Association (1992).

¹⁷ Clark Kerr, John T. Dunlop, Frederick Harbison, and Charles A. Myers, *Industrialism and Industrial Man*, Cambridge: Harvard University Press (1960).

¹⁸ Thomas A. Kochan, T., *How American Workers View Labor Unions*, MONTHLY LABOR REVIEW 102, at 15-22.

constantly evolving workforce demographic is not something that unions have had to deal with in the past. For the most part of their history, unions organized white, blue-collar males, probably because white males made up the largest part of the work force. Beginning with the civil rights movement in the 1950s and 1960s, barriers to employment were reduced for women and minorities, and the demographic composition of the workforce began to change. Kochan and Katz recognized that these demographic changes could change the mix of worker expectations and attitudes upon which the collective bargaining model was built, which in turn would lead unions to change goals and bargaining outcomes. If successful, these changes would result in new measures of job satisfaction, motivation, worker attitudes, etc. The authors question whether or not this last step is occurring. If it is not, is the collective bargaining model obsolete in the face of these demographic changes?¹⁹

Discussion of the public policy context entails discussion of the governmental role in the labor relations process.²⁰ Prior to the 1930s, there was no formal recognized policy as such; interaction between labor, management, and government was usually through the court system, both federal and state. Courts often sided with management in its dealings with labor unions, often issuing injunctions to stop ongoing strikes. The court in the *Philadelphia Cordwainers'* case (1806)²¹ went so far as to hold that efforts by the union to raise wages amounted to a criminal conspiracy.²² This direction of judicial process continued through much of the 1800s, until a different mechanism was created by the courts: use of legislated business law. In particular, the Sherman Anti-Trust Act of 1890²³ was useful to federal courts in limiting union activity through the use of injunctions by holding that labor was a “commodity,” capable of being regulated, and unions were to be viewed as a labor market monopoly conspiring to interfere with free trade²⁴ (see, e.g., *Loewe v. Lawlor*²⁵). This *modus operandi* of the federal courts continued, until passage of the Clayton Act²⁶ in 1914, which ordered that labor no longer be considered a commodity, as under the interpretation of the Sherman Anti-Trust Act.²⁷

By the 1930s, public policy shifted, from an anti-union tact to one that seemed to be more in line with viewing the union movement with empathy. Beginning with the Norris-LaGuardia Act²⁸ in 1932 (which severely limited federal courts in issuing injunctions against union activity),

¹⁹ Kochan & Katz, *supra* note 12, at 81.

²⁰ For an expanded discussion on the evolution of industrial relations public policy in the United States over the past two centuries, see Kochan & Katz, *supra* note 12, at 72-79.

²¹ *Philadelphia Cordwainers'* (Commonwealth v. Pullis, Philadelphia Mayors' Court, 1806, as cited in 3 Doc. Hist. of Amer. Ind. Soc. 59 (2d Edition, Commons 1910)).

²² This holding had strong precedential value in many states, until *Commonwealth v. Hunt* (1842), a Massachusetts case holding unions to have a legal right to exist, but were not allowed to use coercive pressures to achieve their ends. See *Commonwealth v. Hunt*, 445 Mass. (4 Met.) 111, as cited in 3 Doc. Hist. of Amer. Ind. Soc. 59 (2d Edition, Commons 1910)).

²³ Sherman Antitrust Act, 15 U.S.C. §§ 1-7 (1890).

²⁴ A holding of this nature under the Sherman Act left unions, as with other monopolies, liable for treble damages.

²⁵ 208 U.S. 274 (1908), the infamous Danbury Hatters' case, dealing with the subject of secondary boycotts.

²⁶ Clayton Antitrust Act, 15 U.S.C. §§ 12-27, 29 U.S.C. §§ 52-53 (1914).

²⁷ Many courts, despite the Clayton Act, continued to find against unions under the Sherman Act. See Kochan & Katz, *supra* note 12, at 74.

²⁸ Norris-LaGuardia Act, 29 U.S.C. §§ 101-115 (1932).

and extending beyond the National Labor Relations (Wagner) Act,²⁹ labor unions began to be treated as equal partners in the industrial relations process - at least in the eyes of public policy (indeed, this was the point of the NLRA model). Whether this may have been due to a country having a sympathetic view of workers' plight during the great depression is a matter of conjecture, but there certainly appears to be no other time in this nation's history where this might have occurred.

The sympathy was relatively short-lived, when by 1947 passage of the Labor Management Relations (Taft-Hartley) Act³⁰ restored for management what was becoming viewed as a bargaining power advantage in labor's favor. This was followed a decade later by the Labor-Management Reporting and Disclosure (Landrum-Griffin) Act³¹ of 1959, aimed at cleaning up corruption in unions, and which established a bill of rights for union members, including disclosure of union financial information and ensurance of democratic elections.

By 1960, U.S. labor policy was moving in a different direction, to what is often described as the period of Socio-Economic Policy.³² This policy will be further discussed *infra*, as it has direct bearing on the remainder of the paper.

C. Organizational Structure of the Model

Bargaining structure has typically been defined as the scope of the employees and employers that are covered by the collective bargaining agreement. The formal structure, which has been the subject of much of the union-management research, has generally been viewed as what happens at the collective bargaining level, with all else viewed as the informal structure.³³ The KKM model ensures that the *industrial relations process*, both formal and informal, is represented by the model (See Table 1). Strategic activities (top level) of organizations are included, as are activities at the workplace (lower) level. By introducing the element of strategic choice³⁴ at all levels of the organizational structure, the model presents a dynamic capacity that earlier models could not replicate. What previously had been viewed as the informal process, e.g., activities at the top (strategic) level of both labor and management, is now recognized as having direct effect upon collective bargaining. Certainly environmental variables establish the foundation within which the industrial relations system operates, but choices are definitely made by both labor and management at all organizational levels. These choices represent reactions to the environment. The choices that are not deterministic, but may vary depending on the actor *and the information he has available to him* in making the decision.

