COLLECTIVE BARGAINING AND ORGANIZATIONAL PERFORMANCE: THE CASE OF PUBLIC TRANSIT*

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ABSTRACT
This article reports results from recently completed research investigating associations between labor-management relations and organizational performance in urban mass transit. Variations in organizational performance were analyzed against differences in four aspects of the collective bargaining situation: the legal framework, labor and management's organization for bargaining, relationship patterns, and the contents of the collective agreements. Among the findings were that the incidence of strikes appeared to be systematically related to variations in organizational structure; cooperative relations were generally conducive to higher performance, and the collective bargaining agreement was the most significant and direct influence on performance. Based on the research findings, a number of suggestions are made for improving labor-management relations in public transit.

A critical component of the operation of public transit organizations, like other public services, is the management of labor relations. This view is well-supported by a number of recent assessments of labor-management relations in public transit [1, 2]. Aside from some very general notions among practitioners, however, our understanding of the processes by which labor-management relations affect public transit performances has remained essentially conjectural.

*Support for this research was provided by the U.S. Department of Transportation, Office of University Research, the Graduate School of Management, and the Institute of Transportation Studies, University of California, Irvine.

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It was from the perspective that labor-management relations were a critical dimension of public transit operations and that research could contribute to their improvement that we began to study them in 1977 [3]. With support from the U.S. Department of Transportation we undertook a large-scale field study that focused on fixed-route bus systems. The sample comprised twenty-eight public transit organizations from the western United States. These organizations were quite diverse with respect to organizational size, organizational form (e.g., municipal and special district operations), and bargaining unit structure. Research teams visited each participating organization to conduct interviews, observe operations, administer questionnaires, and collect operating data to enable statistical and qualitative comparisons among organizations.

The systems model that guided the research is presented in Figure 1. Representative of the specific issues we investigated were the following:

- Do legal policies toward collective bargaining in public transit—for example, methods of dispute resolution (i.e., mediation, fact-finding, and arbitration)—have any influence on performance?
- What forms of management organization for collective bargaining are most conducive to organizational performance?
- To what extent do particular aspects of the collective agreement (e.g., work rules provisions) constrain or promote efficiency?
- What factors influence public transit employees’ level of job satisfaction and organizational commitment?
- What are the conditions that relate to absenteeism and voluntary turnover?

The next two sections of this paper focus on the two primary performance-related outgrowths of the research. In the first of the two sections, we discuss some of our findings. The discussion is organized around associations we identified between specific facets of public transit labor relations and organizational performance. The second section focuses on some steps that might be taken to improve organizational performance by altering aspects of the labor-management situation.

**MAJOR ASSOCIATIONS BETWEEN LABOR RELATIONS AND PERFORMANCE**

A variety of linkages between facets of the collective bargaining relationship and public transit performance were identified. The findings relating to labor and management organization, relationship patterns, the labor agreement, and employee attitudes are summarized below.

**Labor and Management Organizational Structure**

Several characteristics of public transit unions were found to affect the incidence of strikes:
Figure 1. A systems model of labor-management relations and urban mass transit performance.
1. the absence of a functioning intermediate-level organization between the national and local organizations;
2. lack of negotiating expertise among labor officials at the local level; and
3. high levels of participation in local bargaining by national and international officials.

While national officials most often bring to the local organization skills unavailable at the local level, their presence also creates certain tensions. Foremost among these tensions is that national representatives are responsible for assisting many organizations and therefore cannot be fully responsive to the unique demands of local membership or particular problems of local management. As a result, national officials often react to local issues according to standard response patterns rather than according to the merits of the local situation. Another aspect of the problem may be the tendency of management to overreact to the presence of national union representatives.

It was more difficult to identify significant associations between management structure and relevant organizational outcomes. Centralization of decision-making authority improved management performance in negotiation, but it did not guarantee achievement of preferred organizational outcomes. For example, centralization of bargaining authority alone produced few net benefits for an organization’s performance. The relationship between centralization of management decision-making authority in negotiations and transit performance is probably moderated by the particular policies management pursues in negotiations and by the structure of the counterpart union organization.

**Labor-Management Relationship Patterns**

Labor-management interaction does not occur in a vacuum. Any two individuals or groups who interact on a repeated basis can be expected to develop, over time, a characteristic relationship pattern. To a certain extent, an established relationship pattern may tend to lead toward self-fulfilling prophecies, since relatively neutral or ambiguous events will be perceived as fitting the context of the prevailing pattern of relationships.

