

INNOVATION AND FRINGE BENEFITS

by

JOHN P. KOVAL

A THESIS

**Presented to the Department of Sociology
and the Graduate School of the University of Oregon
in partial fulfillment
of the requirements for the degree of
Master of Science**

June 1960

UNIVERSITY OF OREGON LIBRARY
EUGENE, OREGON

PERMANENT RECORD

SOUTHWORTH CO. U.S.A.

75% COTTON FIBER CONTENT

APPROVED

[REDACTED]

(Adviser for the Thesis)

ACKNOWLEDGMENTS

The writer would like to express a sincere word of thanks here to Professor Robert Dubin for his original suggestion of the thesis topic, his guidance in the formulative and middle stages of the paper and particularly for his patience throughout the entire undertaking.

To Professor J. M. Foskett goes a special word of thanks for assuming the task of Acting Advisor for the thesis and for his willing availability at the odd times deemed necessary to consult on matters of clarity and style.

DEDICATION

This thesis is dedicated to the three women in my life: my wife Pat, and daughters, Mary Anna and Margaret; each of whom has made a significant contribution.

TABLE OF CONTENTS

An Overview	i
I. Introduction	1
II. Purpose and Scope.	7
III. Method of Inquiry.	13
IV. The Rate of Diffusion of Fringe Benefits	19
V. Clusters of Fringe Benefits.	24
VI. Union Leadership in Fringe Benefit Gains	31
VII. Summary.	35
Bibliography.	38
Appendix	41
Graph Series I	45
Graph Series II.	53
Graph Series III	57
Time Eras in Fringe Benefit Introduction	63
Matrix Key	64
Matrix	66

AN OVERVIEW

Sociology, as a distinct discipline, professes a real concern with the problem of explaining and describing social phenomena. An ultimate goal of sociology is the development of a theory, or theories, by which all social phenomena can be explained and predicted. Social phenomena, however, like any other phenomena about which man seeks knowledge, constitute a difficult and complex puzzle. Consequently, the strategic approach has been to break the puzzle into parts, or areas, which make up the "stuff" of sociology and which are less complex with which to deal. So it is that we have a sociology of deviant behavior, formal organizations, social institutions, the family, industry, etc. A division of labor has been created in hopes of solving the parts of the puzzle by relating them to the whole and ultimately arriving at the above-mentioned theory, or theories.

The tools, concepts and units of analysis the sociologist uses in one of these areas are generally the same as those used in any other. It is the focus on a particular societal setting and the way in which the units under analysis in that setting structure their behavior which makes a distinctive area of inquiry.

The focus of this particular study is on collective bargaining, or more generally, industrial sociology. Fringe benefits, the particular aspect of collective bargaining in question, were chosen not so much for

their present popularity as for their ability to characterize specific instances of innovation in a particular setting - collective bargaining - and for the opportunity to investigate the relation of innovative fringe benefits to the labor movement.

This interest can be explicitly stated in the form of two questions which provided the framework for the empirical investigation: (1) What is the extent of the importance of fringe benefits for collective bargaining? (2) What does the growth and continued emphasis of fringe benefits in collective bargaining reflect of (a) unions' internal operations and, (b) the relations of unions and management in collective bargaining?

The sociological interest in fringe benefits is developed within the context of the innovative process. In this case innovation is considered (as H. G. Barnett suggests) as any thought, behavior, or thing that is new because it is qualitatively different from existing forms. Here emphasis is placed upon reorganization rather than upon quantitative variation. "Innovation does not result from the addition or subtraction of parts. It takes place only when there is a recombination of them."¹

To operationalize this definition in the context of collective bargaining requires an elaboration of the above definition to specifically indicate what are considered as fringe benefit innovations.

¹Barnett, H. G., Innovation: The Basis of Cultural Change, p. 9.

The concept innovation is applied to the data on two levels. How the referents for the concept are identified at each of these levels will now be developed as clearly as possible.

(1) Now, as later in the body of the text, the major concern of this paper, in dealing with the "qualitative newness" of fringe benefits, will not be to consider their absolute, or historical newness; rather their newness in relation to specific collective bargaining contracts. When the first paid vacation plan was instituted by a union, it was a historical "first". This union, having negotiated the benefit into its collective bargaining agreement, was indeed innovating. In relation to its particular position in collective bargaining this was an innovation for this particular union. In the same sense, a second union which negotiates the same benefit into its collective bargaining agreement is also innovating. Again, for this particular union, the benefit would be something new - an innovation. The third, fourth, fifth and fiftieth union which also recognizes the benefit as something qualitatively new in relation to its position in collective bargaining, and included it in its contract, would be adopting the benefit as an innovation. It should be understood that we view these innovations as specific to each collective bargaining contract even if the form and function of the contractual benefit has long since existed in the society. In this sense it is meaningful to speak of the rate of diffusion of singular innovations in a collectivity, social system, or culture.

(2) The second level in relating the definition of innovation to fringe benefits is concerned with the formalized, legal, areas of collective bargaining, as defined by the National Labor Relations Board. When a significant number of unions have pressed for, or gained, the inclusion of a particular benefit, the problem develops of deciding whether or not the benefit is to be recognized as legal and placed in the formal structure of collective bargaining. In each instance when the NLRB interprets a benefit as being in the spirit of employment "working conditions" this is an innovation. In this setting the fringe benefit has been looked upon as qualitatively new. It is with the above point in mind that the NLRB decisions of 1940 and 1948 are looked upon as innovations. Something new had been added to the formal structure of collective bargaining. This, too, demonstrates the applicability of the definition to collective bargaining as proposed above.

It is felt that sufficient empirical evidence has been gathered with respect to the time and company-union acceptors of certain innovations to demonstrate the following:

1. The length of time it takes for a particular benefit (innovation) to be adopted by an entire system or parts of the system.
2. The rate of growth of fringe benefits in individual unions.
3. The stability of leadership in the introduction and/or maintenance of fringe benefits.
4. Empirical regularities or patterns of introduction and maintenance of fringe benefits.

The demonstration of these points are further used to assert the non-random nature of innovation acceptance by member-unions of the sample in the analysis. In particular, the acceptance of fringe benefit innovation is suggested to have definite sequential pattern and time rates of inclusion for union-innovators.

This study, therefore, analyses a significant social process - innovation - in a major institutional setting of our society. It examines the characteristics of the innovation in this setting and suggests their degree of importance for the dynamics of the labor movement.

I. INTRODUCTION

The passage of the National Labor Relations Act, in 1935, culminated a significant movement of federal legislation in the history of the labor movement. This act, preceded by the Norris-La Guardia Act, of 1932, and a series of earlier legislation in this direction, was vested with appropriate sanctions to require management to bargain collectively and in good faith with labor unions as duly authorized representatives of the labor force. Thus, the Norris-La Guardia Act, on the one hand, declared unions legitimate representatives of labor in matters of wages, hours and working conditions while, on the other hand, the NLRA was invested with sufficient power to insure the prior recommendations would not go unheeded.

Before the legislation of these years many unions had sought management's recognition of their right to bargain or arbitrate. However there were few who actually succeeded in this attempt. At the time of the Great Steel Strike of 1919, the champions of industry's cause justified their stand on the basis that. . .

Unionism is opposed to efficiency. It destroys the esprit de corps that is so important in getting the best results from a large body of men. In its very essence it is antagonistic to the employer; it sets labor and capital into two distinct and inimical camps. It would make war between labor and capital.¹

¹Arundel, Carter, The Authentic History of the United States Steel Corporation, p. 126.

The feelings of management are no longer expressed in such forceful terms. Significant strides have been made in the area of management-labor relations. When conflict does exist, it is a conflict steeped in mutual dependence. Such statements as the following, by B. F. Fairless of U. S. Steel, are now commonplace.

We now have...another channel of communication. It is your union, the agency which a substantial majority of all our employees has chosen as its representative. How efficient or how truly your union performs the important assignment is to a great part dependent upon whether you, Phil Murray, and other officers of that union, know us, understand our problems, and our purposes, and have faith in the honesty of these purposes.¹

Since 1935 legitimized unionization has gone about attaining the uncompromising "more" of Samuel Gompers, zestfully and methodically. This is exemplified, in one instance, by the forty-one year march of hourly wages in the steel industry from 42¢ to 45¢ per hour in 1919² to the present hourly average of \$3.10.³

Shortly before the advent of World War II innovative fringe benefits had increased in significance to the point of requiring a decision in terms of their appropriateness in collective bargaining. As in the case of collective bargaining itself, it remained for an agency of the Federal government to place this innovation on firm ground in the collective

¹Smith, Henry Clay, Psychology of Industrial Behavior, p. 269, quoting B. F. Fairless, President of United States Steel Corporation.

²Commission of Inquiry, The Interchurch World Movement, Report on the Steel Strike of 1919, pp. 98-99.

³Time Magazine, (March 26, 1960), 96.

bargaining arena. It was the decision of the National Labor Relations Board, against Singer Manufacturing Company, in 1940, that paid vacations, along with holiday pay and bonuses, were proper subjects for collective bargaining. The Board held that these benefits "are an integral part of the earnings and working conditions of employees" and that the company's present policy be embodied in the contract.¹

Arthur Ross suggests the original impetus for labor unions to seek fringe benefits for hourly employees rose from a desire to achieve some of the advantages and part of the prestige of salaried workers.² This alleged strategy was not allowed to mature in the normal process of collective bargaining. World War II intervened and from its outset direct wage increases were virtually frozen. During this period the War Labor Board as well as the Wage Stabilization Board, encouraged, through their policies and decisions, the introduction and spread of fringe benefits. Since their approval could often be secured by unions when an increase in hourly wages would be denied, this became more often the rule than the exception.

Thus, throughout the war years, virtually all the parties in the industrial community reconciled themselves to the practice of bargaining on issues other than the usual omnipresent direct wage increase. What was formerly considered a gratuity, or good will offering of the employer,

¹Wistert, F. A., Fringe Benefits, p. 29.

²Ross, Arthur M., "Fringe Benefits Today and Tomorrow," Labor Law Journal, VII, No. 8, (August, 1956), 462-472.

was now termed a "proper subject of collective bargaining."¹ Originally collective bargaining was said to be valid only when in terms of "wages, hours, and working conditions." It has become tacitly acceptable to pay hourly employees compensation other than for basic straight-time wages and salaries; in many instances, in areas which have little relation to real wages, hours, or working conditions.

The very term "fringe benefit" is now almost completely meaningless when considered in light of its earliest usage. Reputedly the expression was invented by the War Labor Board at a time when hourly rate increases were severely limited. It was felt that supplemental provisions could be relatively free from control on grounds of their comparative unimportance. Indeed, at the present time, there are about as many definitions of the term as there are users. For our purposes, fringe benefits will be defined and classed as all forms of compensation over and beyond straight time wage payments for work actually done.

Ross argues² that if the term does, in fact, connote incidental payments of marginal significance, then it is no longer accurate. Today fringe benefits constitute a very substantial proportion of labor's total wage compensation, and have increased greatly from an insignificant beginning. Ross' stand need not go unsupported. In gross terms it has been indicated

¹Mendelsohn, Allen I., "Fringe Benefits and Our Industrial Society," Labor Law Journal, VII, No. 8, (June, 1956), 325-328/

²Ross, loc. cit.

that, while national income during the past twenty-five years has risen 240% and individual compensation has risen 300%, the cost of fringe benefits has increased 2400%.¹ In 1949, strikes in which pensions and/or social insurance (both classed as fringe benefits) were the key issues, accounted for 26.4% of all strike idleness.²

Large companies focus a good part of their advertising campaigns on the lucrative benefits of their retirement programs, paid vacations, paid holidays, health and welfare programs or profit-sharing plans. Any smart employee is keenly aware that in investigating the prospects of a new job he is not weighing all the assets of his potential position unless he inquires into the specific fringe benefits available. Indeed, this is not a quibbling matter when we consider that fringe benefits have been purported to have increased from an estimated 3% of total wages and salaries in 1929 to a sizeable 20.3% in 1955.³ In the ten year period from 1947 to 1957 on a dollar per year per employee basis, they increased

¹Hanford, L. M., "The Problem of Fringe Benefits Cost," Addresses and Conference Discussion of the Midwest Compensation Association, April, 1958, p. 4.

²Wistert, F.A., op. cit., p. 37.

³Economic Research Department, Chamber of Commerce of the United States, Fringe Benefits - 1955, (Washington 6, D.C., 1956), p. 33. The tenor of this discussion is to demonstrate that a percentage increase in fringe benefit payments has actually increased through time. It is not intended to suggest the specific percentage cited is necessarily precise nor that the reference source is the best unbiased estimator of this percentage increase. The series was chosen because of its analysis of 120 identical companies' fringe benefit payments through a ten year period.

from \$420 in 1947 to \$526 in 1949, \$682 in 1951, \$786 in 1953, \$945 in 1955, and \$1150 in 1957 - or a 174% rise in that ten year span.¹

The impact of one important consequence of fringe benefits in wage negotiations has recently been emphasized in the annual report of the United States Steel Corporation. This report, with the endorsement of steel executives, concluded that the Bureau of Labor Statistics "widely quoted data on average hourly earnings are no longer representative of total employment costs" and are "completely inadequate as an indicator of an hour's work." Allegedly, such important fringe benefits as vacation pay, sickness and hospital insurance and unemployment benefits add "a startling 65%" to steel's basic wage rates. United States Steel's report further maintains that "until government data fully recognize all fringe costs, their use for measuring the costs of wage settlements, or for making interindustry cost comparisons is not only inappropriate but may result in misleading conclusions."²

Regardless of the meaning or correctness of such statements by the United States Steel Corporation, one point is to be emphasized. Fringe benefits are considered, in this case, to have reached such stature in collective bargaining that they may be used as arguments for reconsidering the methods used to measure the costs of wage settlements and for making interindustry comparisons.

¹Economic Research Department, Chamber of Commerce of the United States, Fringe Benefits - 1957, (Washington D.C., 1958), p. 29.

²Time Magazine, op. cit., pp. 5-6.

II. PURPOSE AND SCOPE

This proposed analysis will examine fringe benefits as a phase of innovation instituted by labor unions. There are two major aspects to this proposal: (1) A study of the consequences of these innovations in terms of labor unions' internal operations, and (2) a study of these innovations in relation to the collective bargaining process. In the past, as Barnett has observed, work done in the area of innovation has placed its greatest stress on analysing factors which have influenced acceptance or rejection. Slight reference is made to the demands for change that the acceptance of an innovation imposes on the rest of the system. No effort at all is made to study the cumulative results of acceptance. Past analyses have stopped short of a discussion of trends, drifts, tendencies, cycles, and other formulations based upon the coordinates of time and quantity.

The same is true of the treatment of innovations themselves. They, rather than combinations of them, are taken as the complexes to be analysed and compared. They are not studied as components in patterns of change, or viewed as steps in an evolutionary sequence, or dealt with as events localized in time and place. In short, the present approach to innovation and its consequences is neither historical nor statistical.¹

This set the general frame of reference for the study. An attempt

¹Barnett, H. G., Innovation: The Basis of Cultural Change, p. 1.

will be made to incorporate those of the above directives which are applicable to the data. Special attention will be given to the formulation of trends based upon the coordinates of time and quantity. An analysis of the complexes of innovations (fringe benefits) as they describe a pattern of change for the social system of labor unions will be similarly treated.

This study is not an attempt to make systematic and intensive inquiry into the problem of fringe benefit innovation for the purpose of contributing to a general theory of innovation and social change. It is hoped that some of the results of the study might contribute to this ambitious and necessary task, however.

An attempt will be made to indicate existing empirical regularities in fringe benefit innovation. Specific statements of fact concerning rates, types, and complexes of innovation as they apply to labor unions in the collective bargaining process will be included. The system of labor unions bargaining collectively is a crucial one in our society. This study will therefore analyze a significant social process - innovation - in a major institutional setting of our society.

The universe of the 200-plus national and international unions which constitutes the social system in question is in a constant state of improvement, revision and re-evaluation of its environmental problems. Attention will be focused on the innovative aspects of fringe benefits for this environment. In each case, every improvement or revision that is acted on is available in the form of negotiated, dated, written

contracts with particular companies¹ in particular industries. In this way we can maintain a form of loose-leaf diary of each innovation for each member-union in the system.

There are no systematic compilations of fringe benefit data for the total population. Our analysis, therefore, will be limited to a small non-random sample of the population. Complete data for company, type of fringe benefit, and date of acceptance have been obtained for thirty-eight companies. From this sample it is hoped to arrive at some indication of:

1. The length of time it takes for a particular benefit (innovation) to be adopted by the entire system or portions of the system.
2. The rate of growth of fringe benefits in individual unions.
3. The stability of leadership in the introduction and/or maintenance of fringe benefits.
4. Empirical regularities or patterns of introduction and maintenance of fringe benefits.

The broad patterns searched for under the fourth objective can be organized around reference group theory. Specific attention will be focused on reference groups generating union objectives in fringe benefit matters. This is because, in this writer's opinion, member unions of the system adjust to their environment and evaluate their own well-being by comparing themselves to other unions in their system. The

¹The companies which constitute this sample will be found on page 65 of the Appendix.

position taken here is that the rank-and-file union worker does not make the comparisons which directly determine the position unions take when negotiating for fringe benefits. It is, rather, the international union officers who make such comparisons. They, in turn, persuade the rank and file to make their comparisons on a similar basis.

(union officers) paternalistically believe they know what is best for the worker in socio-economic matters. To protect the workers from their own judgments, these officers guard against giving the rank and file a choice between a direct pay increase and its equivalent in a fringe package.¹

In the literature of collective bargaining there is constant reference to the phenomenon of "orbits of coercive comparison."² Essentially this implies comparative reference groups. This train of thought maintains there are "orbits" or "clusters" of unions operating within the greater system of labor unions continually evaluating themselves, on some scale, with fellow members of their system.