²⁹ 29 U.S.C. §§ 151-169 (1935).

³⁰ 29 U.S.C. §§ 141-197 (1947).

³¹ 29 U.S.C. §§ 401-531 (1959).

³² For a complete discussion of all four segments of the evolution of U.S. labor policy, *see* Kochan & Katz, *suora* note 12, at 72-79.

³³ Kochan & Katz, *supra* note 12, at 102-103.

³⁴ Literature on strategic choice, including developing strategic typologies, began appearing on a regular basis in the 1970s in the field of management, and in the 1980s in the field of industrial relations.

Table 1 – Three Levels of Industrial Activity

Level	Union	Employers	Government
Long-Term Strategy and Policy Making	Political Strategies, Representation Strategies, Organizing Strategies	Business Strategies, Investment Strategies, Human Resource Strategies	Macroeconomic and Social Policies
Collective Bargaining and Personnel Policy	Collective Bargaining Strategies	Personnel Policies, Negotiation Strategies	Labor Law and Administration
Workplace and Individual/Organizational Relationships	Contract Administration, Worker Participation, Job Design and Work Organization	Supervisory Style, Worker Participation, Job Design and Work Organization	Labor Standards, Worker Participation, Individual Rights

Source: Kochan, Katz and McKersie 1986, The Transformation of American Industrial Relations

As the KKM model indicates, the pressures from the environmental areas are filtered through the organizational values, history, strategy and structure of each organization, putting issues (and responses) in a perspective unique to each organization. Organizational responses occur at all three levels of an organization, whether it is union or management. While previous research focused on the collective bargaining level, it is certainly recognized that activity on the middle level is most certainly influenced by pressures that occur from above (the strategic level) and pressures that occur from below (the workplace level).

Also recognized by the model is that the same three levels of interaction that occur with labor and management organizations will occur in government. Policymaking, passage of laws, facilitation of collective bargaining, and administrative rulings are all examples of government activity that impacts all three levels.

D. Outcomes of the Model

Outcomes associated with the model can be extremely varied, dependent on what is important to both management and unions (the outcomes discussed relate primarily to the parties of management and union; the government, as an actor in the system, also has outcomes that may be realized from the system, but primarily revolve around labor peace and orderly process). Typical outcomes that may be desired by the parties include wages, benefits, employee health and safety, employee motivation, worker attitudes, working conditions, employment levels, profits, union commitment, union satisfaction, and management discretion and control. Some outcomes may be compared to the nonunion sector to describe a more definitive outcome, such as union wages (versus nonunion wages) and union benefits (versus nonunion benefits).

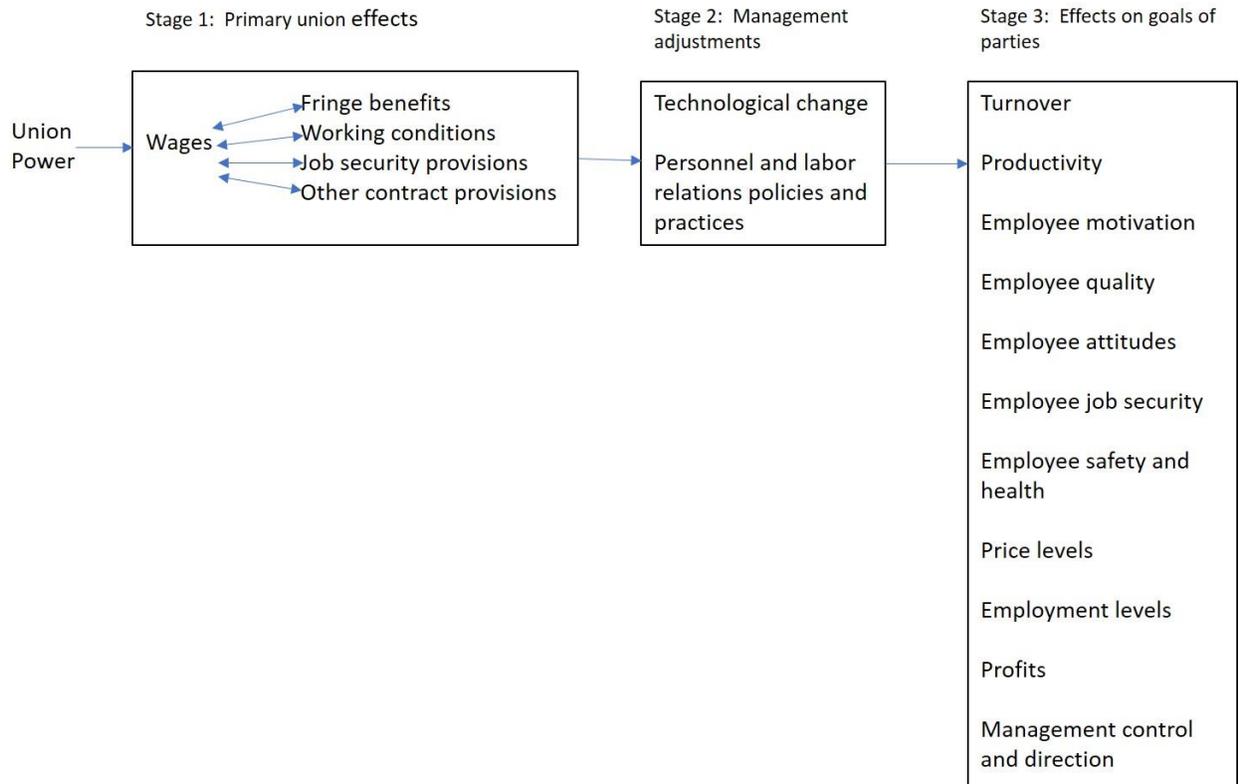
Kochan and Katz, as part of the KKM model, describe the outcomes portion of the model as occurring in a three-stage process (see Figure 3). Stage One reflects primarily the wages, benefits, and terms and conditions of employment that were secured by the union in the collective bargaining process (primary union effects). Based on the assumption of union power, there should be a positive differential between union wages and nonunion wages, etc. This leads to Stage Two: management adjustments. Management will likely respond in some fashion to union gains, including steps to control costs.³⁵ It should also be recognized that primary union effects of Stage One may also have counter effects on management costs. i.e., an increase in union wages may have the effect of reducing costs from turnover, and thus absorbing some of the wage increase.