Labor leaders and managers at each organization essentially agreed on the characteristics of their relationship pattern along a conflict-cooperation continuum. The linkages between the relationship-pattern concept and performance proved to be more complex than we had originally anticipated. More cooperative relationship patterns were associated with lower personnel turnover and greater perceived ability of the public transit organization to adapt to changing conditions. Absenteeism increased as the relationship pattern became more cooperative. Although a cooperative relationship is usually considered to be the most desirable, our results do not clearly identify an optimal relationship pattern for public transit. They do suggest that some minimum level of conflict between labor and management stimulates problem-
solving behaviors and assures that the parties do not lose sight of their separate interests.

The Collective Bargaining Agreement

Our findings with respect to public transit performance and the collective bargaining agreement spanned several substantive areas, including the work rule requirements of the contract. Sweeping generalizations about the relationships of work rules to transit performance were not warranted by our results. Work-rule restrictions on scheduling and assignment of runs were associated with more efficient utilization of human resources, i.e., higher ratios of revenue-vehicle-hours to driver-hours. Conversely, provisions covering minimum hours guarantees and scheduling of days off were related to higher operating expenses.

The research uncovered striking associations between particular contract provisions and employee absenteeism. The amount of absenteeism was a direct function of the number of sick days granted to employees [4]. We also found that as wage levels improved with respect to an absolute or relative standard of living, employees were less inclined to work the full amount of their scheduled time.

Grievance procedures that employees perceived to be effectively administered by their leaders were found generally to reduce employee turnover and absenteeism. We observed during our site visits, however, that the formal grievance procedure was often poorly implemented by labor and management representatives. In some instances, labor and management officials placed a premium on their ability to handle employee grievances informally, without resorting to contractual procedures or other established organizational policies. This practice often “short circuited” the process, either by excluding lower levels of management from being involved in resolving a conflict they had perhaps helped to create, or by cutting off one of the few avenues of upward communication for lower-level employees.

Job Related Employee Attitudes

Behavioral scientists have long attempted to establish clear linkages between employees’ job-related attitudes and their work behavior. Traditionally, the focus of this effort has been on the concept of job satisfaction. Recently, there has been an increase in interest toward a related yet distinguishable type of employee attitude—commitment to the work organization. We examined the implications of each of these attitude concepts for public transit labor relations and performance.

Levels of organizational commitment among lower-level personnel were found to be generally comparable to those in other industries [5]. However, employees were generally less satisfied with their jobs than are employees in several comparative occupations.

We measured the relationships between employees’ job satisfaction and
organizational commitment, and a set of nine performance indicators we hoped would "capture" three broad areas of organizational performance: service efficiency, organizational adaptability, and employee participation (i.e., the opposite of such behaviors as turnover, absenteeism, and tardiness). Positive relationships were found in all three performance categories. Commitment, in particular, showed a consistent pattern of expected relationships with the various performance indicators [6].

We found that employees' organizational commitment co-varies with several factors that are well within the capability of public transit managers to influence, such as organizational policies and practices, the quality of supervision, and a number of extrinsic rewards (e.g., pay). Factors that appeared not to differentiate committed from uncommitted employees were the essentially "automatic" aspects of the transit operator's job, i.e., resident in the nature of the work itself, and therefore less immediately under the control of the organization. In effect, unless extraordinary measures were to be taken by management to modify the way public transit operations are conducted, these intrinsic aspects of work should not vary a great deal among different organizations. On the other hand, several of the job factors that do appear to relate directly to commitment are subject to considerable variability, from job to job, depending on the way a particular organization treats its employees. For the most part, these controllable job aspects related to the quality of supervision (both technical and interpersonal), organizational policies and practices, working conditions, promotion practices, and wages and benefits.

Wage and benefits represent the only relevant controllable factor with which the public transit employees in our study appeared relatively well-satisfied. In our analysis of job satisfaction patterns, we had found that the five other factors noted above were among the strongest sources of dissatisfaction. Clearly, there is room for improvement in areas that could have significant organizational payoffs in terms of employee commitment. And, because of the demonstrated linkage between employee commitment and organizational performance, improvements in employee commitment should improve the performance of public transit organizations.