Ross maintains that...."However you entitle them, comparisons play a large and often dominant role as a standard of equity for the determinant of wages under collective bargaining."³

He then enumerated four areas of comparison in collective bargaining, the following one of which is central to the present discussion.

¹Wistert, F. A., op. cit., pp. 5-6.

²A term primarily devised by Arthur M. Ross in Trade Union Wage Policy, University of California Press (Berkeley and Los Angeles, 1948.)

³Ibid., p. 50.

Comparisons are crucially important within the union world, where there is always the closest scrutiny of wage agreements in the process of negotiation as well as those already negotiated. They measure whether one union has done as well as others. They show whether the negotiating committee has done a sufficiently skillful job of bargaining. They demonstrate to the union member whether he is getting his money's worth for union dues.¹

We now propose the second task of this work as an attempt to recognize and set forth any clusters of comparison that may be inherent in the phenomena of fringe benefits.

There may be a number of alternative reference clusters for unions which may or may not obtain. The existence or demonstration of one of these alternatives from our data does not exclude the possible existence of others. The data may simply limit what can be said or shown to obtain.. Some of these possible alternative clusters are:

1. Clusters may exist in the form of a hierarchical ladder of unions. That is, one member of a particular cluster may introduce a particular benefit and other members of the cluster may follow suit, as well as members of the cluster in the hierarchy, until the chain is exhausted.
2. A logical clustering of fringe benefits, by type, may be the dominant characteristic. This is to say that the introduction of fringe benefits would cluster on a logical basis: such as, leisure time, expensive emergencies, old age provisions, family income needs, etc.

¹Ibid., p. 51.

3. Some combination of the above two.
4. Fringe benefits are introduced, as some critics of the labor movement maintain, in a haphazard or nearly random fashion, solely in hopes of getting a little "more" whenever or however possible regardless of the appropriateness of time, economic conditions, union member demands, or whatever.

III. METHOD OF INQUIRY

As is generally the case for research in unfamiliar areas, the initial step into the inquiry of fringe benefits and innovation was a comprehensive review of the literature.

Much work has been done documenting the rise in financial importance of fringe benefits for wage payments. This seems almost axiomatic. Before we become concerned with the pertinence of a particular innovation for collective bargaining it is best to determine, or measure, the extent of its importance.

From the studies of the U.S. Chamber of Commerce, and others,¹ it has become evident that a shift of emphasis has occurred in collective bargaining. As mentioned earlier, the dollars per year per employee spendings for fringe benefits have increased 174% in ten years. In 1957 approximately 23% of total payrolls consisted of fringe benefit payments.

¹The following general works have cited aspects of this shift:

Economic Research Department, Chamber of Commerce of the United States, Fringe Benefits, 1947, 1949, 1951, 1953, 1955, 1957, (Washington 6, D.C.)

Mendelsohn, Allen I., "Fringe Benefits and Our Industrial Society," Labor Law Journal, VII, No. 8, (June, 1956), 325-328.

Ross, Arthur M., "Fringe Benefits Today and Tomorrow," Labor Law Journal, VII, No. 8, (August, 1956), 462-477.

Wistert, F.M., Fringe Benefits.

The six editions of the U.S. Chamber of Commerce Biennial Reports were used extensively in the preliminary survey of fringe benefits, for two reasons: first, to suggest possibilities for emphasis in research, and second, to find any regularities in the payment, acceptance and emphasis of particular benefits. Other books, papers, and Department of Labor publications were helpful in gaining a historical perspective and specific information about the particular types of fringe benefits, their periods of controversy, legality, primacy, and expected decline. The theoretical work of H.G. Barnett, in particular, demonstrated the applicability of fringe benefits to the problem of social change and innovation and provided a frame of reference for this study.¹

The major concern in the technique of inquiry was to find some way to examine union contracts, find when the innovations in question were accepted by the unions and how many other unions also included the benefit in time.

Any detailed analysis of union contracts seems to have a number of pitfalls that make for a high mortality rate in research. An attempt at original research and analysis with the use of primary data - a sample of all the labor unions in the system considered - would involve great expense and untold numbers of man hours.

Secondary analysis of union contracts is complicated because of the

¹Barnett, H.G., op. cit.

nature in which the data is normally gathered. The crucial considerations here would be finding data which would (1) encompass identical companies or unions, and (2) have detailed information in reference to benefit changes in negotiated contracts, through time. We need to know not only the fact that a certain company or union has a particular fringe benefit but also at what period in time it was included in collective bargaining contracts. This places the fringe benefits, companies and/or unions in a time perspective. This makes possible a comparison of one union, company, or fringe benefit with another in that time perspective.

Here arises the problem. There have been many surveys conducted by various bureaus in the Department of Labor which deal quite explicitly with fringe benefits and the number of companies involved in adopting the benefits in question. One might initially be led to believe that there is apt material here for a secondary analysis. The crux of the matter is that in these surveys the companies accounted for in Survey S_1 , at time T_1 , for fringe benefit F_1 are not the same companies accounted for in Survey S_2 , at time T_2 , for fringe benefit F_2 . There is no consistency or pattern followed with respect to companies included in the survey. Hence, it would be perilous indeed to make attempts at generalizations or patterned relationships with the data. The most that can be said about the particular benefit is that $X\%$ of companies had adopted B benefit at Y year in time.

After writing various agencies, institutions and departments known or thought to be collecting data of this nature, the Bureau of

Labor Statistics Division of the United States Department of Labor, made known and available their series of Wage Chronologies. The chronology series, instituted in 1948, was...

designed to represent, in summary form, changes in wages and related wage practices made by specific employers, usually through agreements reached as a result of collective bargaining. The wage chronologies are intended primarily as tools for research and analysis. The situations selected are believed to have significance for wage determination that extends beyond the specific settlements.¹

The series is a compilation of the contracts of thirty-eight companies spanning fourteen industrial and non-industrial groups.²

The data taken from this source were used in the following manner:

(1) Each company was listed on a separate card and each fringe benefit introduced was listed in chronological order on that card; (2) The union, or unions, that each company negotiates with was identified on a card-head and each fringe benefit it introduced was listed chronologically. This made a two-sided study of the benefit introduction possible. (3) Each fringe benefit was also identified on a separate card and each company that introduced the particular benefit was listed

¹U.S. Department of Labor, A Directory of Wage Chronologies, BLS 59-802, (Washington D.C., 1948), iii.

²The groups being: Apparel and textiles, food, leather, petroleum refining, primary metals, fabricated metal products, printing, rubber, transport equipment (motor vehicles, aircraft, shipbuilding), mining, communications, services, transportation, utilities.

chronologically. From this material the rate of diffusion of fringe benefits was ascertained. The matrix of clustered benefits, discussed later in the paper, was also developed from this data.

Data was also gathered from a series of biennial reports entitled Fringe Benefits published by the Economic Research Department of the United States Chamber of Commerce. The Chamber was prompted to undertake their study because:

1. The hourly wage rate has ceased to be an accurate reflection of the labor costs of operating a business, or of the income and benefits received by workers.
2. Most of these nonwage benefits are relatively recent innovations. They are growing in importance as both workers and management place even greater emphasis on fringe and other nonwage payments.
3. There is little statistical information available on the size of nonwage benefits. In particular, they are not included in the wage data reported by government bureaus.¹

These reports were useful since the surveys conducted by the Chamber of Commerce were consistent in their inclusion of the same companies for each biennial report. They were able to make an analysis of fringe benefits for 130 identical companies with their yearly changes in payments taken into consideration. It is from these

¹Economic Research Department, Chamber of Commerce of the United States, Wage Supplements: The Nonwage-Labor Costs of Doing Business, (Washington, D.C., 1950), 3.

data that we have been able to procure statistics on the growth of fringe benefits in terms of: (1) The growth in percentages of total salaries - by industry and benefit. (2) The growth in and persistence of leaders for particular types of fringe benefits.

IV. THE RATE OF DIFFUSION OF FRINGE BENEFITS

It is widely believed that fringe benefits, once recognized as negotiable, make a hasty and thorough march through collective bargaining agreements. One example is characteristic of the thinking of many on the issue: it is the proposal that "paid vacations became general about 1940 and paid holidays a few years later."¹ This and other examples are educated impressions of what took place during these years; however, the facts seem to be at odds with such definitions of the situation. Specifically on the matter of paid holidays, a survey in 1946 maintained that at that time 40% of the companies surveyed granted that benefit.² This survey placed the appearance of paid holidays approximately six years later than the "educated guess." As to paid vacations, the data in my analysis indicates that approximately 25% of the companies had granted this benefit at the suggested date of 1940. Again, later than the "educated guess."

It is not without reason that some observers have been led to misinterpret the diffusion rates of benefits such as paid vacations, paid holidays, and even premium pay, shift differential pay and call-in pay. The awareness of a few pertinent facts concerning these benefits can account for many such interpretations.

Paid vacations and paid holidays were the first "fringe benefits"

¹Ross, Arthur M., loc. cit.

²Reubenstein, Irving, and Theodore Rose, Monthly Labor Review.

to serve as answers to management's challenge that such benefits were not proper subject matter for collective bargaining. They were also the first benefits to be established as "integral parts of the working conditions of employees" and therefore bargainable, by the National Labor Relations Board. Following closely on the heels of this statement was a policy statement of the National Labor Relations Board that five "major" fringe benefits could be considered as proper subjects for collective bargaining negotiations: paid vacations, paid holidays, premium pay, (relative to days and hours of work) shift differential pay, and call-in pay. It was no secret that the War Labor Board and the Wage Stabilization Board encouraged the introduction and negotiation of fringe benefits during the war years. One could easily get the impression that these well-publicized, highly controversial benefits, spread more rapidly in their early years than was actually the case. Even in regard to later benefits, the distinct impression appears to be that fringe benefits ran rampant through all, or most, collective bargaining agreements.

If any picture of the introduction of fringe benefits can be drawn, it is one of unionization putting its foot in the door of the house of management, much as an unwanted salesman, and gradually forcing it open. Now there are few issues which are not considered appropriate subject matter for collective bargaining. Ross makes the point quite clear when he observes:

A summary generalization can be made that practically every conceivable form of fringe benefit is a proper subject of negotiation under

the Taft-Hartley Act. The classic defenses of "managerial prerogatives," "non-negotiable," etc., are pretty well bankrupted. The latest holding is that an employer is obligated to bargain regarding employee stock purchase plans if the union so demands. Certainly if stock purchase plans are bargainable it would be difficult to conceive of any fringe benefit which would be held beyond the pale of negotiability.¹

Let us look into the various kinds of fringe benefits and see what is the real pattern of introduction of benefits in single companies. (p. 45 in Appendix) The Series I Graphs have all the companies considered along with the time and number of different fringe benefits they granted in any particular year.

One striking characteristic of benefit diffusion rates in this series is their relatively slow and gradual acceptance by the companies studied. As indicated earlier, this is in marked contrast to opinions found in the literature on this subject. These gross pictures, though inconclusive in themselves, are the first indications that the slow addition of fringe benefits, singly or a few at a time, has become significantly additive, and has wrought important change in the traditional emphasis of labor-management bargaining.

When we turn our attention to fringe benefits, by type, (Series II Graphs, p. 53 in Appendix) we see much the same sort of things as in company diffusion of all benefits. Those benefits which the majority of companies (approximately 50% or more) have accepted by incorporating

¹Ross, Arthur M., loc. cit.

in their agreements, maintain a definite and consistent rate of diffusion. With few exceptions they seem to have the same desirability in terms of inclusion in negotiated contracts.

The time required for any one benefit to be included by 50% of the companies analysed is usually between five and seven years. Before 75% of the companies have incorporated any one benefit, there is usually a time span of eight to eleven years. The time required for any one benefit to spread from 50% to 75% of the companies ranges from three to five years. This seems to indicate a uniform degree of "like-mindedness" on the part of the member unions regarding the rates of acceptability of fringe benefits. It also suggests the possibility of a patterned rate and time relationship for the different benefits.

The most prosperous period for the growth of the five "major" fringe benefits was from the time of their definition as proper subject matter for bargaining to the end of World War II (1940-1945). As is evidenced by the graphs in Series II there is a persistent rate of increase for the benefits prior to this time span, a moderate to marked rate of that increase during the period, and then continuance of the more gradual rate.

This pattern is not in evidence for the other benefits being considered. This can be accounted for by the fact that they had not yet received their "birth certificates" in the world of collective bargaining and were looked upon by management with great misgiving; indeed, as illegitimate children.

As has been the case with almost any issue for which labor has

wished to negotiate, this situation was soon partially altered. The Inland Steel Case, in 1948, with the subsequent decision of the NLRB, legitimized pension plans and health and welfare plans in the post-war world.¹ As with the "major" benefits, they spiraled to great heights during the stressful period of wage controls at the time of the Korean conflict.

The graph of p. 63 of the Appendix indicates there have been two distinct "eras", with respect to time, for fringe benefit innovation, one of which began in the early 1930's and the other in the late 1930's and early 1940's. The widely accepted benefits (i.e. those incorporated by 50% of the companies considered) in both these eras have consistent rates of diffusion, and lend further credence to the possibility of patterned rates of diffusion for fringe benefits in a time perspective.

¹In re Inland Steel Co. and Local Union Nos. 1010 and 64, United Steel Workers, before the National Labor Relations Board, 77 NLRB Reports 1, 1948.

PERMANENT RECORD
SOUTH WORTH, CO. U.S.A.
75% COTTON FIBER CONTENT

V. CLUSTERS OF FRINGE BENEFITS

Much has been said regarding the method and pattern that may obtain in the introduction of the various kinds of fringe benefits. Unfortunately most of the statements have been impressionistic in nature. They are difficult to give credence to because of their diversity in kind. Again, they may deal with singular benefits at a time and not consider a pattern for all fringe benefits. Hence, they are of little use when one wishes to make definitive statements about fringe benefit characteristics or suggest prevalent "trends" in the nature of these innovations through time. It is hoped that with the limited number of companies available for analysis such "trends" can, in fact, be substantiated.

The matrix on page 66 of the appendix has each fringe benefit coded and located by the co-ordinates of company and time with respect to its initial introduction into the signed contracts of the company in question. On initial inspection there is little, if anything, which seems to warrant real consideration on the notion of fringe benefit clusters. It is obvious that there are clusters of benefits for any one company because of identical times of introduction. With these clusters clearly present it is still a difficult task to make them intelligible to a similar extent for all companies, much less to identify a logical pattern in the method of introduction. There are two

empirical facts which fit the data and which were exceedingly helpful in conceptualizing fringe benefits on a higher level of abstraction, bringing order to the material.

The first of these was the 1940 decision of the NLRB which legitimized paid vacations and holiday pay. These benefits were acknowledged to be "integral parts of the working conditions on the employees" and, as such, should be bargained on, in good faith, by management. A short time later a policy statement of the NLRB distinguished five major fringe benefits which would be considered as proper subjects for collective bargaining: (1) paid vacations, (2) holiday pay, (3) premium pay (or overtime pay), (4) shift differential pay, and (5) call-in pay.

In the second case, the NLRB decision of 1948 held that pension plans and health and welfare plans were also negotiable. This made available another arena in bargaining to which labor could turn when it so chose.

The 1940 decision and subsequent policy statements of the NLRB gave special weight to the fringe benefits therein enumerated and it is not surprising that the majority of unions were concerned with making one, some, or all of these their own. As the matrix indicates, this does seem to be the case. Disregarding the time element in each case, these were almost without doubt the first kinds of benefits admitted into collective bargaining.

Before the 1948 decision of the NLRB justifying pensions and health and welfare benefits, about one-third of the sampled companies

incorporated health and welfare benefits into their contracts. About one-fifth of the same sample had done the same with pension plans. It was not until after the decisions on each of these benefit groups, could or did the majority of the unions begin to incorporate them into their contracts.

With these empirical facts in mind, two clusters of fringe benefits emerged and the data became more clear. If the respective benefits did not cluster perfectly around each other for a particular year they almost certainly followed the same time sequence. Of course there were still half again as many benefits to be accounted for and which were not explicitly defined by the NLRB but which were still negotiated and included in contracts. At this stage it was decided to re-examine the two judgments of the NLRB and see what kind of spirit characterized each of them.

Upon re-examination of the 1940 decision, it was concluded that one over-riding characteristic of each benefit was pay involving abnormal, or unusual work conditions - with the possible exception of the singular benefit, paid vacations. The 1948 decision was clearly a judgment in the spirit of welfare plans. Thus, there obtained the tentative dicotomous typology of:

1. Abnormal work conditions
2. Welfare plans

The first member of this typology could then logically subsume the following benefits: premium pay for week-ends, travel pay, holiday pay, shift differential pay, paid vacations, overtime pay, and reporting

pay. The latter typology would subsume: pension plans, health and welfare plans, severance pay, and the new supplemental unemployment benefits.

However, there still remained a small group of benefits which were either concomitant with or subsequent to the first typology in time. When they were abstracted from the data it seemed tenable that here was a third typology which was the bridge between the first and the second. Paid holidays,¹ paid sick leaves, death in family absences, and jury duty pay all are in the spirit of legitimate, or excusable, time away from work.

A typology is now proposed around which fringe benefits logically cluster. This gives us a patterned sequence of introduction in time, for any company, which gives partial insight into some of the effects the innovations of fringe benefits has wrought, through time, on the institution of collective bargaining. The sequence of these typologies therefore, is as follows:

1. Abnormal work conditions
2. Legitimate time away from work
3. Welfare plans

It is not only the patterned sequence of introduction by individual

¹The distinction made here between the two separately negotiated plans of holiday pay and paid holidays is this: holiday pay refers to premium pay for working on generally recognized holidays; paid holidays refers to wage payments for work not done on certain recognized holidays.

companies that is of interest, but also the sequence of the typology into which the benefits are classified.