Stage Three represents secondary union effects, which are typically union responses to managerial adjustments. Where union power has led to the establishment of a large differential in union wages and union benefits, it is likely that management adjustments would include some form of cost control, e.g. layoffs, accelerating the speed of the work processes, etc. Secondary union effects would represent the union's response to protecting worker interests in non-wage areas, such as increased job security or improving work rules and/or working conditions.

Taken as a whole, the three-stage process represents a "push-pull" aspect between unions and management that will result in a final equilibrium of outcomes

³⁵ Famed labor economist Sumner Schlichter discussed the *shock-effect proposition*, which suggests that the presence of a union or the negotiation of a labor contract forces management to find more efficient means of operation. See generally Sumner H. Schlichter, *Union Policies and Industrial Management*, Washington D.C.: Brookings Institution (1941).

Figure 3 – A Sequential Model of Union Effects



Source: Kochan and Katz 1988, *Collective Bargaining and Industrial Relations 2d*.

II. APPLICATION OF STRUCTURAL CONTINGENCY THEORY

A. What is Structural Contingency Theory?

Now that an industrial relations model has been established, a possible view from which one may analyze union decline is that of structural contingency theory. By looking at the changes in the environment over time, a case will be made that while management has responded to the changes, unions largely have not. Derived from sociological roots, contingency theory uses the Weberian concept of structure and attempts to match such structure to its context or contingencies. In doing so, it would afford an explanation to the situation of two equally successful organizations who utilize different structural

forms.³⁶ Whereas many forms of organizational theory research have built on Weber's idea of "one best structure" that is generally applicable to all organizations,³⁷ contingency theory focuses on differences relating to each organization.

The general foundation of contingency theory is the consonance hypothesis.³⁸ Simply stated, organizational effectiveness is dependent on the extent to which organizational structure matches the contingencies that it faces. Systematic consideration of different organizational contexts has typically revolved around four primary areas of analysis: size, strategy, technology, and environment.

The environmental aspect of contingency theory contemplates that organization effectiveness is dependent upon the relationship between structure and external conditions and parties.³⁹ Variables of interest have included competition, resource abundance, and uncertainty/change, with the latter receiving primary attention.⁴⁰ All types of environments may affect an organization to one degree or another, and the formation and survival of the organization may be dependent on the environmental contexts that it faces. Organizations are social systems, and, as open systems, they are dependent on other social systems.

As is evident, there are numerous possible analyses in the context of contingency theory. Many of the studies cited have involved cross-sectional samples for the purpose of identifying structural differences across organizations. In viewing union decline however, longitudinal analysis is necessary due to the time factor inherent in the concept of decline. Additionally, the level of analysis will be that of the industry, i.e. the union movement. While this may run the risk of over-aggregation, unions tend to be unique, homogeneous organizations whose structural characteristics differ very little across unions. Finally, the area of analysis is that of the environment (specifically, the change in the environment); it is believed that the environment would account for more variation in structure than would size or technology individually (although for purposes of this study, the definition of "environment" includes technology).

B. A Past Example of the Structural Contingency Concept

While the purpose of this paper is to analyze the effects of the environment on union structure since 1935, it should be noted that union structure was subject to radical change midway through a previous time period.

The early trade union movement in the United States, beginning in the late 1700s, was largely structured around the concept of craft unionism. Craft unionism, a form of trade unionism with workers organized around particular skills or crafts, was the dominant form of unionism throughout the 1800s, culminating in the formation of the American Federation of Labor (AFL) in 1886. The AFL was an amalgam of twenty-five national labor groups that united as a federation, in part to promote skilled (craft)

³⁶ Daniel Robey, *Designing Organizations*, Homewood IL: Irwin (1986).

³⁷ See, e.g., Oliver E. Williamson, *Markets and Hierarchies: Analysis and Antitrust Implications*, New York: Free Press (1975). Williams discusses "one best structure" from a transactions cost perspective.

³⁸ Jeffrey Pfeffer, *Organizations and Organization Theory*, Cambridge MA: Ballinger, at 148.

³⁹ See generally, John Child, *Organizational Structure, Environment and Performance: The Role of Strategic Choice*, *SOCIOLOGY* 6, at 2-22.

⁴⁰ Pfeffer, *supra* note 38, at 156.

labor and to discourage unskilled labor.⁴¹ Prior to the AFL, craft unions tended to be communal in nature; that is, they derived their power largely from the ability to provide unique skills.

In the second half of the eighteenth century, the industrial revolution, which had swept England in the first half of the century, was beginning to create an impact in the United States. A manufacturing economy began to replace the earlier agrarian society. Though it is difficult to affix a starting date to the industrialization period, 1880 is considered a pivotal year; it was the first year in which nonagricultural workers outnumbered agricultural workers.⁴²

Even though craft unionism continued to dominate well into the industrial revolution, the rapidly changing environment presented the movement with an extreme challenge. Where the public policy context had effected the greatest impact on unionism in the 1800s, technology was now becoming the most problematic area for unions to deal with. While the AFL was largely recruiting skilled workers, the market was no longer placing a premium on them; in a sense, the AFL's craft skills and hierarchy no longer matched the bureaucratic structure of the industry.⁴³

The great technological advances made during this time frame culminated in the United States becoming the world's manufacturing leader. In 1860, Great Britain led the world in manufacturing, but by 1900 the U.S. was the undisputed leader, producing thirty percent of the world's manufactured output.⁴⁴ The new manufacturing-based economy produced technological changes such as mechanized production methods, improved systems of distribution, and concepts of mass production. The other environmental components (economic, social, public policy, and demographic) played a part in shaping the new system also, but perhaps to a lesser extent. An expanding economy improved opportunities for growth; increasing competition weeded out many smaller, non-mechanized operations that could no longer compete with the factories; a burgeoning work force produced from a growing population provided labor to fuel the industrial revolution; an oppressive judiciary stifled what could have been rapid trade union growth for much of this time frame, but by the early 1930s its impact had been mitigated by the dawning period of labor law reform.