**IMPROVING PUBLIC TRANSIT LABOR-MANAGEMENT RELATIONS**

As the preceding section illustrates, many aspects of the labor-management situation in public transit do have an impact on performance. Although our research had been initiated upon that premise, the existing literature provided little evidence, other than anecdotal. Our findings suggest reasons for optimism regarding the chances for changing public transit performance by improving labor-management relations. Clearly, the determinants or constraints that appear to influence organizational performance are largely within the control of managers and their labor counterparts.
Resolution of Interest Disputes

Among the most important of the implications of our research—implications having immediate practical utility—is that policies which reduce the incidence of strikes in public transit must be developed and implemented. In conjunction with those of other studies, our findings concerning strikes and public transit performance paint an unambiguous picture of the adverse consequences of public transit strikes. The consequences are both immediate and pervasive. Among the immediate consequences are the considerations of commuter inconvenience, decreased mobility for the transit dependent, and lowered commercial sales (due to the disincentives for shoppers as represented by increased traffic congestion and lack of convenient transit to travel to and from retail areas). There are also a number of highly significant but less visible consequences. For example, historical ridership trends demonstrate that a significant percentage of public transit patrons will use alternative means of transportation during a strike and will either return slowly to transit services after a strike or not return at all.

One of the primary reasons why the strike has not been displaced by other dispute resolution mechanisms has been the parties' distrust of the impacts of other methods on their autonomy and ability to manage their respective organizations. Our findings indicate that the availability of alternatives such as mediation, fact finding, and arbitration has little influence, positive or negative, on the effectiveness of public transit agencies. This should help to dispel some of the hesitancy of management and labor to employ these dispute resolution mechanisms.

Improving Grievance Handling

We noted earlier that labor and management efforts to handle and settle grievances informally often had several dysfunctional implications for organizational health. In the first place, circumventing the established grievance-resolution chain can exclude lower levels of management from becoming involved in the solution of problems they may well have helped create. Second, lower-level employees are cut off from one of the few established channels of upward communication. Third, in treating grievances informally, top labor and management officials might arrive at solutions that suit their interests but are at odds with the interests of the employee initiating the grievance. Finally, since the grievance process is also useful for clarifying uncertainties in the collective agreement or other areas of organizational procedure, perhaps the most serious potential abuse of the process occurs where labor and management officials allow grievances at the arbitration stage to "hang fire" rather than risk the establishment of a precedent detrimental to either side. In such a situation, the grievance process neither diminishes uncertainty nor serves as an acceptable communication channel.
While the formal grievance system may not provide the path of least resistance in settling disputes, it is incumbent on both labor and management to take the necessary measures needed to "make the system work." It appears that one key in the effectiveness of grievance administration is the competency of lower-level officials of labor and management. In the long term, it would appear to be in the best interests of both labor and management to ensure that newly elected shop stewards and newly appointed supervisors receive adequate indoctrination in the responsibilities of their office.

**Improving Supervisory Practices**

In a few organizations, it was alleged that the road supervisors saw their principal role as that of a disciplinarian. Drivers frequently said the road supervisor should be someone the driver could turn to for help, rather than someone to be avoided. We also encountered a number of instances in which access to supervisory personnel inside the operations center was tightly controlled by the use of soundproof barricades and one-way electronic public address systems.

Our subjective impressions of the sometimes adversarial relationship of operators and supervisors were reinforced by the results of the job satisfaction questionnaire. Dissatisfaction with the quality of supervision, the way company policies are put into practice, and recognition for doing work were the basic reasons the overall job-satisfaction level of transit operators was so low.

Transit management should take steps to dispel the "policeman image" of the road supervisor. These steps might include removal of some of the trappings some organizations append to road supervisors (i.e., badges, police-like automobiles), and socialization of supervisors into a helping role, rather than that of a stern disciplinarian. Other possibilities might include rotation of road supervisor duties among some of the more experienced operators, occasional orientation shifts in which junior operators are assigned to accompany a road supervisor on duty, and role reversal in which supervisory personnel periodically substitute for operators and vice versa.

**Managing Performance-Related Employee Attitudes**

The job of driving a bus provides an interesting paradox. At one and the same time, this is one of the most controlled and one of the most autonomous of blue-collar occupations. On the one hand, drivers must adhere rigorously to minute-by-minute timetables keyed to a fixed route that must be followed exactly. On the other hand, within the constraints of time and route, the operator of a bus is like the ruler of a minor kingdom. Whether intended by the organization or not, a great deal of the driver's behavior with respect to passenger relations is discretionary. A few rides on the busses of most transit properties will disclose a wide range of behavior regarding both rule enforcement and general relationships with passengers.

For these passengers, the driver is the transit organization. The network of
drivers that the organization puts out on the street constitutes the organization's public face. Ultimately, public attitudes toward the organization, and public support of the entire operation, may come to depend in large part on how well these operators represent the organization to the public.