The 1940 decision of the NLRB did not spring from sterile ground. Union pressures toward this decision had existed for some time and were manifest before the "abnormal working conditions" typology decision of that year. In some cases management had set up these benefits gratuitously and in others, upon labor's request. In the majority of cases, however, fringe benefits of any type were not allowed or even deemed applicable for negotiation because they were considered outside the jurisdiction of labor. This was thought to be an affair that only concerned management. So it is that the initial innovation of the fringe benefits of Type I are considered to be of major importance because they characterize the extent to which labor had solidified its bargaining power and demonstrate the first step of labor's logical progression into management prerogatives.

Through the decision of the NLRB, in 1940, management was forced to recognize labor's right to negotiate on matters concerning abnormal working conditions, as defined by the NLRB.

Once these five specified benefits were generally dissipated by labor, a new and bolder type of benefit cluster was sought by the leaders of labor. The type of benefits clustering around the notion of legitimate time away from work (Type II) may not appear to vary greatly from those of Type I. However, they are indicative of a progression when compared to the dictum of legitimacy for any type of negotiation -

"wages, hours, and working conditions." Once again these benefits were interpreted as being within this dictum by the NLRB and labor set out to make them their own.

The final type of benefit cluster - welfare plans - characterized labor's sharpest deviation from its traditionally defined bargaining position. In 1948 labor again challenged management's right to deny the power to bargain on a particular issue. This time the issue was that of health and welfare plans and pensions (Type III). At this time the NLRB again decided these benefits were to be interpreted as "integral parts of the working conditions" and subject to negotiation. Thus, in broad perspective, we see labor becoming progressively more and more of a determining agent in the now broadly defined area of "working conditions".

In this respect considerable change has taken place in the scope of collective bargaining in the past twenty years. As has been observed, a short time ago any paper on the subject of fringe benefits would have to have included a considerable section on the problem of negotiability as a matter of law. This is no longer the case. The chasm between "management's prerogatives" and the traditional position of labor bargaining for "wages, hours, and working conditions" has been closed.

Fringe benefits cannot be looked upon as having "caused", or as having been the prime movers in labor's shift into the "rights and functions" of management. Indeed, seniority rights, grievance procedures, and work rules may have played an integral role in this shift.

The progression of the clusters of fringe benefits away from the traditional notion of working conditions and into the realm of managerial prerogatives is suggested as characteristic of the labor movement as a whole. Fringe benefits simply stand out in relief, indicating the general shift taking place through time.

In 1940, general conditions existing in collective bargaining made the time ripe for innovative fringe benefits of Type I. Again, general conditions in collective bargaining in the mid 1940's were such as to foster benefits of Type II. Finally the test case of Inland Steel Company, in 1948, suggests that labor had broken the image of managerial prerogatives to the extent that welfare plans were interpreted as negotiable.

This was all part of a broad progression of the labor movement into the now near-defunct area of managerial prerogatives as brought out, in relief, by the innovation of fringe benefits.

VI. UNION LEADERSHIP IN FRINGE BENEFIT GAINS

We have indicated that the diffusion rate for any widely accepted benefit is much the same as that of any other, be it from the first or second generation of benefits. (That is, either of the two time eras pointed out). From this it was suggested that cohesion and pattern existed in the rate of diffusion of fringe benefits.

Graph Series III, for the rate of inclusion of fringe benefits by unions, suggests the possibility of union front-runners, or leaders, in innovation. The mine workers, textile workers, communications workers, rubber workers, automobile workers, and machinists have a rate of increase in their benefits more acute than the other unions in the sample. While hardly conclusive in itself, this is in accord with the contention of Ross who maintains that aggressive unions and ambitious leaders attempt to become "front-runners" in contract negotiations. It is looked upon as being a source of political advantage when someone like John L. Lewis insists on being a "front-runner", as in 1946, and negotiates a valuable health and welfare fund.¹ In a similar instance the UAW also became a front-runner and innovator when it negotiated for, and gained, supplemental unemployment benefits with Ford Motor Company, in 1955.

¹Ross, Arthur, Trade Union Wage Policy, pp. 68-69.

While it appears that unions fluctuate in terms of leadership in fringe benefit innovation, it will be proposed here that the range of this fluctuation is within certain defined tolerances. There are specific criteria which characterize innovative leaders of fringe benefits. Only some unions can fulfill the criteria.

Prestige

Probably the single most important characteristic of fringe benefit leadership is its concern with being recognized as first in a particular benefit innovation, apart from the actual historical fact of being "first". Historically the mine workers union was not the first to negotiate and sign a contract with management for health and welfare plans, as indeed are few of the perceived leader-unions. It is, however, generally recognized as at least being the first significant union to innovate in this area.

So it is that prestige is regarded as characteristic of innovative leadership in fringe benefits. When a particular union is in a position of relative prestige, and is also recognized as one which innovates early, other unions tend to follow suit in their collective bargaining activities.

Research Staff

H. G. Barnett sets the introduction of the next characteristic of fringe benefit innovators when he observes;

The concentration of ideas means, then, their localization in a particular mind; and with reference to the topic being discussed, it means that

breadth and depth of personal knowledge and experience constitute a factor in innovation. The more a man knows about a set of data, or about diverse sets of data, the more likely he is to develop something new. (Professional inventors) ...regard lack of knowledge as a major obstacle in inventing, rating it second to the lack of capital.¹

The likelihood that a new idea will develop is enhanced if several individuals are simultaneously and cooperatively exploring the same possibility. A collaboration of effort not only pools concentration of ideas of several individuals, but also increases the chances that one of them will solve their common problem.²

The modern fringe benefit, particularly of the welfare plan type, is a complex and intricate matter calling for a vast amount of coordinated research, intensive planning, and variability of thought. In most instances this calls for an innovator-union to have a large research staff which has "innovated" a particular benefit, initiated and completed an investigation of its practicability and workability and mapped out the myriad details so necessary in proposing a successful welfare plan.

The above pre-supposes that the union is large and financially able to adequately gather and maintain such a staff. This factor is prohibitive in itself for many unions.

Power

In the case of pension plans, health and welfare plans and some of

¹Barnett, H.G., op. cit., p. 42.

²Ibid., p. 43.

the other more expensive benefit plans, it takes a powerful union to make the initial break-through and set up the benefit as recognized and bargainable. In some cases, small, less powerful unions may find companies who can bear the financial burden and support these plans, but such support is usually gratuitous. These unions are not looked upon as "wheelhorses" capable of setting national bargaining patterns.

When a numerically large union attempts to incorporate or innovate a particular benefit of this type, management's resistance tends to be great. Management recognizes that the plan would go into effect on a large and diverse scale, and runs the risk of it being recognized as a benefit upon which other unions would model their negotiations. Thus, the union must be able to expend a great deal of power in its negotiations to incorporate the benefit in its contract.

VII. SUMMARY

We have spoken of the logical progression of the clusters of fringe benefits and it is time to clarify what is being referred to here.

Prior to the first decision of the NLRB, in 1940, labor's role in negotiating for wages, hours and working conditions was strictly interpreted. Any furthering of the financial well-being of the worker had to be brought up in the light of wage increases only. The "working conditions" aspect of collective bargaining was more in terms of better lighting, ventilation, safety measures, and the like...never reporting pay, travel pay, holiday pay, or any others. When these benefits were granted by management they were looked upon as gratuities and deriving strictly from management's prerogatives. In fact many companies, even now, while granting specific benefits, preferring to look upon them as gratuities, have avoided their inclusion in collective bargaining contracts.

The major innovation of fringe benefits was solidified by the interpretation of the NLRB that the benefits could and would be looked upon as "integral parts of the working conditions of employees". A classical tradition of management power was infringed upon. It is in this sense that we speak of fringe benefits surrounding the concept of abnormal working conditions as the first step in a logical progression away from labor's strictly defined area of bargaining and into the front yard of

management's prerogatives. It is here that a non-negotiable gratuity is no longer a gratuity but a "condition of labor", concerning labor, and bargainable by labor.

This is but a small departure from the traditional notion but in one sense it is the greatest. From benefits first negotiated in the cluster of abnormal working conditions, labor progressed to negotiating for benefits in the cluster considered as legitimate time away from work. The latest step in this progression, pension plans and health and welfare plans, considered to be the worker welfare plan cluster, has also been interpreted as "integral parts of the working conditions of employees".

Thus, we have a logical progression, with few aberrations, with no one union attempting an early challenge of "management prerogatives" until the main body of the labor movement had already exhausted the possibilities of further benefits in the present cluster. Once another break-through was made, in terms of a new cluster type benefit, there had already been pressures on many sides of management by others in labor for the innovation.

It might be well to interject here that the greatest pressure for innovation in collective bargaining was during the years of World War II and the Korean conflict when wage stabilization was in effect and labor felt the stress of not being able to negotiate for real wages. It was at this time that the challenge to management's prerogatives were most blatant and most successful in gaining support and recognition.

So it is that in the span of twenty-five years collective bargaining has become an established institution whose institutionalized feature of fringe benefits for employees has significantly modified the nature of managerial decision.

PERMANENT RECORD

SOUTHWORTH CO. ILL.

75% COTTON FIBER CONTENT

BIBLIOGRAPHY

ARTICLES AND PERIODICALS

- Fisher, Austin M. and John F. Chapman. "Big Costs of Fringe Benefits," Harvard Business Review, September-October, 1954.
- Hill, James C. "Stabilization of Fringe Benefits," Industrial and Labor Relations Review, VII, No. 7, (1954), 221-234.
- Mendelsohn, Allen I. "Fringe Benefits and Our Industrial Society," Labor Law Journal, VII, No. 7, (1956), 325-328.
- Ross, Arthur M. "Fringe Benefits Today and Tomorrow," Labor Law Journal, VII, No. 8, (1957), 462-472.
- Time Magazine. Business, March 26, 1960, p. 96.

BOOKS

- Allen, Francis R., Hornell & Hart, Delbert C. Miller, William F. Ogburn, Meyer F. Nimkoff. Technology and Social Change. New York: Appleton-Century-Crofts, Inc., 1957.
- Arundel, Carter. The Authentic History of the United States Steel Corporation. New York: Moody Magazine and Book Company, 1916.
- Barnett, H.G. Innovation: The Basis of Social Change. New York: McGraw-Hill Book Company, Inc., 1953.
- Chamberlain, Neil W. The Union Challenge to Management Control. New York: Harper and Brothers Publishers, 1948.
- Chamberlain, Neil W., Frank C. Pierson, and Theresa Wolfson (eds.) A Decade of Industrial Relations Research: 1946-1956. New York: Harper and Brothers Publishers, 1958.
- Commission of Inquiry, The Interchurch World Movement. Report on the Steel Strike of 1919. New York: Harcourt, Brace and Howe Publishers, 1920.

- Davey, Harold W. Contemporary Collective Bargaining. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1959.
- Davey, Harold W., Howard S. Kaltenborn, and Stanley H. Ruttenger (eds.) New Dimensions in Collective Bargaining. New York: Harper and Brothers Publishers, 1959.
- Dunlop, John. Wage Determination Under Trade Unions. New York: The Macmillan Company, 1944.
- Haribson, Frederick H., and John R. Coleman. Goals and Strategy in Collective Bargaining. New York: Harper and Brothers Publishers, 1951.
- Macaulay, Hugh Holleman, Jr. Fringe Benefits and Their Federal Tax Treatment. New York: Columbia University Press, 1959.
- Ogburn, W.F. Social Change. New York: B.W. Huebsch Inc., 1923.
- Ross, Arthur M. Trade Union Wage Policy. Berkeley and Los Angeles: University of California Press, 1948.
- Smith, Henry Clay. Psychology of Industrial Behavior. New York: McGraw-Hill Book Company, Inc., 1955.
- Sturmthal, Adolph (ed.) Contemporary Collective Bargaining in Seven Countries. Ithaca, New York: Institute of International Industrial and Labor Relations, Cornell University, 1957.
- Wistert, Francis M. Fringe Benefits. New York: Reinhold Management Science Series, Reinhold Publishing Corporation, 1959.

REPORTS

- American Management Association. What's Ahead in Collective Bargaining?: Working Under Wage and Salary. New York: Personnel Series No. 143, 1951.
- Economic Research Department, Chamber of Commerce of the United States. Fringe Benefits, 1947, 1949, 1951, 1953, 1955, 1957. Washington 6, D.C.
- _____. Wage Supplements: The Nonwage-Labor Costs of Doing Business. Washington: 1950.

Hanford, L.M. The Problem of Fringe Benefits Cost. Addressess and Conference Discussion of the Midwest Compensation Association. Cincinnati, Ohio: April, 1958.

Industrial Union Department. Collective Bargaining Today. From the Proceedings of the Third Annual Industrial Relations Conference. Philadelphia, Pennsylvania: 1959.

Reubenstein, Irving, and Theodore Rose. Monthly Labor Review. Vol. 72, 1951.

Tripp, L. Reed (ed.) Proceedings of the Ninth Annual Meeting. Industrial Relations Research Association. Cleveland, Ohio: 1956.

PUBLIC DOCUMENTS

In re Inland Steel Co. and Local Union Nos. 1010 and 64, United Steel Workers, before the National Labor Relations Board, 77 NLRB Reports 1, 1948.

Inland Steel Co. vs. National Labor Relations Board, 170 Federal Reports Second Series 247, 1949.

U.S. Department of Labor. A Directory of Wage Chronologies. BLS 59-802. Washington, D.C.: 1948.

PERMANENT RECORD

PERMANENT RECORD

SOUTHWORTH COUSA.

APPENDIX

75% COTTON FIBER CONTENT

A condensation of the explanation of the purpose and scope of the chronology program from: "The New Wage Chronology Series", Monthly Labor Review, December, 1948.

1. Intended primarily as tools for research and analysis.
2. Present the details of the wage agreements and the major action entered into or undertaken by specific employees.
3. Omit references to job security, union security, grievance procedure, employment practices, methodology of piece-rate adjustments, changes in cost of living, inter-union rivalries, company profits, and many other elements that form the body of labor-management relations.

Wage adjustments in a relatively few situations, involving as a rule a large company or association and a large union, have played a well-publicized role in the wage history of recent years. Partly because of the great number of workers, and partly because of the influence that these adjustments might be expected to exercise over the wage policies of other companies and other industries, each adjustment has aroused considerable interest.

The interest in wage adjustments has brought an influx of requests to the Bureau for information regarding the details of present and past

wage actions of individual companies. The chronologies are expected to satisfy a major part of the need for such information.

The wage chronologies are intended as devices for reporting in detail and for cumulating over any given period the general wage changes affecting large groups of workers. Each chronology and the series as a whole should also be useful as aids in the analysis of the broader wage movements measured by the statistical series.

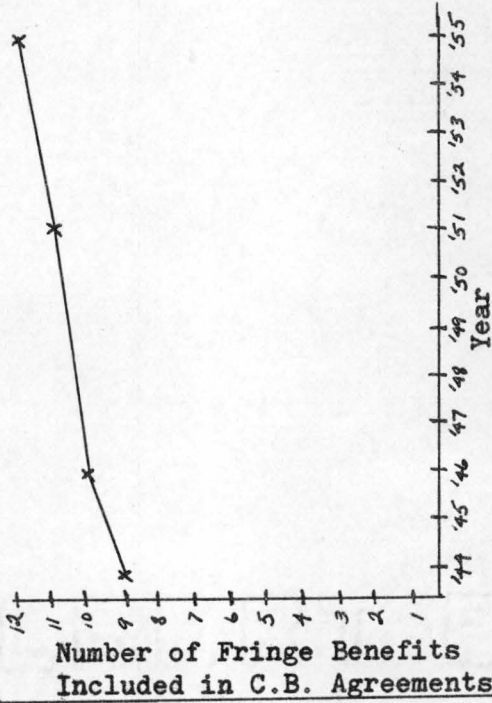
Still another significant aspect of the wartime and post-war picture is the growth in importance of "fringe" benefits which, in general, do not enter directly into wage rates. Nonetheless, they have a money value to the worker and to the employer. Wartime wage controls acted as a stimulant to the initiation or extension of various types of fringe benefits in lieu of wage-rate changes. By now certain practices, such as giving paid vacations to production workers, are widespread. An additional paid holiday, an extra week of vacation, the introduction of a new practice - these are the elements entering into the give-and-take of wage administrations and collective bargaining. To show the details of these benefits and of the change in them over the years would seem to be a valuable contribution to the body of facts upon which successful collective bargaining, arbitration of disputes, and wage administration must rely.

The selection of the situations covered will be governed by some or all of the following criteria:

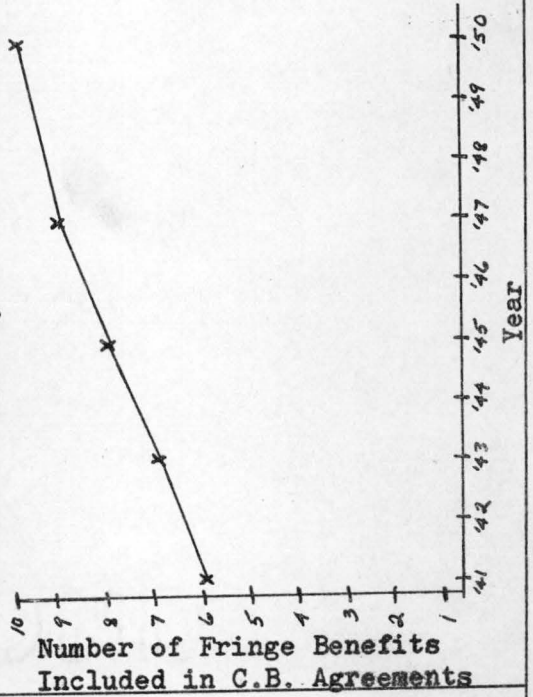
1. Position of the company or association in its own industry;
2. Number of workers involved;
3. Availability of adequate records;
4. Degree of cooperation offered by the parties immediately concerned;
5. General public interest.