In the wake of these environmental changes, craft unionism faced challenges to its dominance as the reigning form of unionization. The primary competitor of the American Federation of Labor in the last quarter of the nineteenth century was the Knights of Labor, a national organization that originally began as a craft local, but expanded along industry lines, providing an early example of industrial unionism.⁴⁵ Industrial unionism organizes all workers in a given industry, irrespective of crafts or skills. This strategy was able to take advantage of the increase of foreign workers immigrating to the United States during this time period, most of whom were either semi-skilled or unskilled, which described the work force of many of the new industrialized manufacturing organizations of the period. The Knights promoted the concept of *solidarity*, the idea that all trades should be represented by one organization.⁴⁶ Under industrial unionism, solidarity was based on mass rather than community. Though possessing no

⁴¹ John Fossum, *Labor Relations: Development, Structure, Process*, 9th ed., Boston: McGraw Hill Irwin (2006), at 30.

⁴² Glenn V. Fuguitt, David L. Brown & Calvin L. Beale, *Rural and Small Town America*, New York: Russell Sage Foundation (1989), at 265.

⁴³ Charles Heckscher, *The New Unionism: Employee Involvement in the Changing Corporation*, New York: Basic Books (1988).

⁴⁴ Martin L. Primack & James F. Willis, *An Economic History of the United States*, Menlo Park CA: Benjamin/Cummings (1980), at 252.

⁴⁵ Norman Ware, *The Labor Movement in the United States 1860-1895: A Study in Democracy*. Gloucester MA: Peter Smith (1959), at 155-157.

⁴⁶ *Id.*

leverage derived from unique skill, the industrial unions were able to create leverage through sheer numbers. While the Knights had reached a membership level of approximately 700,000 workers by 1886,⁴⁷ membership fell to 75,000 by 1893, due in part ⁴⁸ to changing demographics (a decrease in immigration), failure to achieve an eight-hour work day,⁴⁹ and a failure to support the idea that strikes were an effective weapon in industrial relations.⁵⁰

The movement toward industrial unionism was stagnant until the AFL convention in 1935, when John L. Lewis, president of the United Mine Workers (UMW) abandoned the convention after a disagreement and established the Committee for Industrial Organization (later Congress of Industrial Organizations) as a competing national organization. The CIO was focused primarily on organizing skilled, semi-skilled, and unskilled industrial blue-collar workers by industry, including the auto, steel, rubber, and mining industries.⁵¹ Since unskilled workers tended to be less disciplined than skilled workers, industrial unions developed extreme organization in terms of hierarchy and bureaucracy. Most important, their organization structure tended to match that of business organizations.

It was widely perceived at the time “that craft unions are largely outmoded in . . . mass industries.”⁵² The mechanization of industry was “destroying the craft basis of organization.”⁵³ Statistics show the rapid growth of industrial unionism following passage of the National Labor Relations Act: While maintaining membership levels between seventeen and thirty percent of total union membership in the period between 1915 and 1935, that figure increased to over fifty percent by 1937.⁵⁴ This form of unionization has continued to be the dominant structure of unionism in the United States.

C. Environmental Change and Its Effect on the Industrial Relations Model Since 1935

While industrial unionism has continued to represent mainstream union structure into the twenty-first century, its viability has been called into question in light of what many describe as a postindustrial economy. With the increased emphasis on service and the decreased reliance on mass industry in the past decades, perhaps the evolution of a new union structure is close at hand.

There is no doubt that the economic environment has changed over the past eighty years. Economic changes have tended to be cyclical, with the economy moving back and forth between periods of increasing and decreasing inflation, as well as increasing and decreasing unemployment. Both fiscal and monetary policy have evolved in various directions dependent upon the presidential administration and the makeup of the Federal Reserve Board (reflecting the political impact upon the economy). Incomes policies, however, have occasionally had more direct impact upon collective bargaining outcomes, as was observed under the wage-price guidelines of the Kennedy and Johnson Administrations

⁴⁷ Marion Dutton Savage, *Industrial Unionism in America*, New York: The Ronald Press Co. (1922), at 16.

⁴⁸ Harry A. Millis & Royal E. Montgomery, *Organized Labor, Vol. 3: Economics of Labor*, New York: McGraw-Hill Book Company (1945), at 70.

⁴⁹ Gerald N. Grob, *Workers and Utopia: A Study of Ideological Conflict in the American Labor Movement, 1865-1900*, Evanston IL: Northwestern University Press (1961).

⁵⁰ See generally Ware, *supra* note 45, at 117-154.

⁵¹ Kochan and Katz, *supra* note 12, at 28-29.

⁵² Millis and Montgomery, *supra* note 48, at 274.

⁵³ *Id.* at 273.

⁵⁴ *Id.* at 272, fn 2.