As a closely related issue, our research disclosed a general concern expressed by drivers in many organizations that they take the brunt of the public's dissatisfaction with organizational policies, but they have no real voice in forming or revising those policies. Therefore, they are in a position of implementing and enforcing policies with which they disagree or perhaps do not understand.

Here, then, we have two sides of the same problem. The transit literature emphasizes the importance of driver attitudes on customer satisfaction. Our own research indicates that employee commitment can explain a substantial amount of variance in some of the measures of transit efficiency and effectiveness. It also shows that the extent to which operators are committed to the organization is strongly related to the level of their satisfaction with the job. Both our subjective impressions from informal interviews with drivers and the more systematic job satisfaction survey indicate that drivers enjoy their relative independence on the job, but are not satisfied with either organizational policies and practices or the amount of recognition they receive. Several drivers to whom we talked indicated their firsthand knowledge was largely a wasted organizational resource.

We began to appreciate how different the job of transit operator is, relative to many other occupations, when several drivers told us how their (nontransit) unions were sometimes slow to appreciate the unique concerns of transit operators. We believe it is incumbent on transit management to recognize, also, that the specific job-related concerns of transit operators may hold one of the keys, for better or for worse, to the organization's basic effectiveness posture.

Reducing Absenteeism

Certain technologies are particularly vulnerable to absenteeism. For example, assembly-line operations are hard hit by absenteeism, because failure to man one position on the line can disable the entire operation. Public transit systems provide another example of vulnerability. The buses must run; they all must run; and they must meet a rigid timetable.

Most larger transit organizations employ a pool of paid but unscheduled drivers, an "extraboard," to buffer the organization against the uncertainty of absenteeism. While it may be necessary to provide some "slack" for the organization in this manner, we believe it may be a particularly costly coping mechanism. In some of the larger organizations we visited, it appeared that the size of the extraboard was considered to be simply one of the facts of life, in effect, a fixed cost. In an era of shrinking budgets, reductions in absenteeism, along with concomitant reductions in the size of extraboards, appears to be a necessity.

How then should a public transit organization cope with the absenteeism
problem? Our research clearly indicates that some of the traditional remedies will probably not work. The common-sense belief about absenteeism seems to be that workers absent themselves from their jobs because they are not happy at work (or would be happier somewhere else). Our research showed, however, that job satisfaction and absenteeism were virtually unrelated. The best strategy for control of absenteeism, then, is probably not one of improving the quality of working life. There is an alternative approach, however, that we believe can help stem the high absenteeism rates that our research found. That strategy is simply: stop rewarding excess absenteeism!

Absenteeism is often treated, de facto, as a fringe benefit—a benefit that must be used or will be lost. We found absence rates to be a direct function, for example, of the number of sick days allowed. While we recognize that sick leave provisions are a matter of collective bargaining, and not subject to management’s unilateral action, it is incumbent on management to review leave provisions and to begin to take steps to bring absenteeism under control.

This suggestion will require that public transit management become more proactive in its approach to negotiations. Our site visits indicated that managers, whether in municipalities or special districts, took a passive approach to preparation for negotiations. For example, when we asked managers whether their organization presented any initial demands to the union during the most recent negotiations, there was a considerable polarity of opinion regarding the use of this procedure. A few managers believed management should always make demands at the outset, but others stated that management should never pursue this practice since it tends to begin negotiations with a conflictive tone. Our results indicate that public transit managements must risk some conflict at the outset of negotiations in order to achieve some positive results through the negotiating process.

The Collective Bargaining Process

Finally, our overall assessment of the collective agreement indicate that public transit organization policy must produce improvements in employees’ inducements/contributions ratios. Changes in policies negotiated through collective bargaining must involve more than merely buying out bad practices. Areas of apparent conflict between labor and management must increasingly be redefined as joint problems, where gains are potentially shared by both parties.

CONCLUSION

Labor-management relations will continue to be of great practical import for the efficiency and effectiveness of public transit. We began our study, which used a rigorous research design and data collection plan, with the objective of developing valid generalizations about labor-management relations in public
transit. During the research, we defined and validated a variety of useful measures of productivity, efficiency, and effectiveness. The study also identified and, in some instances, clarified the relationship of several aspects of the labor-management situation to the performance of public transit. As our discussion in the previous section indicated, these results have been useful for generating ideas for controlling the costs of public transit and improving its effectiveness. Furthermore, we demonstrated how these ends might be achieved without diminishing, but possible increasing, the benefits of the labor-management relationship for its participants—the public, management, and labor.

REFERENCES


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