Graph Series I

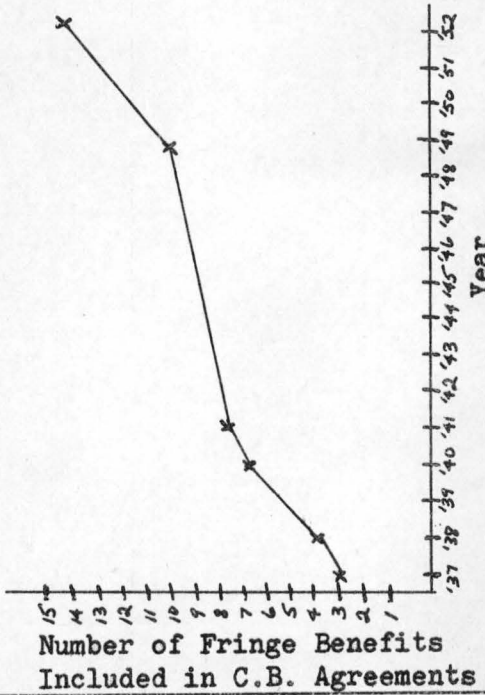
G. L. Martin Airplane Co.



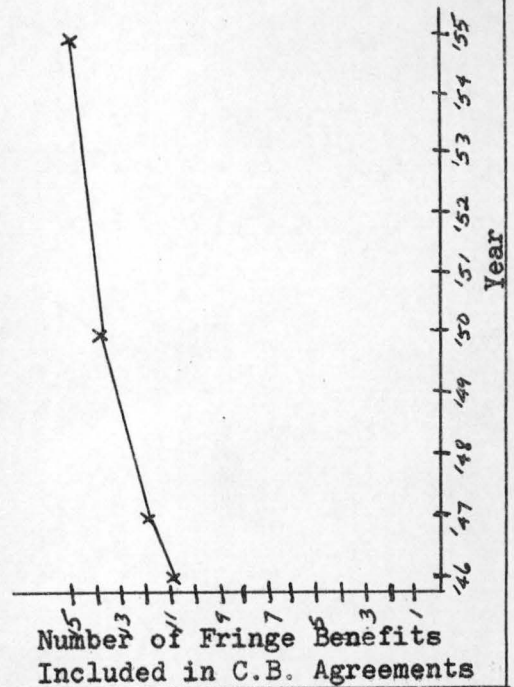
Full-Fashion Hosiery

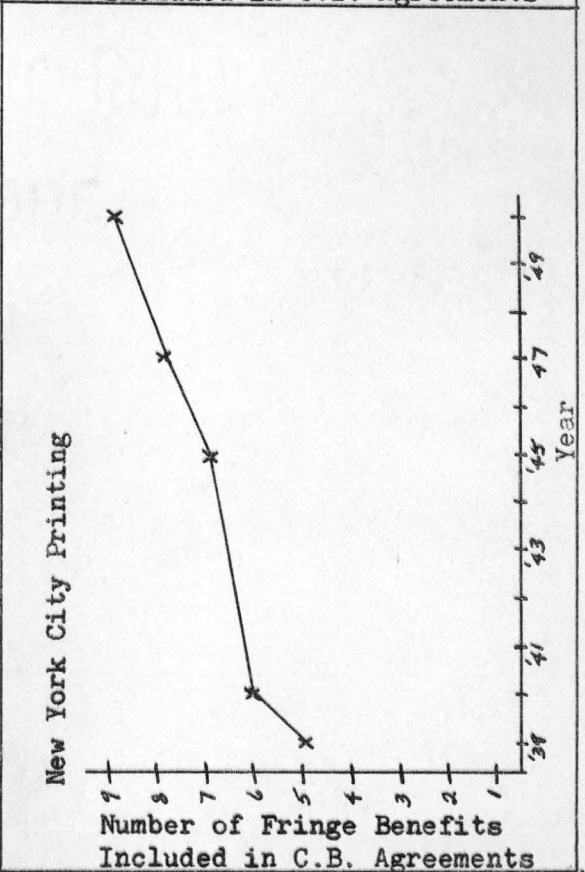
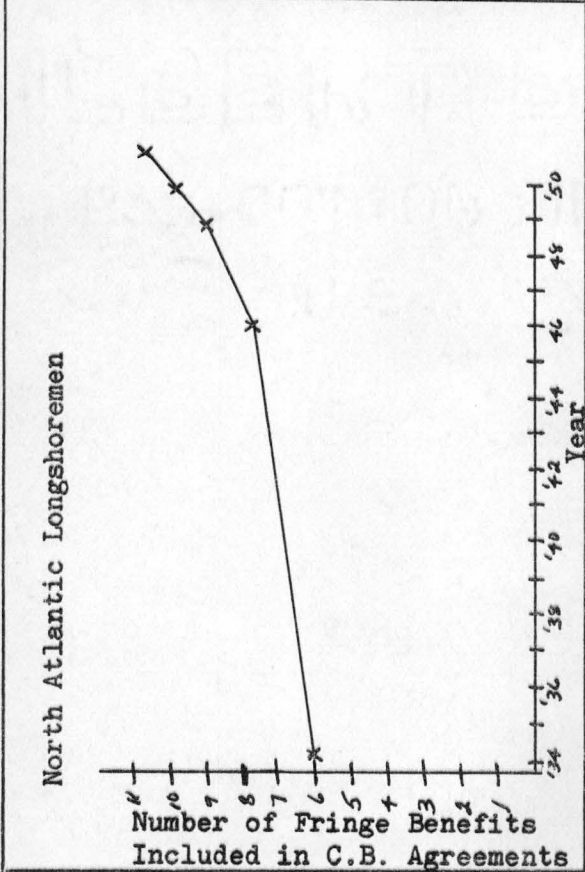
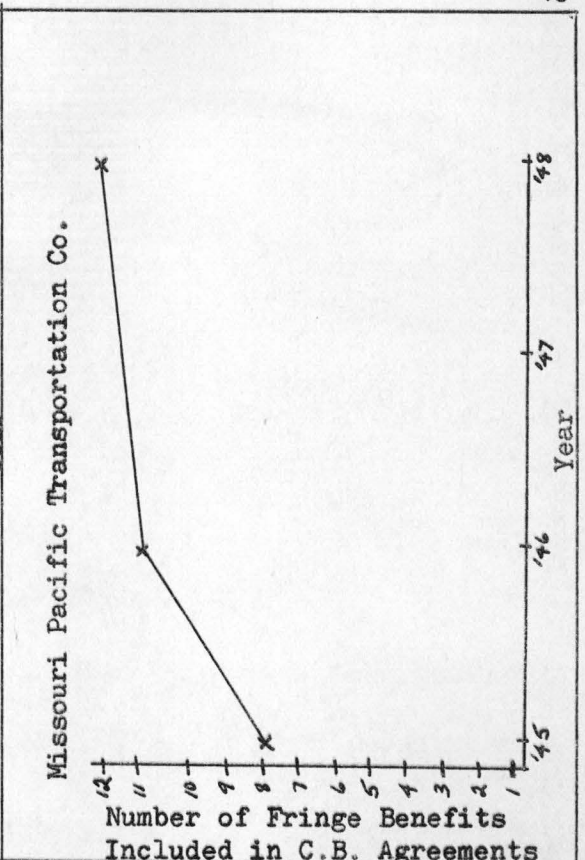
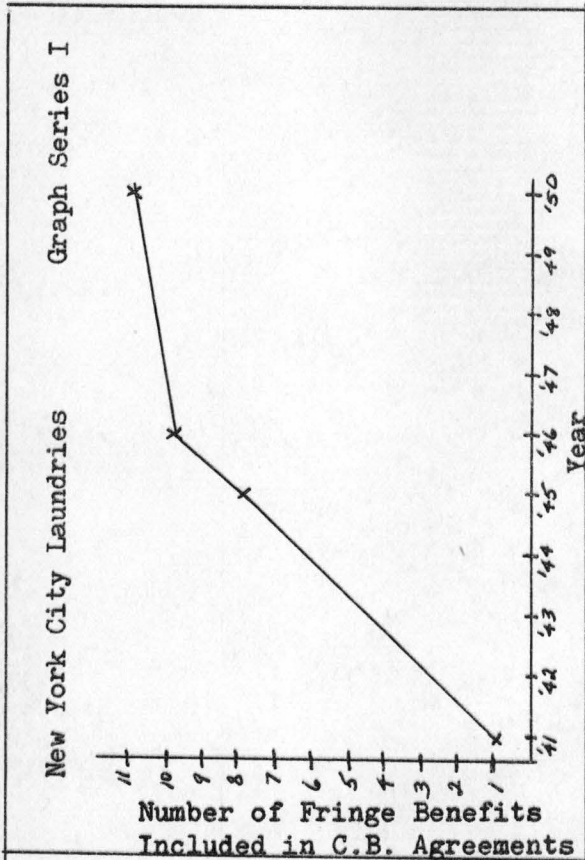


Lockheed Airplane Co.

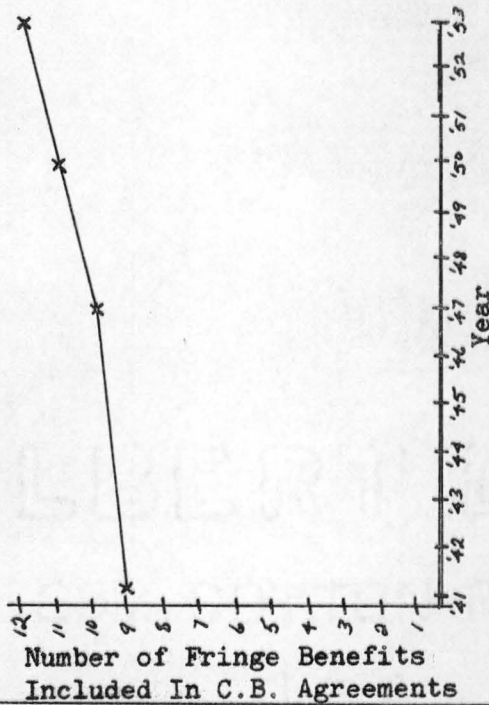


International Harvester Co.

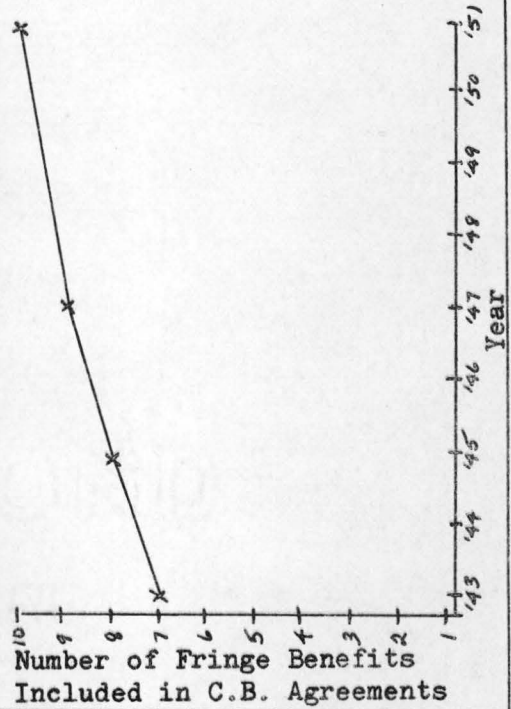




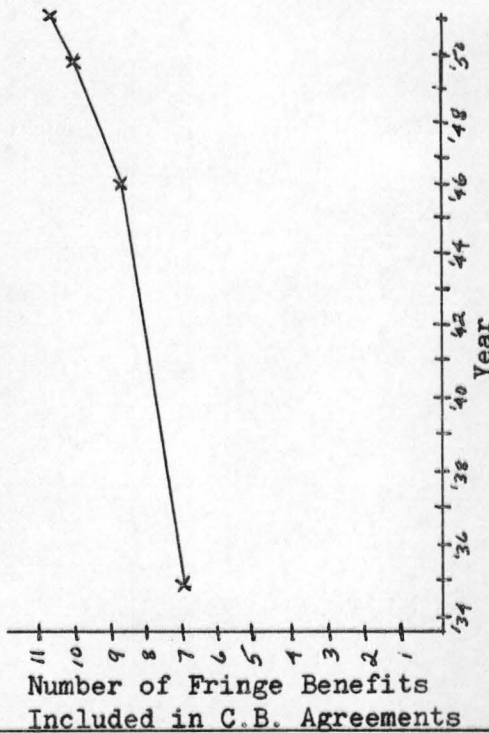
Pacific Coast Shipbuilding Graph Series I



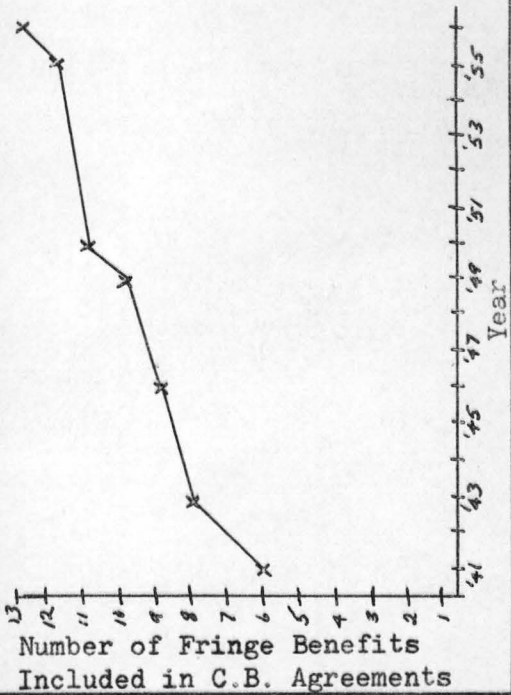
Northern Cotton Textile Association



Pacific Longshore Industry

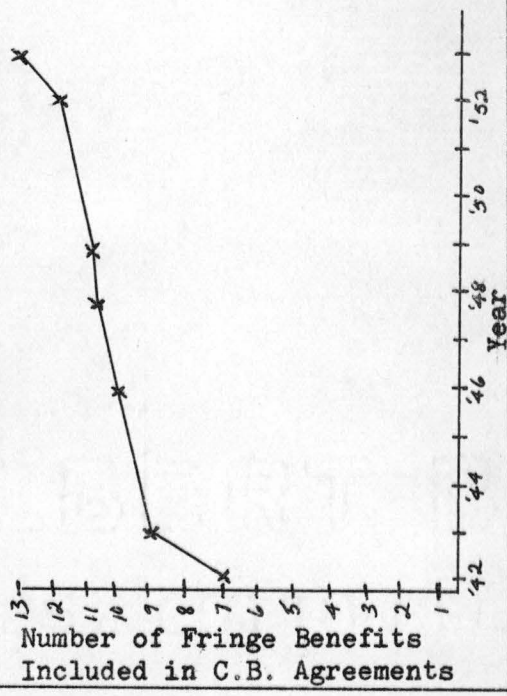


North American Aviation Co.