(1962-1966),⁵⁵ and the Carter Administration (1978-79),⁵⁶ and even more so with the wage and price controls of the Nixon Administration (1971-73).⁵⁷

The social environment, on the other hand, has been relatively consistent: From the popularity enjoyed by unions at the height of their membership in 1955,⁵⁸ there has been a slight downward trend in how American society views unions. Typically, national sampling of Americans over the decades has indicated that there is little confidence in union leaders in terms of their ethics, but consistent with the “dual image of labor,” there is confidence that they give union members’ their money’s worth.⁵⁹

The biggest impact of the social environment may have been generated by the passage of the Labor Management Relations (Taft-Hartley) Act.⁶⁰ The well-known section 14(b) authorized individual states, at their discretion, to adopt right-to-work laws that would prohibit requiring union membership (i.e., union shops) as a condition of employment.⁶¹ By the end of 2016, twenty-six states had adopted right-to-work laws. Following the impact of the Republican victories in the 2016 Presidential, congressional, and state elections, right-to-work sentiment has continued, with Kentucky⁶² and Missouri⁶³ passing right-to-work legislation in 2017. A motion supporting right-to-work passed the state Senate in New Hampshire, but was rejected by the House,⁶⁴ and while a similar measure is expected to go before the House in Colorado in late summer of 2017, it is not expected to pass either.⁶⁵ Right-to-work legislation, as a primary representation of the social environment, indicates increasingly unfavorable views of unions, and the movement is not yet over.⁶⁶

While impactful on the industrial relations model, neither the economic nor the social environment are likely having any significant effect on union structure. The same cannot be said for the

⁵⁵ J. Rowe, Jr., *Forming a New Incomes Policy*, Washington Post, Jan. 9, 1977, http://www.washingtonpost.com/archive/business/1977/01/09/forming-a-new-incomes-policy/aa374b66-7168-48ad-8a05-cc102fdacec2/?utm_term=.582c2ce6f58e5 (last visited April 18, 2017).

⁵⁶ Robert Higgs, *Carter’s Wage-Price Guidelines: A Review of the First Year*, Independent Institute, Jan. 1, 1980, <http://www.independent.org/newsroom/article.asp?id=2187> (last visited April 18, 2017).

⁵⁷ Gene Healy, *Remembering Nixon’s Wage and Price Controls*, Cato Institute Aug. 16, 2011, <http://www.cato.org/publications/commentary/remembering-nixons-price-controls> (last visited April 18, 2017).

⁵⁸ Unionstats.com, <http://www.unionstats.com>, Union Membership and Coverage Database from the CPS (last visited May 15, 2017).

⁵⁹ Kochan and Katz, *supra* note 12, at 88-92.

⁶⁰ 29 U.S.C. §§ 141-197 (1947).

⁶¹ 29 U.S.C. § 164(b) (1947).

⁶² C.S. Wright & Travers B. Manley, *Kentucky Becomes 27th Right to Work State; Legislature Repeals Prevailing Wage Laws*, The National Law Review, <http://www.natlawreview.com/print/article/kentucky-becomes-27th-right-to-work-state-legislature-repeals-prevailing-wage-laws> (last visited January 11, 2017).

⁶³ Celeste Bott, *Missouri Gov. Eric Greitens signs “right-to-work” into law*, St. Louis Post Dispatch, http://www.stltoday.com/news/local/govt-and-politics/missouri-gov-eric-greitens-signs-right-to-work-into-law/article_67c68456-c5a7-573f-a9fb-87bad29dbd1a.html (last visited February 20, 2017).

⁶⁴ Kathleen Ronayne, *‘Right-to-Work’ bill killed in New Hampshire*, Portland Press Herald, <http://www.pressherald.com/2017/02/16/right-to-work-bill-killed-in-new-hampshire/> (last visited February 23, 2017).

⁶⁵ Ed Sealover, *Colorado Senate passes bill to become right-to-work state*, Denver Business Journal, <http://bizjournals.com/denver/news/2017/02/14/colorado-senate-passes-bill-to-become-right-to.html> (last visited April 18, 2017).

⁶⁶ *See Right to Work on the March*, The Wall Street Journal, <http://www.wsj.com/articles/righttoworkonthemarch1482193576> (last visited December 21, 2016).

technological, demographic, and public policy environments however; all have seen major changes since 1935.

A general claim is that the United States (as well as most industrialized countries) has moved into a period of post-industrialization. Proof of changes can be found in the manufacturing industry; rapidity of technological advances, along with globalization of the economy, have created volatile, uncertain markets. In response to these conditions, it is argued that a fundamental transformation has shifted manufacturing from mass production methods to flexible specialization.⁶⁷

Furthermore, the United States has become less manufacturing-oriented and more service-oriented. In 1983, seventy-four percent of the work force was employed in service-producing jobs (both white and blue collar), compared to only twenty-six percent in goods-producing jobs. By 2000, more than one-half of the labor force was classified as white collar.⁶⁸

Changing demographics is a primary area of difficulty for industrial unionism. The increases in white collar, female and minority workers (which are not mutually exclusive groups) are problematic for many unions either because they have spent little effort in organizing these groups, or where they have made an attempt, they have had little success. Additionally, not only is a large percentage of the population migrating to the southwestern Sun Belt states (which tend to hold anti-union sentiment, as is evidenced by the proclivity of right-to-work legislation), but many industrial manufacturers are closing plants in the traditional union stronghold states of the Northeast and Mideast, and relocating in the South and West. As a consequence of these various demographic shifts, Kochan and Katz found a significant nonunion segment in virtually every industry analyzed by them.⁶⁹

The public policy arena has had perhaps the greatest impact upon the industrial relations model. Perhaps reflecting the role of government as an actor in the Dunlopian Model, Congress has pushed itself into the process in a more proactive manner. While government sentiment was largely empathetic with the union movement during the Labor Law period, the passage of the Labor Management Relations (Taft-Hartley) Act⁷⁰ in 1947 reflected a common notion that unions had grown too powerful, and needed to be controlled to a greater extent. In 1946 alone, “there were a staggering 5,000 strikes, involving 4.6 million workers”⁷¹ and “[b]y 1947, the public no longer regarded organized labor as an underdog, but rather as having too much economic and political power.”⁷² While the initial Wagner Framework addressed only unions and management, Taft-Hartley sought to add more influence for the third party: government. In addition to the right-to-work provision mentioned *supra*, Taft-Hartley gave employees the right to refrain from joining a union;⁷³ provided that unions could not cause an employer to discriminate against an employee because that employee exercised his right not to join the union;⁷⁴ and imposed the same obligation to bargain in good faith on the unions that the NLRA imposed on employers.⁷⁵

⁶⁷ Michael J. Piore & Charles F. Sabel, *The Second Industrial Divide*, New York: Basic Books (1984).