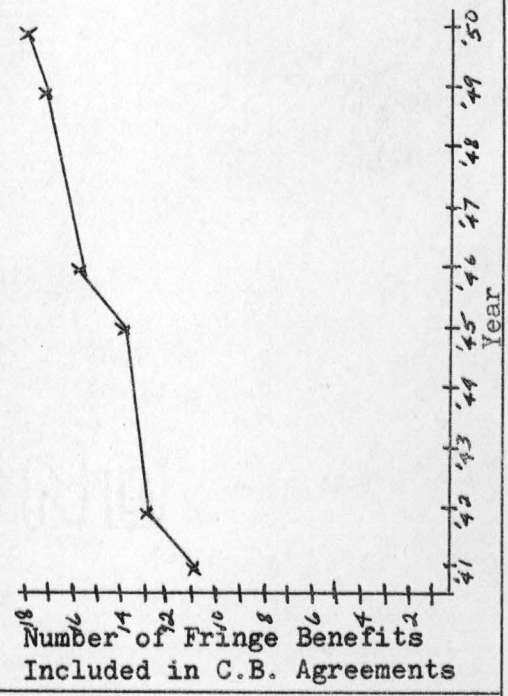


Graph Series I

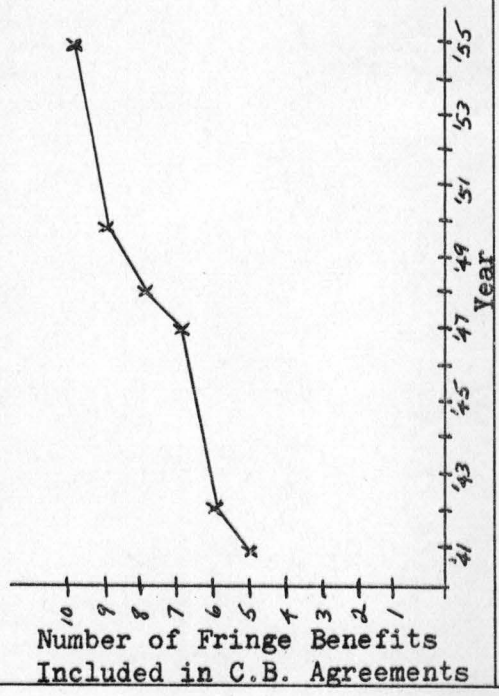
Swift and Company



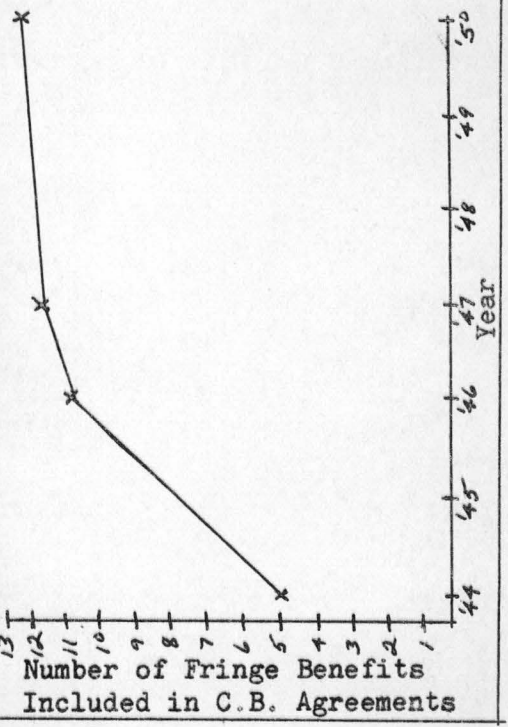
Sinclair Oil Company



Ford Motor Company

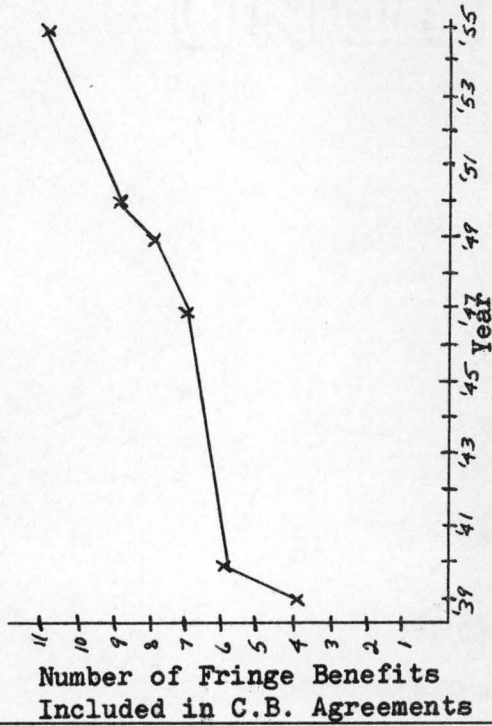


Western Union Telegraph

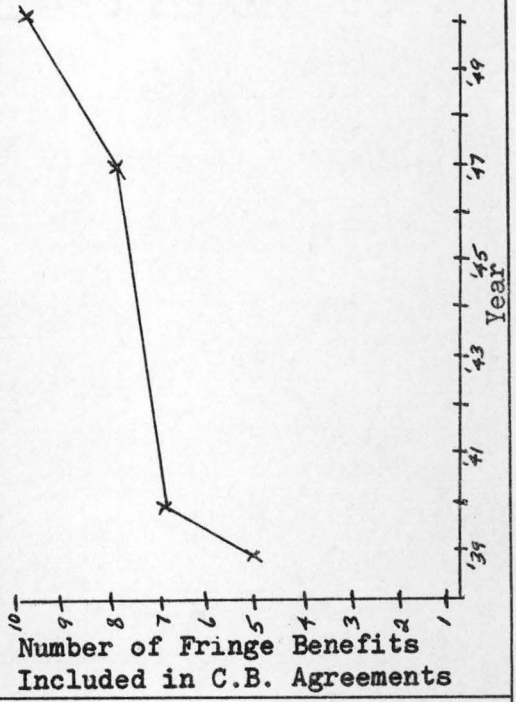


Graph Series I

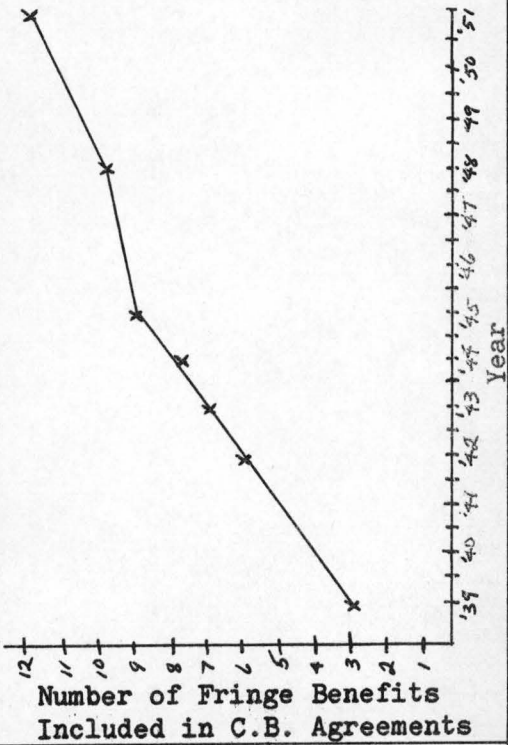
General Motors



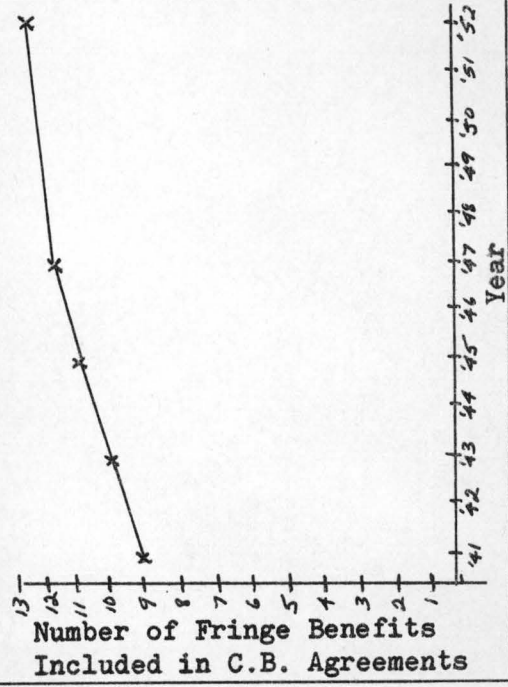
Chrysler Corp.



American Woolen Co.

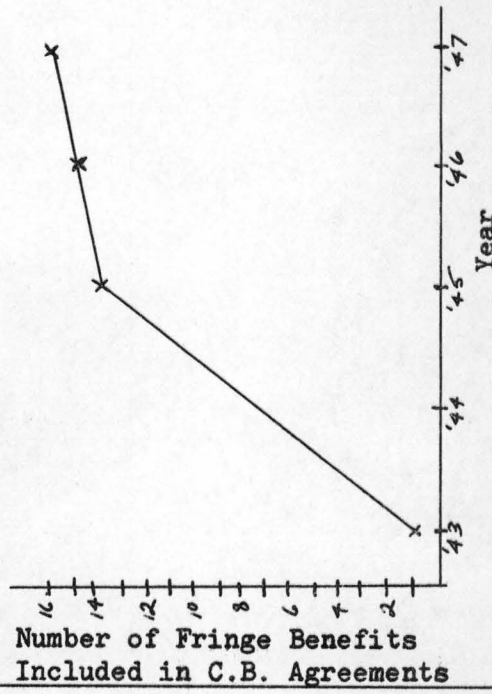


Anaconda Copper

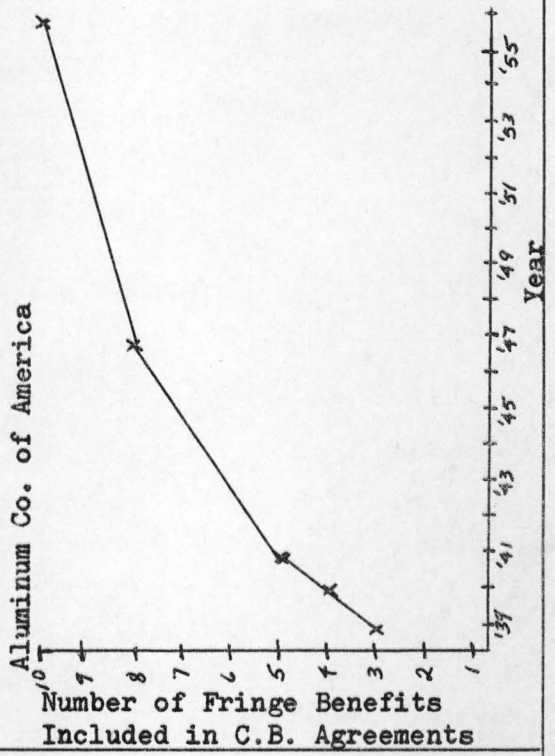


Graph Series I

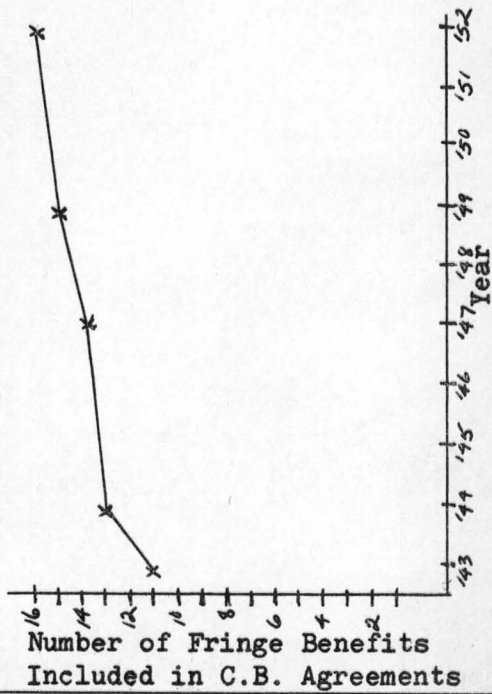
American Viscose Co.



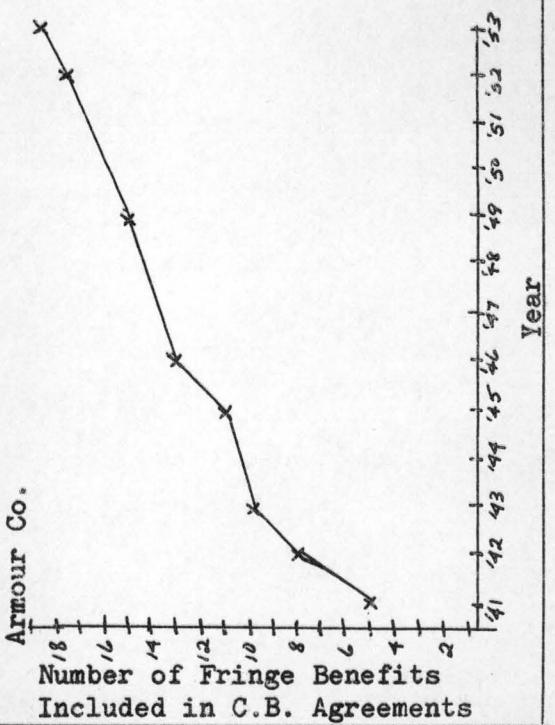
Aluminum Co. of America



Pacific Gas & Electric Co.

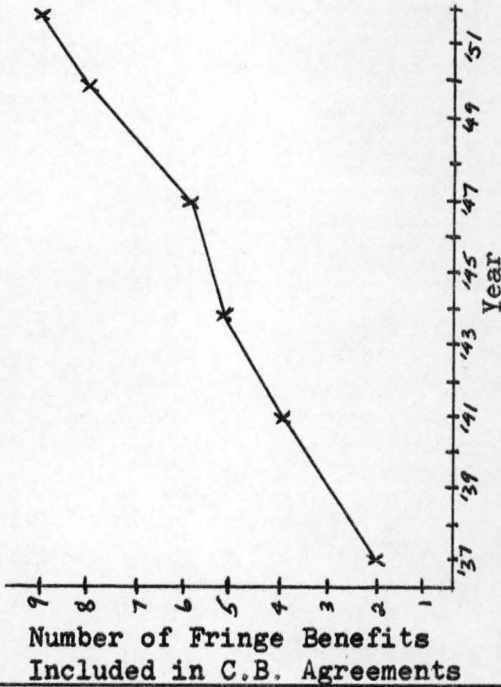


Armour Co.

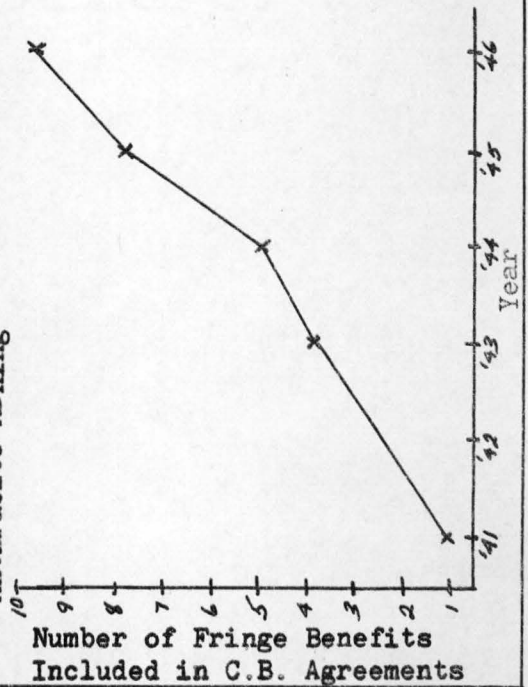


Graph Series I

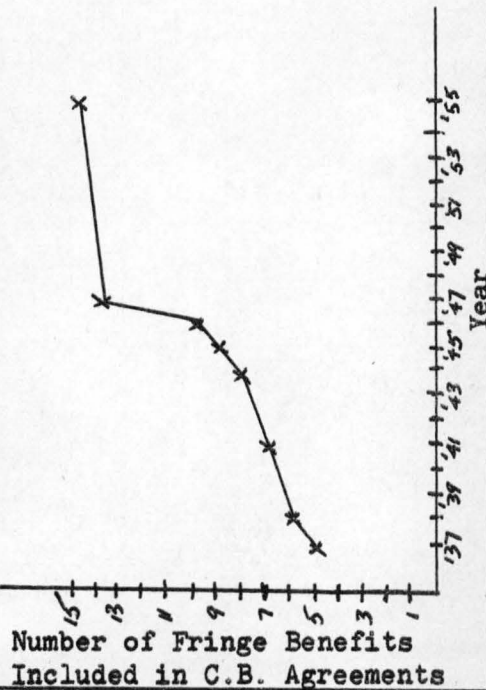
U. S. Steel Corp.



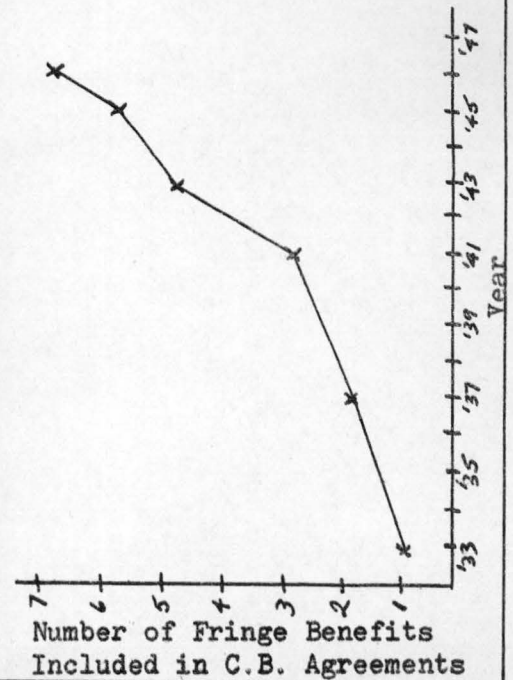
Anthracite Mining



Big Four of Rubber



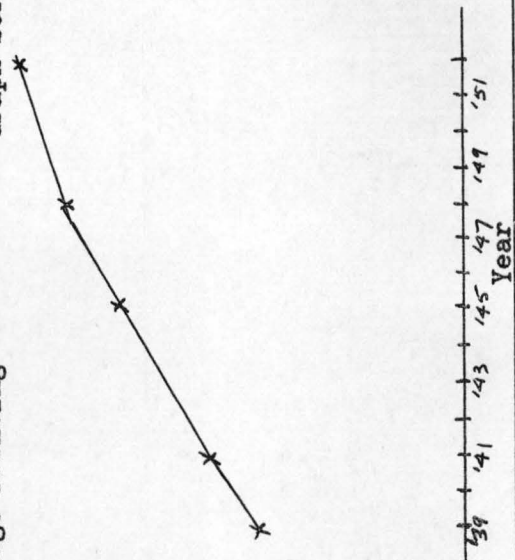
Bituminous Coal Industry



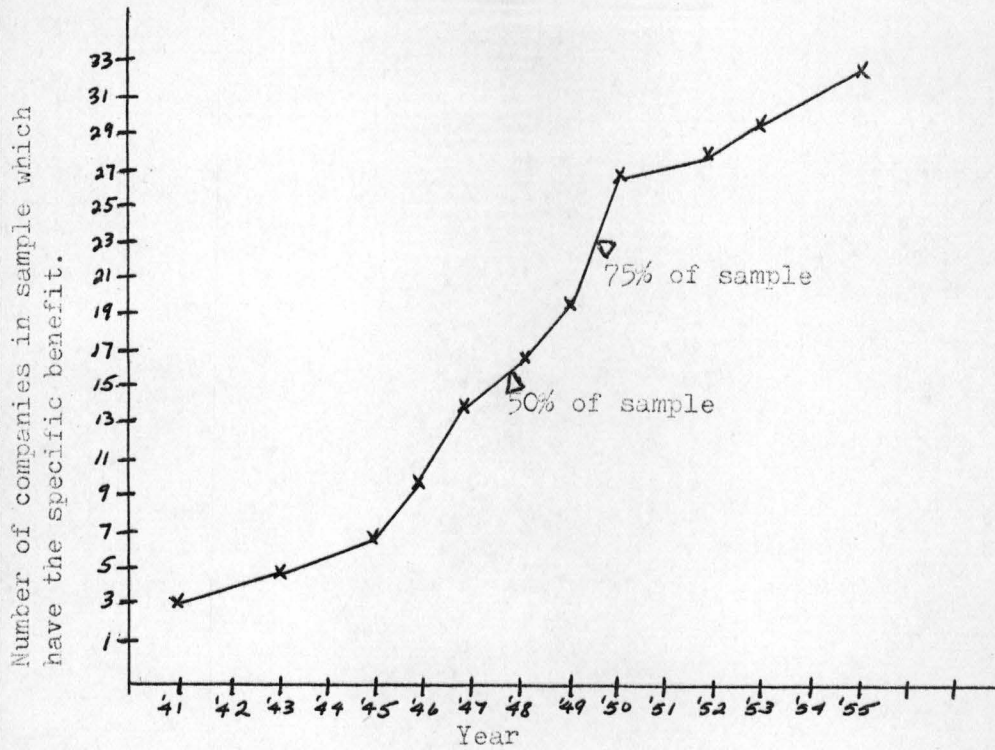
Graph Series I

Chicago Printing

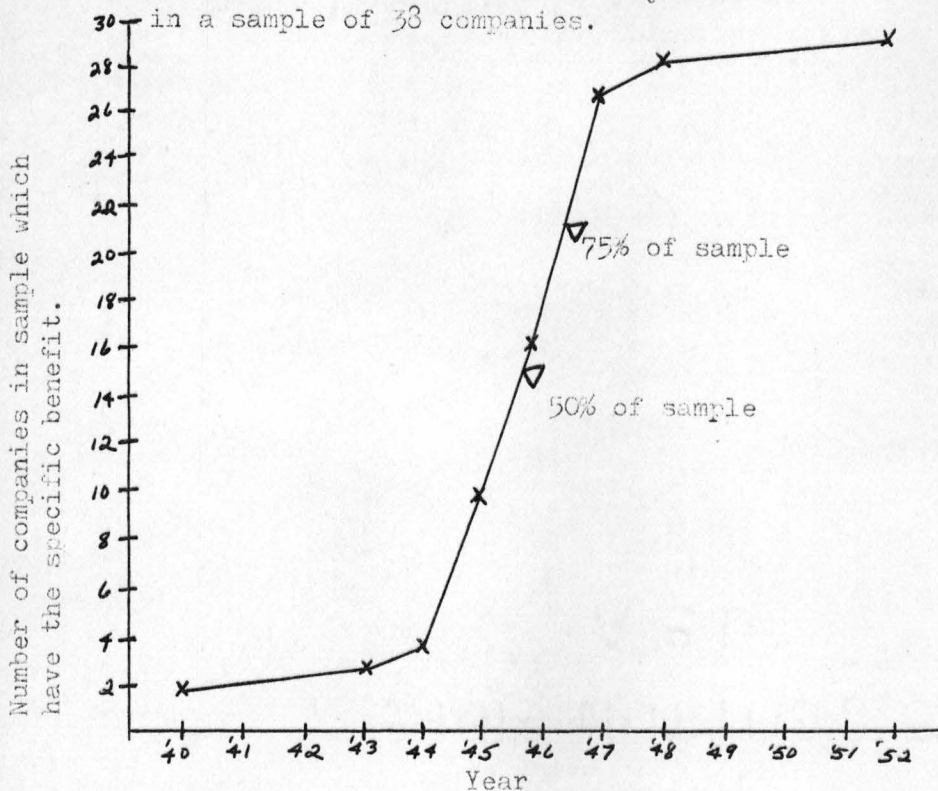
Number of Fringe Benefits Included in C.B. Agreements



The introduction of Health and Welfare Plans Graph Series II
in a sample of 38 companies.

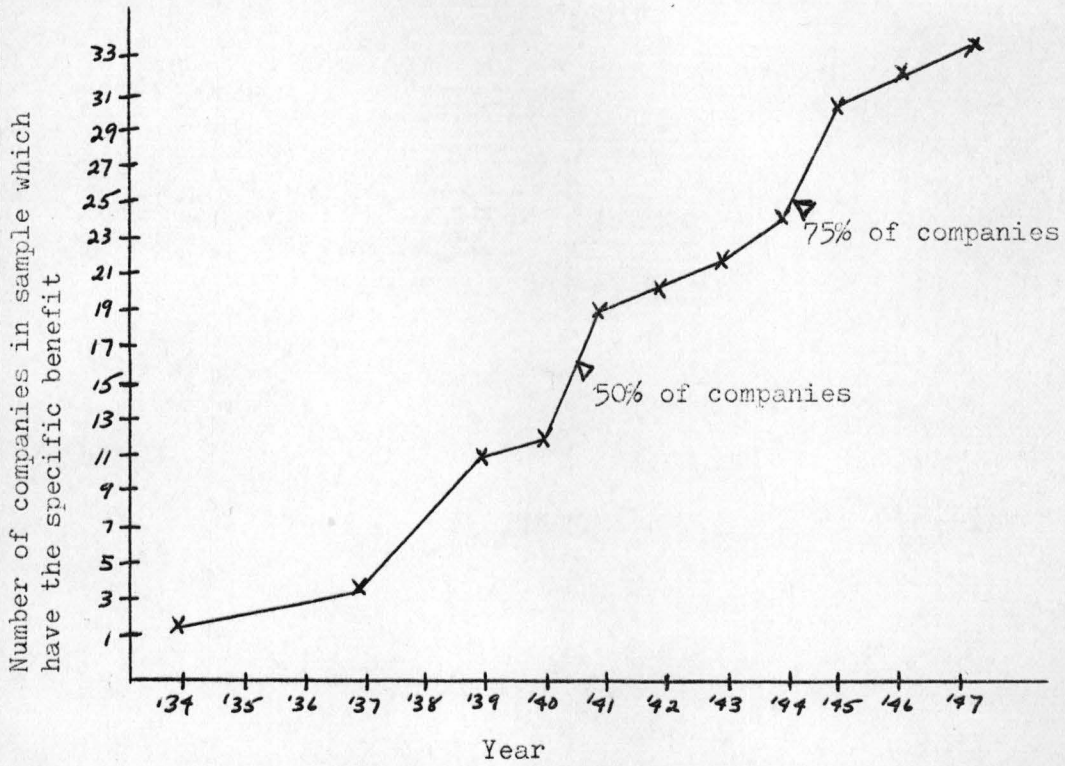


The Introduction of Paid Holiday Benefits
in a sample of 38 companies.

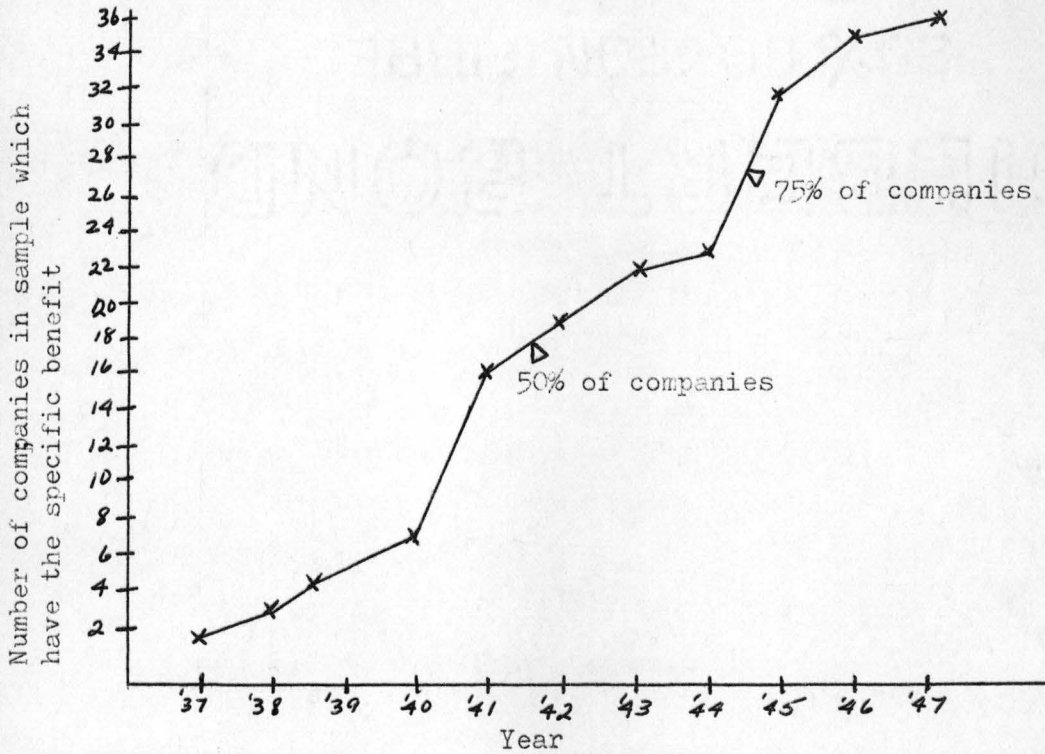


The introduction of Week-end Premium Pay Benefits in a sample of 38 companies

Graph Series II

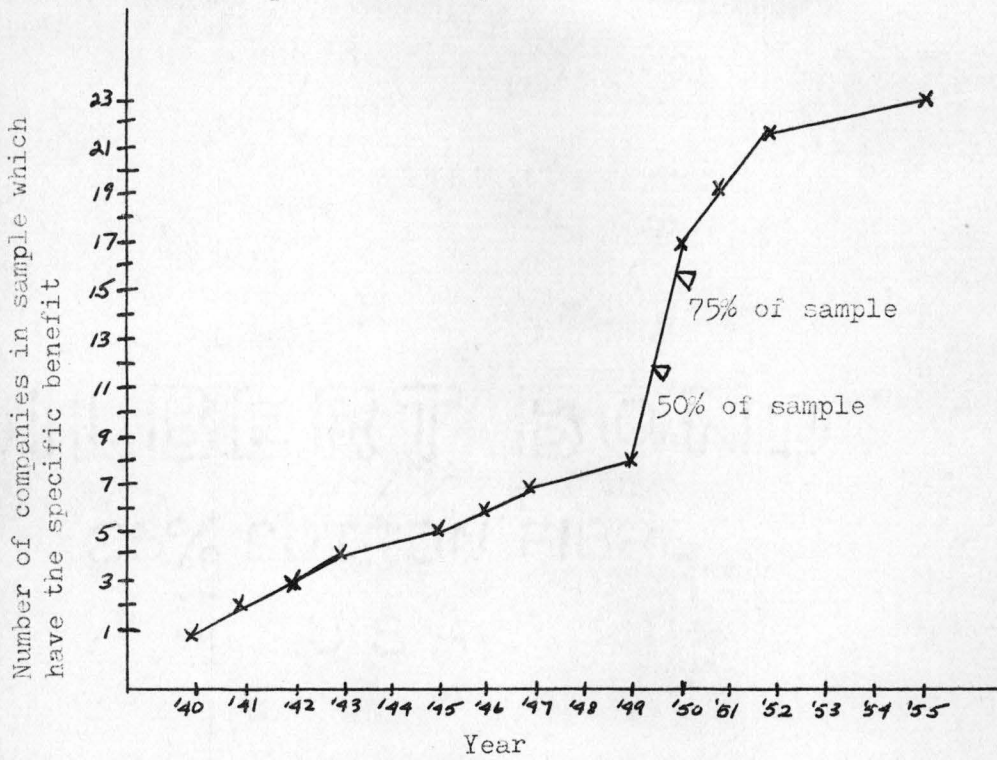


The introduction of Paid Vacation Benefits in a sample of 38 companies

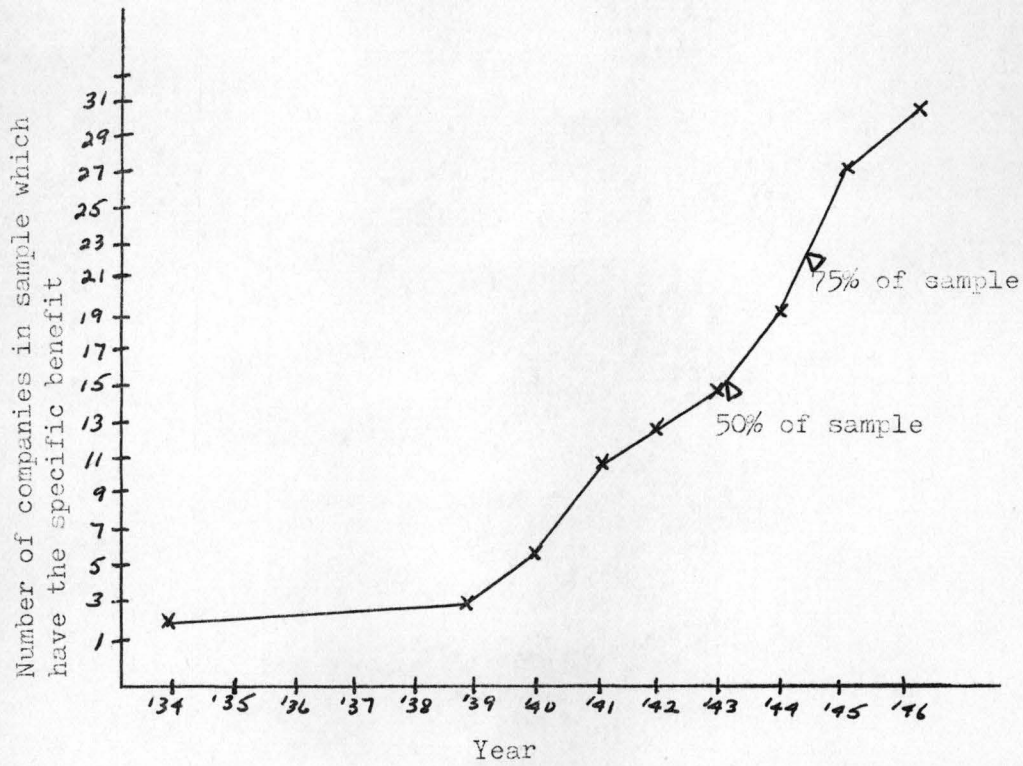


The introduction of Pension Plan Benefits
in a sample of 38 companies

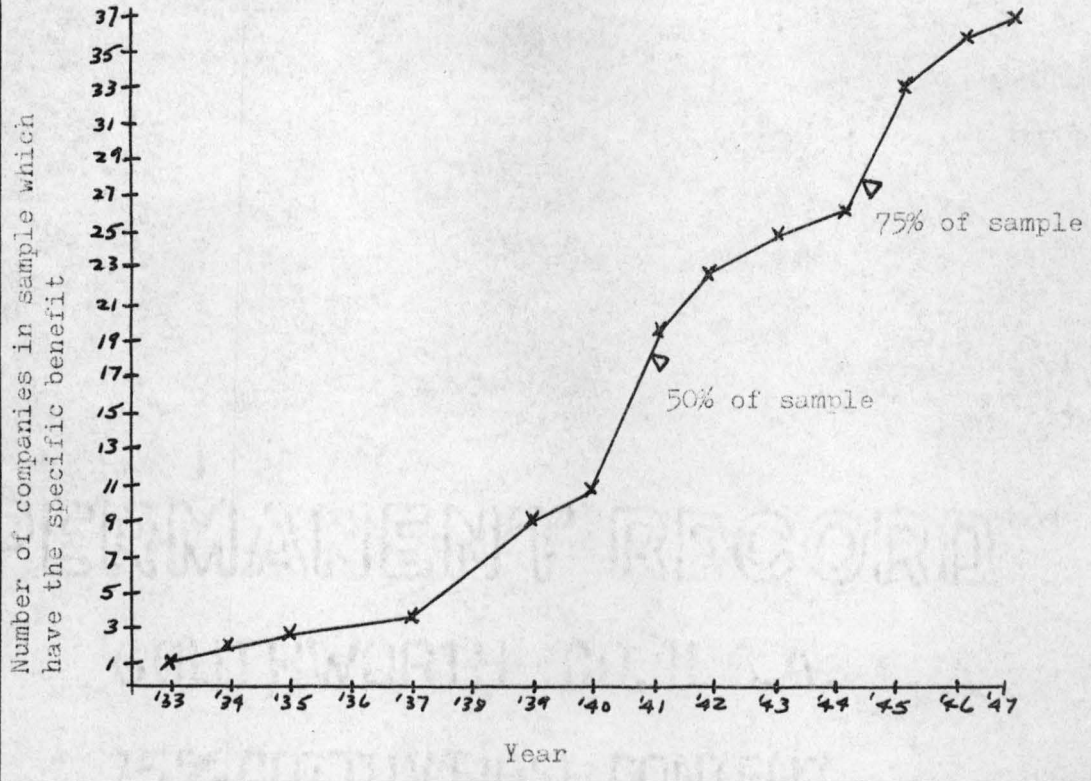
Graph Series II



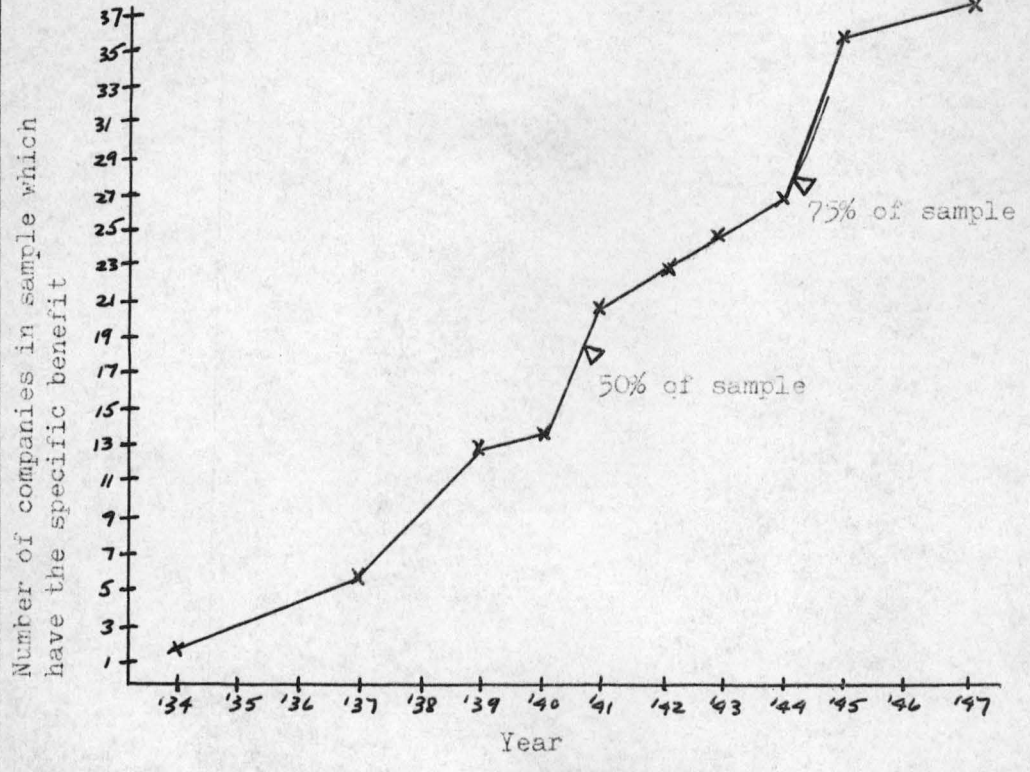
The Introduction of Shift Premium Benefits
in a sample of 38 companies