⁶⁸ Thomas J. Kochan & Harry C. Katz, *Introduction to Collective Bargaining and Industrial Relations*, Homewood IL: McGraw Hill Irwin (2000).

⁶⁹ *Id.* at 155-158.

⁷⁰ 29 U.S.C. §§ 141-197 (1947).

⁷¹ NLRB, *NLRB Celebrating 80th Anniversary*, <http://www.nlr.gov/sites/default/files/attachments/basic-page/node-1536/NLRB%2080th%20Anniversary.pdf> at 25 (last visited December 19, 2016).

⁷² NLRB, *NLRB Celebrating 80th Anniversary*, <http://www.nlr.gov/sites/default/files/attachments/basic-page/node-1536/NLRB%2080th%20Anniversary.pdf> at 31 (last visited December 19, 2016).

⁷³ 29 U.S.C. § 157 (1947).

⁷⁴ 29 U.S.C. § 158(b)(2) (1947).

⁷⁵ 29 U.S.C. § 158(b)(3) (1947).

While the KKM model reflects the government as a “facilitator” in the collective bargaining process, with Taft-Hartley the government (through Congress) was taking a more active role. This continued in the 1950s, as Congress investigated claims of “corruption, racketeering and other misconduct” within labor organizations.⁷⁶ To address these concerns,⁷⁷ Congress enacted the Labor-Management Reporting and Disclosure (Landrum-Griffin) Act⁷⁸ in 1959.

To ensure the integrity of union election procedures and elected union officers, Landrum-Griffin included provisions regarding election procedures and the maximum term of office for elected officials.⁷⁹ It also provided for the removal of elected officers found guilty of serious misconduct.⁸⁰

The Landrum-Griffin Act required unions to report certain financial matters⁸¹, union officers and employees to report transactions involving possible conflicts of interest,⁸² and employers to report transactions that could directly or indirectly interfere with employees’ exercise of their right to organize and bargain collectively.⁸³ All such reports were required to be filed with the Secretary of Labor and were public information.⁸⁴ To ensure compliance with these reporting requirements, the Landrum-Griffin Act provided that any person found to have willfully violated them could be “fined not more than \$10,000 or imprisoned for not more than one year, or both.”⁸⁵

The Landrum-Griffin Act also established a “Bill of Rights” that guaranteed union members 1) equal rights to participate in union meetings and to nominate and vote for candidates in union elections, 2) freedom of speech and assembly with other union members, 3) that their dues and initiation fees could not be increased except by a majority vote by secret ballot, 4) that no labor organization could interfere with the right of its members to institute legal proceedings or appear as a witness in any legal proceedings, and 5) safeguards against improper disciplinary action.⁸⁶

Since 1960, the industrial relations model has moved into the Socio-Economic Period, where government, through Congressional action, has accelerated its paternalist approach toward the institution. Through the increasing use of social and economic policy, government has injected itself into the model by passing a large body of protective labor legislation. Unions rose to power by assisting employees in obtaining better terms and conditions of employment and providing protection from employer abuses. However, federal and state laws now provide many of those same protections for employees whether or not they are union members.

Beginning first with Equal Employment Opportunity (EEO) legislation, Congress increased protections for workers through the Equal Pay Act⁸⁷ (prohibiting discrimination in pay based on gender), Title VII of the Civil Rights Act⁸⁸ (for purposes of employment, prohibiting discrimination based on race,

⁷⁶ NLRB, *NLRB Celebrating 80th Anniversary*, at 42 <http://www.nlr.gov/sites/default/files/attachments/basic-page/node-1536/NLRB%2080th%20Anniversary.pdf> (last visited December 19, 2016).

⁷⁷ *Id.*

⁷⁸ 29 U.S.C. §§ 401-531 (1959)

⁷⁹ 29 U.S.C. §481 (1959).

⁸⁰ *Id.*

⁸¹ 29 U.S.C. § 431 (1959).

⁸² 29 U.S.C. § 432 (1959).

⁸³ 29 U.S.C. § 433 (1959).

⁸⁴ 29 U.S.C. § 435 (1959).

⁸⁵ 29 U.S.C. § 439 (1959).

⁸⁶ 29 U.S.C. § 411 (1959).

⁸⁷ 29 U.S.C. § 206(d) (1963).

⁸⁸ 42 U.S.C. §§ 2000e-2000e-17 (1964).

color, sex, religion, and national origin), the Age Discrimination in Employment Act⁸⁹ (prohibiting discrimination in employment based on age for employees aged 40 and over), and the Pregnancy Discrimination Act⁹⁰ (an amendment to Title VII prohibiting discrimination in pregnancy-based issues). This was later supplemented by the Americans with Disabilities Act⁹¹ (prohibiting discrimination on the basis of handicapped status and requiring reasonable work place accommodations) and the Genetic Information Nondiscrimination Act⁹² (prohibiting discrimination through the use of genetic information in health insurance and employment).