The introduction of Reporting Pay Benefits in a sample of 38 companies Graph Series II

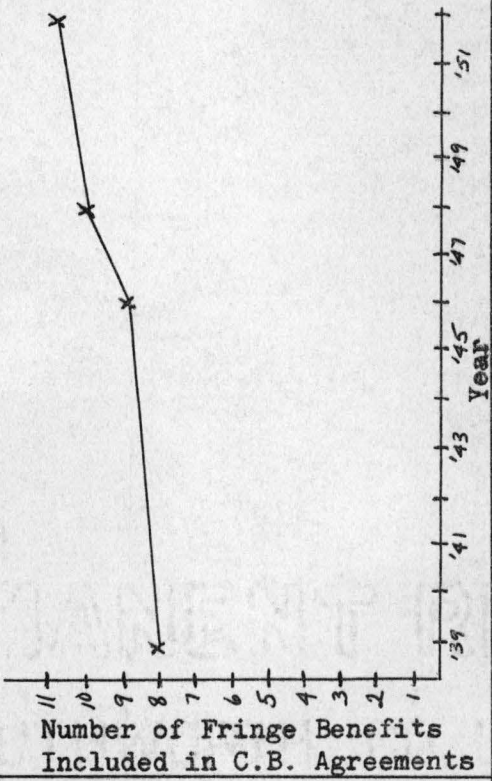


The introduction of Overtime Pay Benefits in a sample of 38 companies

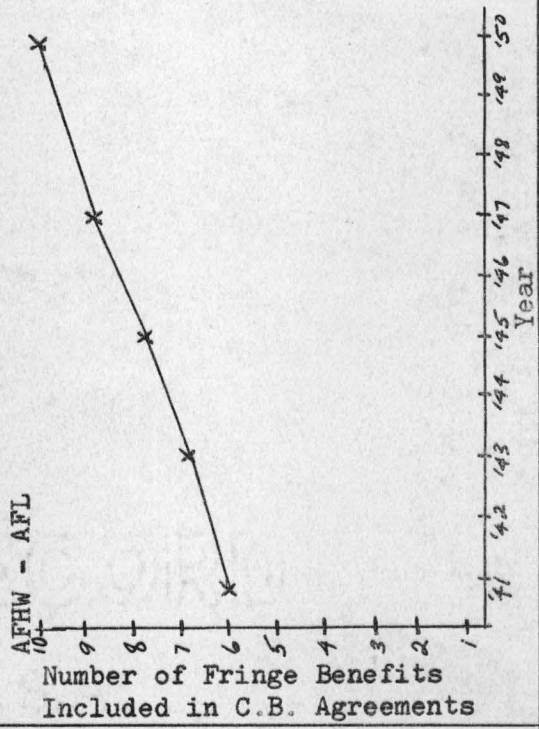


Graph Series III

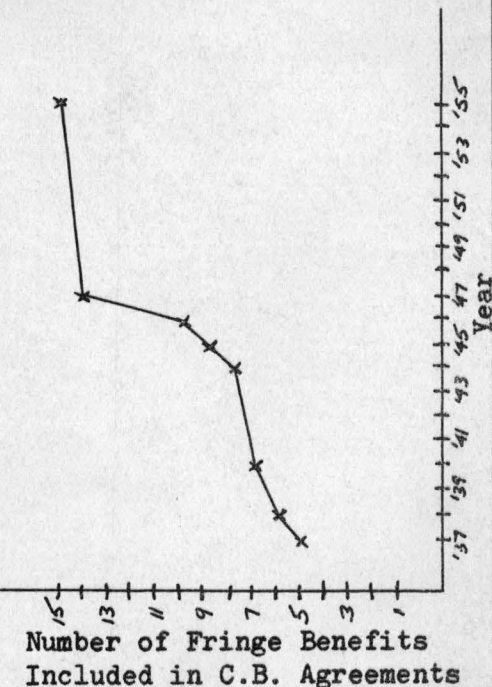
IT - AFL



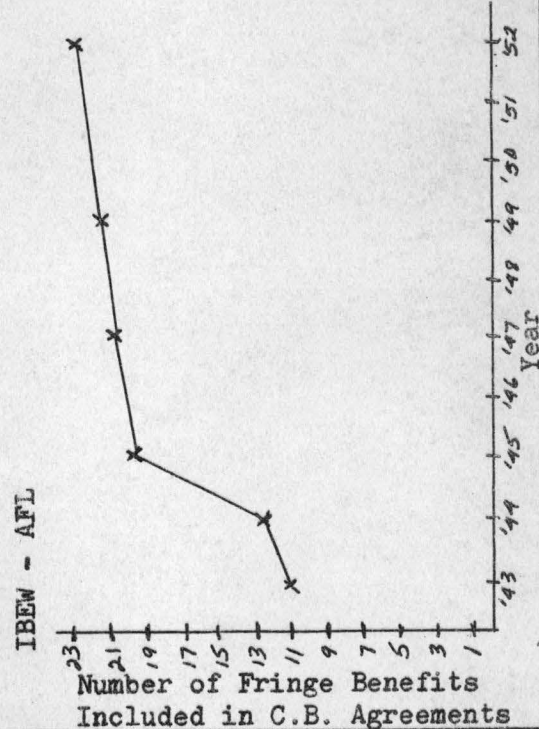
AFHW - AFL



WRWA - CIO

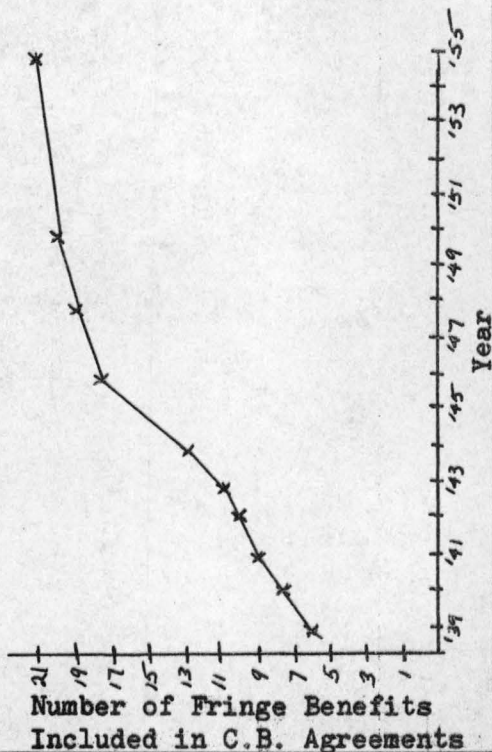


IBEW - AFL

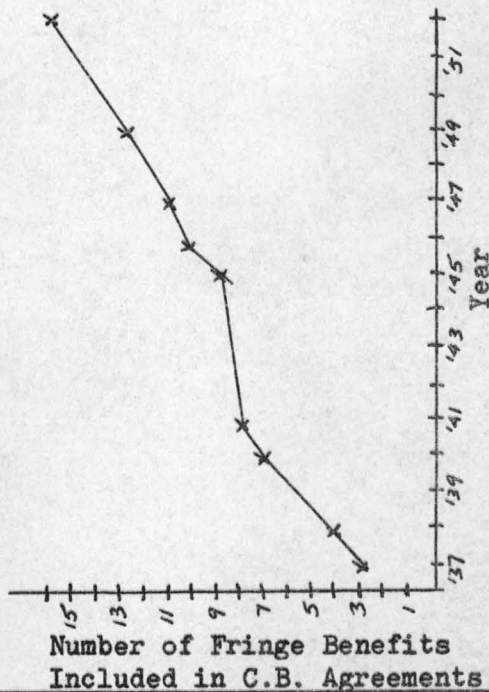


Graph Series III

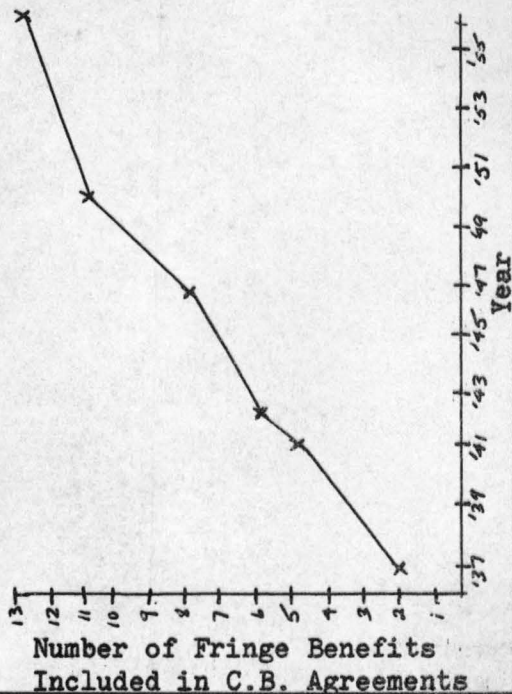
UAW - CIO



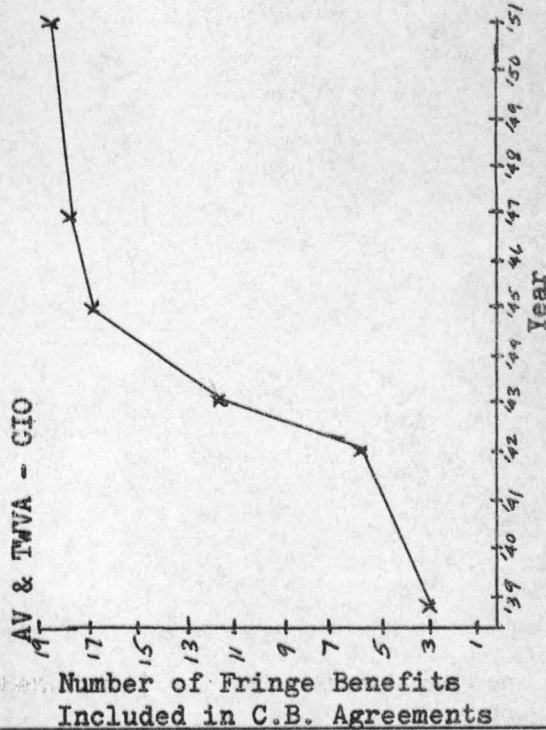
IAM - CIO



USA - CIO

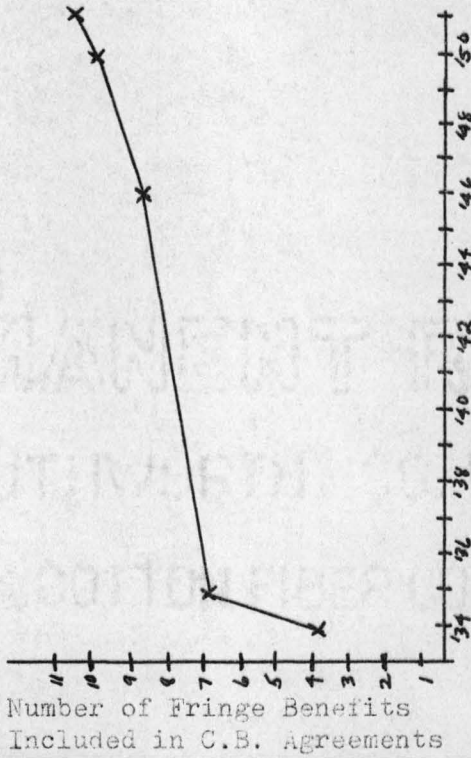


AV & TWVA - CIO



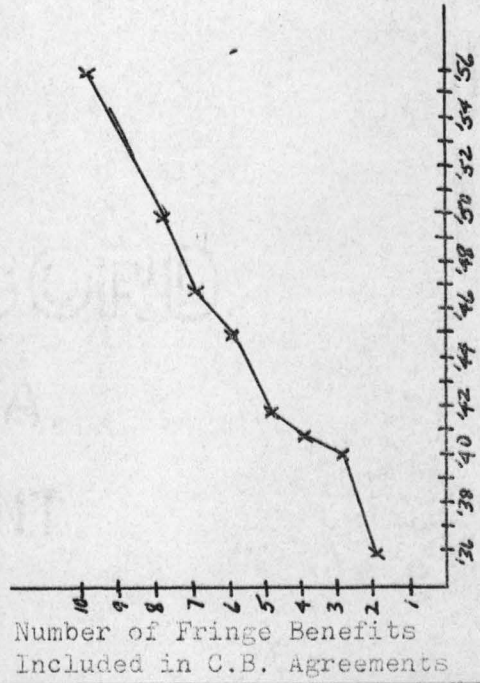
Graph Series III

ILMU - CIO



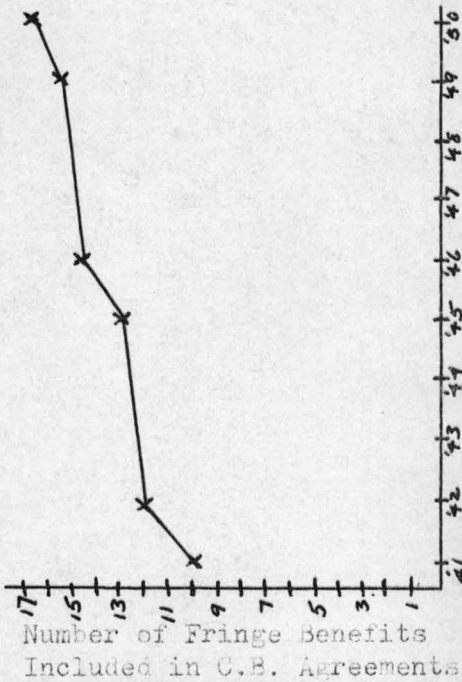
Number of Fringe Benefits Included in C.B. Agreements

AWU - AFL



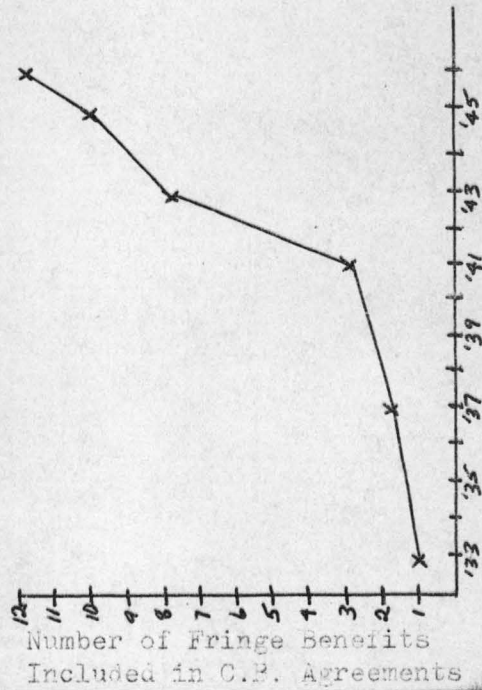
Number of Fringe Benefits Included in C.B. Agreements

OWI - CIO



Number of Fringe Benefits Included in C.B. Agreements

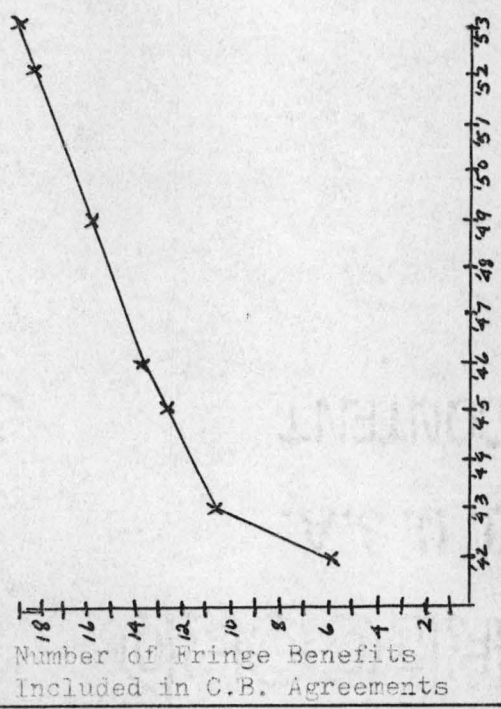
UMW - Ind.