Other legislation followed, providing various protections for employees in the workplace, including the Occupational Safety and Health Act⁹³ (creating and enforcing occupational safety and health standards for the protection of covered employees), the Employee Retirement Income Security Act⁹⁴ (also known as ERISA, creating safeguards for employee retirement plans), the Consolidated Omnibus Budget Reconciliation Act⁹⁵ (also known as COBRA, providing an avenue for workers to maintain health insurance protection if they lost their jobs through no fault of their own), the Employee Polygraph Protection Act⁹⁶ (preventing private employers from using lie detectors in pre-employment situations, or during employment, with certain exceptions), the Worker Adjustment and Retraining Notification Act⁹⁷ (also known as the WARN Act, requiring large employers to provide sixty days' notice in the event of a plant closing or mass layoff), and the Family and Medical Leave Act⁹⁸ (requiring employers to provide leave and job protection for qualified employees for qualified medical or family reasons). More recent health care laws have also had an impact on employees in the workplace, including the Health Insurance Portability and Accountability Act (HIPAA)⁹⁹ and the Patient Protection and Affordable Care Act (Obamacare).¹⁰⁰

Collectively, the body of protective labor legislation has informally allowed the government, through its various agencies, to represent the rights of employees in the workplace, largely usurping that role from unions. While unions still maintain a role in the grievance process at the shop level, much of their position as “protector” of worker rights and interests has shifted to the government’s direct regulation of the workplace, to an extent at the expense of the collective bargaining process.

D. Environmental Impact on Union Structure

Recognizing that there has been definite change in all aspects of the organizational environment in which unions exist, how much of the change has impacted the union-management relationship, as reflected in the KKM model? Union decline has been attributed to a number of circumstances, including

⁸⁹ 29 U.S.C. §§ 621-634 (1967).

⁹⁰ 42 U.S.C. §§ 2000e(k) (1978).

⁹¹ 42 U.S.C. §§ 12101-12213 (1990).

⁹² 42 U.S.C. §§ 2000ff-2000ff-11 (2008).

⁹³ 29 U.S.C. §§ 651-678 (1970) et seq. (1970).

⁹⁴ 29 U.S.C. §§ 1001-1461 (1974).

⁹⁵ 29 U.S.C. §§ 1161-1169 (1985).

⁹⁶ 29 U.S.C. §§ 2001-2009 (1988).

⁹⁷ 29 U.S.C. §§ 2101-2109 (1988).

⁹⁸ 29 U.S.C. §§ 2601-2654 (1993).

⁹⁹ Pub.L. No. 104-191, 110 Stat. 1936 (1996), codified as amended in scattered sections of 18, 26, 29, and 42 U.S.C.

¹⁰⁰ 42 U.S.C. §§ 18001-18122 (2010).

increased hostility of employers to unions and the union movement,¹⁰¹ increased job satisfaction of nonunion workers and a decrease in nonunion workers' beliefs that unions improve wages and working conditions,¹⁰² changes in the American economy and workforce demographics (reflecting a lack of union experience in organizing women, minorities, temporary, and service workers), the paternalistic role of federal protective labor legislation, and the effects of global competition and deregulation.¹⁰³ These explanations are not mutually exclusive, making it difficult to determine the effect of any given reason.

The authors' contention is that part of the decline can be attributed to the organizational structure used by unions. As discussed *supra*, one aspect of structural contingency theory suggests that organizational effectiveness is dependent upon organizational structure adapting to changes in the environment. Where adaptation does not occur, effectiveness will be diminished.

In first looking at the union's partner in the KKM model, and in acknowledging environmental change over the past sixty years, the structure of the typical large business organization¹⁰⁴ (employer) has changed greatly from what was once a highly bureaucratic model, circa 1935. One of the earliest examples was General Motors, under the leadership of Alfred P. Sloan, who "squared the circle of imposing central, bureaucratic control over operating divisions without destroying the initiative or creativity of the people who ran them."¹⁰⁵ These early bureaucratic examples grew out of Weber's preconditions for the emergence of the bureaucratic form of structure: a growth in area covered and population to be administered, a growth in the complexity of tasks, and an economy based on a more efficient administrative system.¹⁰⁶ Weber's bureaucracy is characterized by a hierarchical structure, delineated lines of authority, centralized decision-making, division of labor, a chain of command, and a set of written rules, policies, and procedures.

Both types of large organizations, employer and union, organized along these bureaucratic lines, based on the environment as they knew it to be in 1935 during the Wagner Era. As time progressed and the environmental changes described above became reality, new organizational paradigms emerged in the 1980s in response to these changes. What Daft and Lewin described as "cataclysmic" changes occurring in the organizational environment represented a movement away from "mass production efficiencies, hierarchical organization, and bureaucratic structures that provide central control over activities divided into small parts. The new paradigms may have as their premise the need for flexible learning organizations that continuously change and solve problems through interconnected, coordinated self-organizing processes."¹⁰⁷ These new paradigms were in part a result of a combination of changes occurring during this time frame, including globalization into a world economy, technological changes

¹⁰¹ Richard B. Freeman & James L. Medoff, *What Do Unions Do?*, New York: Basic Books (1984).

¹⁰² Henry S. Farber, *The Decline of Unionization in the United States: What can Be Learned from Recent Experience*, JOURNAL OF LABOR ECONOMICS 8, at S75-S105.

¹⁰³ R. Hunter, *Four Reasons for the Decrease in Union Membership*, Mackinac Center for Public Policy, Aug. 24, 1999, <http://mackinac.org/2325> (last visited May 2, 2017).

¹⁰⁴ Very small business organizations, e.g., "Mom and Pop" stores, may not reflect a similar pattern, but also would generally not be unionized.

¹⁰⁵ R. Hornik, *Alfred Sloan, General Motors, and the Rise of Corporate America*, Chicago Tribune, Jan. 19, 2003, http://articles.chicagotribune.com/2003-01-19/entertainment/0301170455_1_alfred-p-sloan-years-with-general-motors-jack-welch (last visited May 2, 2017).

¹⁰⁶ Kenneth Allan, *Explorations in Classical Sociological Theory: Seeing the Social World*, Newberry Park CA: Pine Forge Press (2005).

¹⁰⁷ Richard L. Daft & Arie Y. Lewin, *Where Are the Theories for the New Organizational Forms? An Editorial Essay*, ORGANIZATIONAL SCIENCE 4, at i.

including computers and internet communication, increased volatility, hyper-competition, knowledge-based competition, and demographic changes.¹⁰⁸

As a result of these large-scale changes in the environment, organizations, both profit and non-profit, sought ways to adapt. Changes in the organizational structures of these organizations became necessary to deal with uncertainty and the need for more immediate decision-making and action. Characteristics of the new paradigm-style organization include decentralization of authority, power, and the decision-making process to the lowest levels of the organization for increased speed and flexibility, flatter organization structures to speed communication (causing many organizations to eliminate levels of middle management), quicker response times, and more creative formats to deal with the accelerated processes, including team-based work environments and matrix organizations.

With regards to the industrial relations process, this dissemination of authority and power has meant that the focal point of collective bargaining is no longer concentrated on the functional (middle) level of the KKM model. More activity is now occurring on the strategic (top) level, as management takes a more strategic approach to labor relations, and also on the workplace (bottom) level, with new approaches to the employee relationship, such as work teams and quality of work life (QWL) programs. The approach has been to deal with industrial relations on all three levels as the organization itself decentralizes.

Unions, conversely, remain largely in the Wagner-era mode of acting as a highly centralized bureaucracy, while concentrating union activities on the functional (middle) level. Authority and power remain largely vested in the union officers in most unions, and is increasingly concentrated when the union is organized as a national or international, and even more so if that union is involved in pattern bargaining.¹⁰⁹ Most union leaders rarely interact with management at the strategic (top) level, and also rarely interact with the employer at the workplace (bottom) level.

Heckscher proposes that the decline in industrial unionism is a primary reason that union structure no longer matches management structure.¹¹⁰ The concept behind the Wagner system was to balance the powers of labor and management: one behemoth against another. Industrial unionism created a formal, highly bureaucratic organizational structure that was equal to that of managerial structure. However, as the environment changed, requiring greater flexibility and quicker decision-making, management largely decentralized much of its structure to meet the challenge, and became strategically active on all three levels. No longer does union structure match that of management; instead, it remains a ponderous monolith in a fast-moving world.

Kochan, Katz and McKersie came to similar conclusions. Their analysis found that the Wagner system, by limiting the management-labor relationship to the collective bargaining level (essentially middle-level management versus the national union or local), had increased inflexibility in the system. They theorized that a system where relationships existed on all three levels: strategic (union national versus corporate management), collective bargaining, and workplace (union steward versus supervisor) would be more viable.¹¹¹

¹⁰⁸ Arie Y. Lewin & Carroll U. Stephens, *Designing Post-Industrial Organizations: Combining Theory and Practice*, in George P. Huber and William H. Glick (Eds), *ORGANIZATIONAL CHANGE AND REDESIGN*, New York: Oxford University Press (1993).

¹⁰⁹ Pattern bargaining is a collective bargaining strategy in which unionized workers across an industry or sector attempt to bargain uniform standards in their contracts.

¹¹⁰ See generally Heckscher, *supra* note 43.

¹¹¹ Kochan, Katz & McKersie, *supra* note 11, at 16-18.

Conclusion

This paper has attempted to show that the current state of union decline may be due to a number of factors that have been studied over the past several decades, and the inability of union structure to adapt to a changing environment may be prominent among those factors. In the introduction, an explanation of the Dunlopian Model was offered as the primary example of how the industrial relations process was viewed in the Wagner (post 1935) Era, with particular regard to who the actors were and what environments had the most impact upon the process. In Section I, an extension of the Dunlopian Model was advanced: the KKM Model, which refined the view of the environment and added a strategic perspective to the industrial relations process. Section II introduced the organizational theory of structural contingency, offering an explanation of how the environment could impact organizational structure, providing a past example that could potentially be explained by this theory, and considering the changes in the environment since the modern collective bargaining process began with the Wagner Act in 1935.

To conclude, if decline is to be stemmed, union structure as it currently exists cannot remain unchanged. If history is a viable indicator, structural change to accommodate the new environment should begin the evolutionary process soon.

Kochan, Katz and McKersie certainly offer good advice on unions developing a more strategic perspective and engaging management on all organizational levels. Jarley and Fiorito discuss unions as a “consumer” organization that sell consumer benefits to nonunion members through associate membership programs.¹¹² Heckscher, whose views have never been fully explored, advanced the concept of an alternative union structure based on small groups called associational unionism. Its three-pronged model centers on: 1) associational unionism (basing solidarity on awareness of interrelations rather than the common needs of large masses of employees), 2) multilateral bargaining of small, highly cohesive groups of employees, and 3) protection of employee rights through public policy.¹¹³ Heckscher has also added to the organizational theory literature with research on post-bureaucratic organizations based on influence rather than power.¹¹⁴

The ideas underlying the theories of KKM and Heckscher hold promise for a future metamorphosis of union structure. Heckscher’s concept of further decentralization seems sound as it relates to the locus of operations: unions need involvement on the shop floor in order to provide input into the wave of worker-participation programs that have been instituted by management over the previous two decades. However, centralization of authority and power may also be necessary (similar to a manufacturing firm that is centralized in terms of power and authority, yet decentralized geographically with a number of plants). This would seem to be called for under the KKM Model: Where unions and management operate on three levels, unions require power at the strategic level in order to access corporate America. This could also have the effect of increasing bargaining power (note the difference between how the United Auto Workers’ national office would negotiate with the Ford Motor Company, and how a local union might fare in those same circumstances).

Whether this means the demise of the industrial unionism and the Wagner Era system remains to be seen, but it is a question likely to be resolved in the near future.

¹¹² Paul L. Jarley, & Jack Fiorito, *Associate Membership: Unionism or Consumerism?*, INDUSTRIAL AND LABOR RELATIONS REVIEW 43, at 209-224.

¹¹³ See generally, Heckscher, *supra* note 43..

¹¹⁴ See generally, Charles Heckscher & Anne Donnellon (Eds.) *The Post-Bureaucratic Organization: New Perspectives on Organizational Change*, Sage: Newbury Park CA (1994).