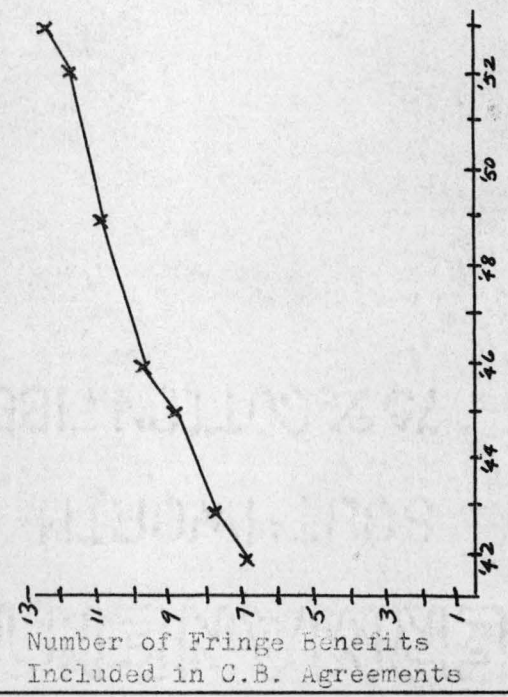
Number of Fringe Benefits Included in C.B. Agreements

Graph Series III

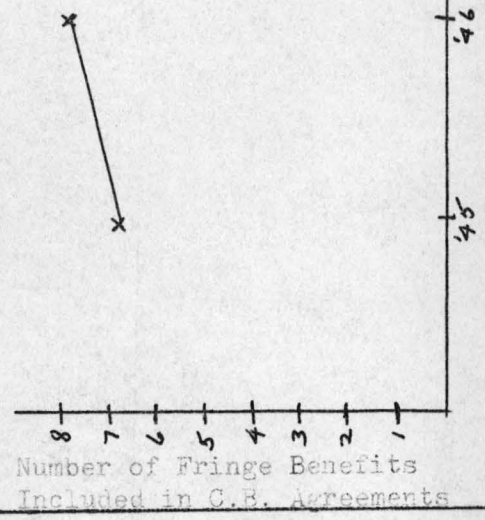
MCBW - AFL



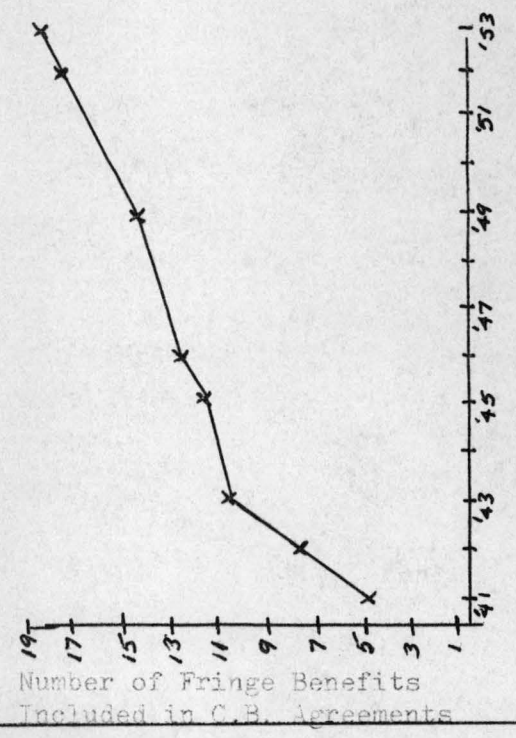
NBPW - Ind.



B & SW - AFL

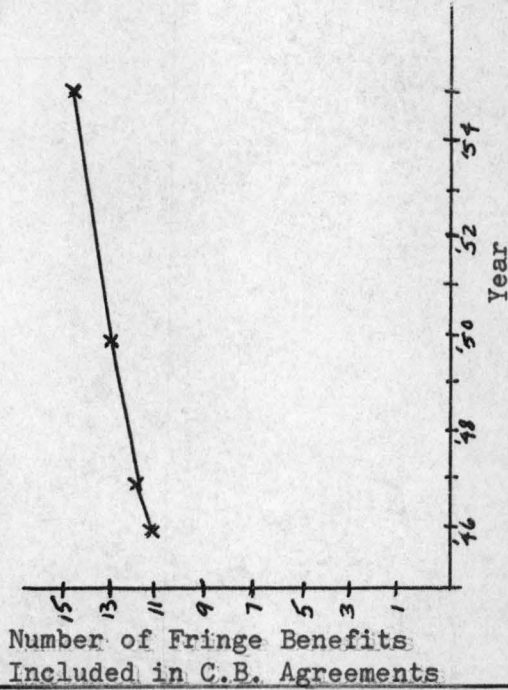


UPWA - CIO



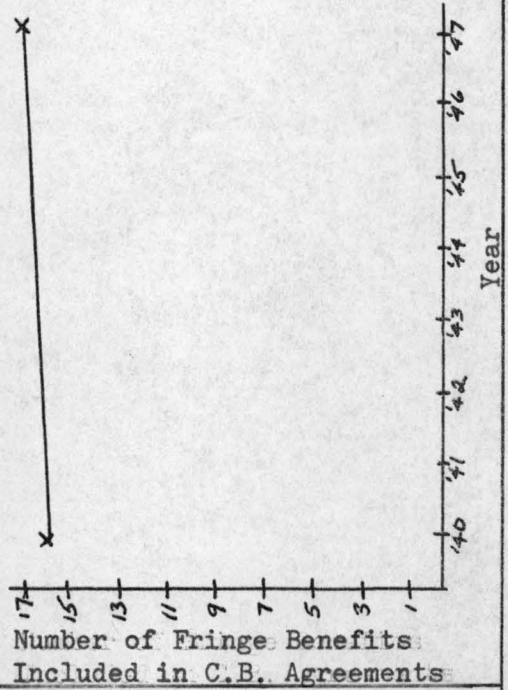
Graph Series III

FE & UE - Ind.



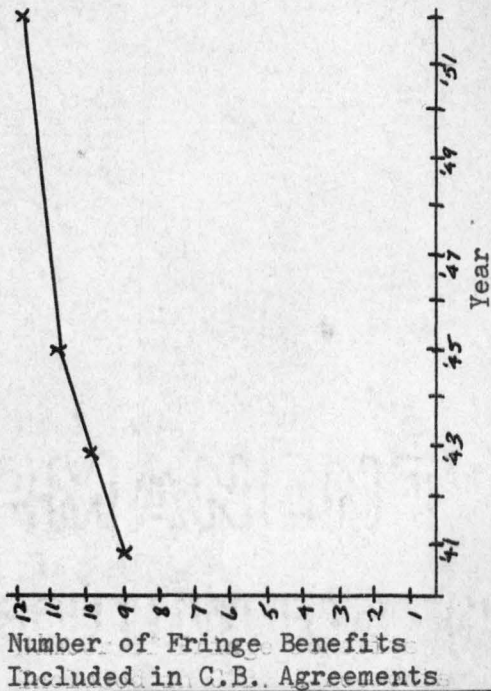
Number of Fringe Benefits Included in C.B. Agreements

CWA - CIO



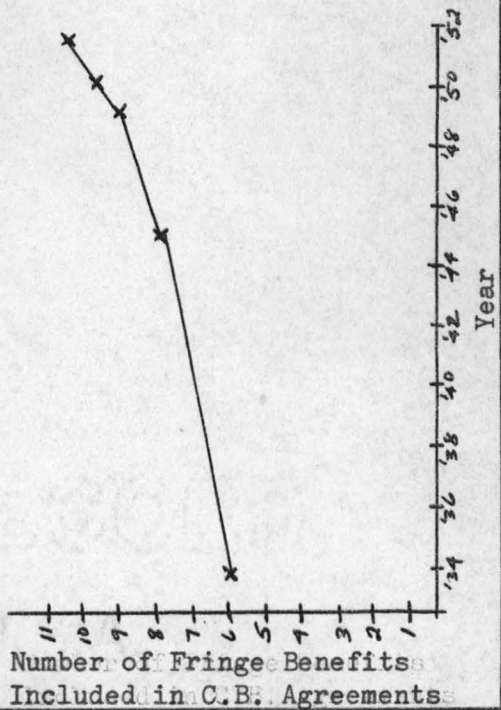
Number of Fringe Benefits Included in C.B. Agreements

MMSW - CIO



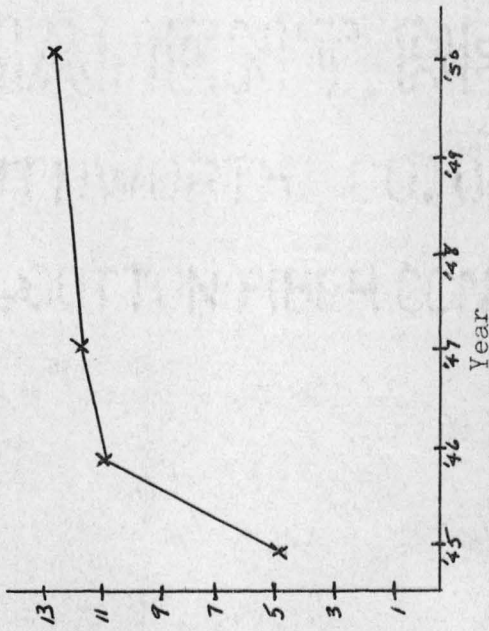
Number of Fringe Benefits Included in C.B. Agreements

ILA - AFL



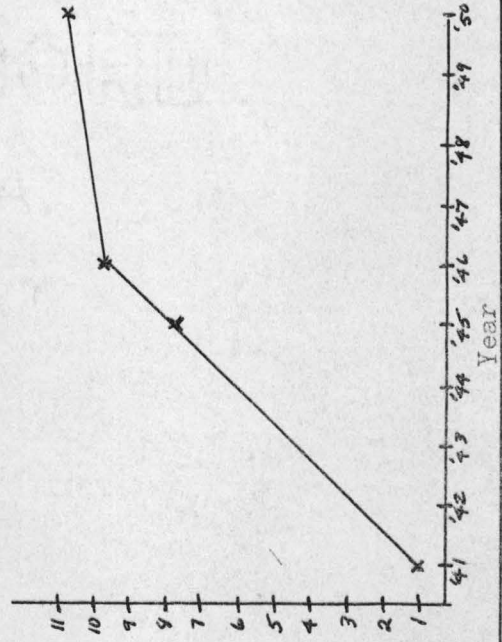
Number of Fringe Benefits Included in C.B. Agreements

CTU - AFL



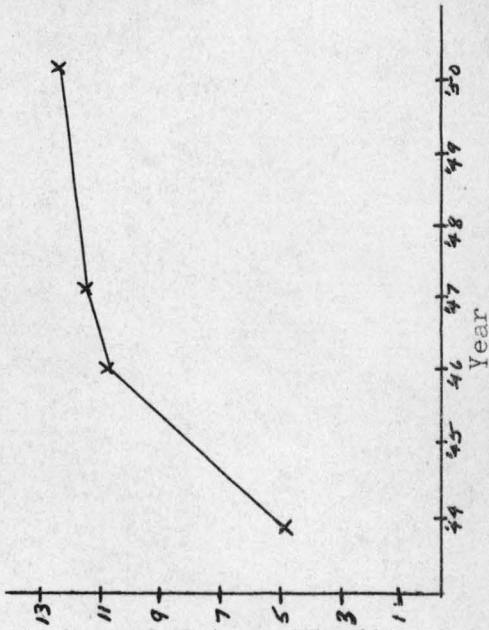
Number of Fringe Benefits Included in C.B. Agreements

ACWA - CIO

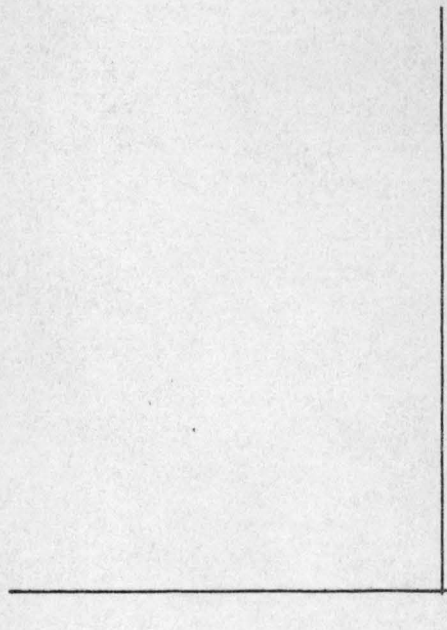


Number of Fringe Benefits Included in C.B. Agreements

ACA - CIO

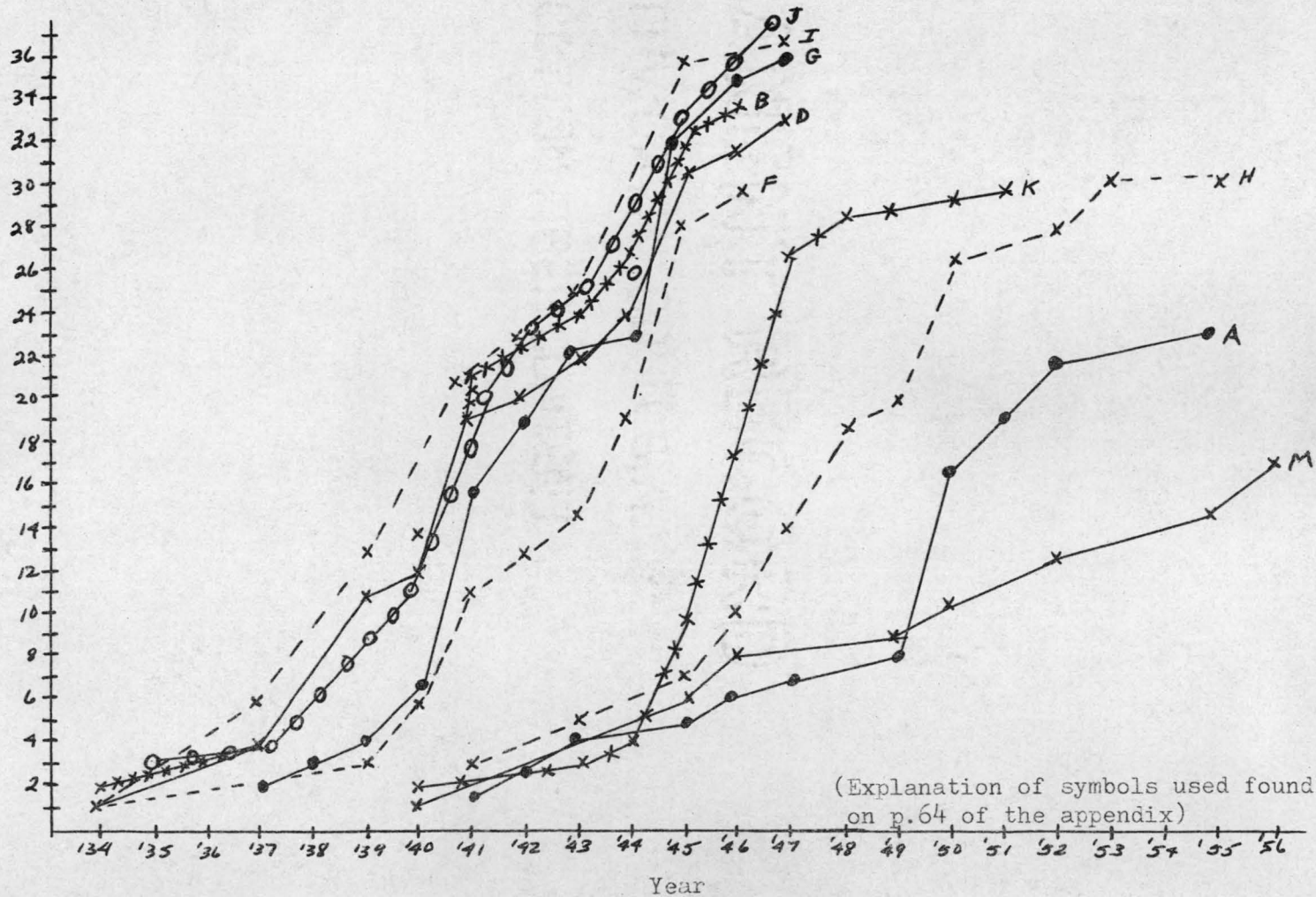


Number of Fringe Benefits Included in C.B. Agreements



Time eras in Fringe Benefit introduction

Number of companies including Fringe Benefit in collective bargaining agreements



MATRIX KEY

Fringe Benefits by Clusters and Sequence

I. Abnormal working conditions pay

Holiday pay	B
Premium pay, week-ends.	D
Travel pay.	E
Shift premium pay	F
Paid vacations.	G
Overtime pay.	I
Reporting pay	J

II. Legitimate time away from work

Paid holidays	K
Paid Sick leave	L
Jury Duty Pay	M
Death in family absence pay	O

III. Welfare plans

Pensions	A
Health and welfare	H
Severance pay.	N

Sample of Companies Analyzed

American Woolen Co.	1
Northern Cotton Textile Assn.	2
U.S. Steel Corp.	3
Bituminous Coal Mines	4
Chrysler Corp.	5
Armour & Co.	6
Swift & Co.	7
Full-Fashion Hosiery.	8
General Motors Corp.	9
Pacific Longshore Industry.	10
Aluminum Co. of America	11
Western Union Telegraph	12
Federal Classification Act Employees (not included in Matrix) . .	13
Ford Motor Co..	14
New York City Printing.	15
Chicago Printing.	16
No. Atlantic Longshoring.	17
Bethlehem Atlantic Shipyards.	18
Big Four of Rubber.	19
Massachusetts Shoe Mfg.	20
Pacific Coast Shipbuilding.	21
Pacific Gas & Electric.	22
Lockheed Aircraft Corp.	23
North American Aviation	24
International Shoe Co.	25
Anaconda Copper	26
Glen L. Martin Airplane Co.	27
International Harvester Co.	28
San Francisco Printing.	29
Anthracite Mining Industry.	30
Sinclair Oil Co.	31
American Viscose Corp..	32
New York City Laundries	33
Commonwealth Edison of Chicago.	34
Pennsylvania Greyhound.	35
A.T.&T. Long Lines Dept.	36
Carolina Coach Co.	37
Missouri Pacific Transportation Co.	38
Pacific Greyhound Lines	39

TYPED BY PATRICIA ANN KOVAL