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Union-Management Relations Between the Veterans Administration Hospitals in Chicago and the General Services Employee Union, Local 73

William J. Ranieri
*Loyola University Chicago*

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UNION-MANAGEMENT RELATIONS
BETWEEN
THE VETERANS ADMINISTRATION HOSPITALS IN CHICAGO
AND THE
GENERAL SERVICE EMPLOYEES UNION, LOCAL 73

by

William J. Ranieri

A Thesis Submitted to the Faculty of the Graduate School
of Loyola University in Partial Fullfillment of
the Requirements for the Degree of
Master of Industrial Relations

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1967
Mr. William J. Ranieri was born in Chicago on March 5, 1940. He graduated from St. Patrick High School in June, 1957. He received a Bachelor of Science in Humanities degree from Loyola University in June, 1961. Mr. Ranieri began his studies in the Institute of Industrial Relations on January 3, 1963.

After spending several years in the educational field as a teacher and sales consultant, he took the position of Training Director at the Veterans Administration's West Side Hospital in Chicago. This gave him the opportunity to view first hand the relationships of the Veterans Administration and the union which represented VA employees at the hospital.

In March 1967 he moved into the position of Staff Associate in the Division of Education with the American Hospital Association, a position which enabled him to observe on a national basis the union movement as it evolved in the health industry.
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CHAPTER I

INTRODUCTION

On January 17, 1962, President John F. Kennedy issued Executive Order 10988 entitled "Employee-Management Cooperation in the Federal Service." Although employee associations and unions existed for many years in the Federal Service, until the issuance of this Order "there was no clear-cut employer policy to govern officials representing employees."¹ Many agencies had written directives or policy statements regarding Employee-Management Relations but a great deal of variety existed. The Executive Order changed this situation dramatically. It has been proclaimed "the most significant policy change in the Civil Service Personnel Program since enactment of the Civil Service Act of 1883."² Perhaps the most significant aspect of the Executive Order, according to Vosloo, is that "it represents the first government-wide official employer policy on collective employee representation under which a wide variety of arrangements for cooperation and consultation prevail under a mandatory regulation."³

Since the issuance of the Executive Order there has been a great increase of union activity in the Federal Service, and in particular

³Vosloo, p. 2.
in the Veterans Administration. This increase of union activity has been met by an increase of activity on behalf of management in the Federal Service. This is also true of the three Veterans Administration Hospitals located in the Chicago area. These hospitals are located at 830 Huron Street (referred to as VA Research); 820 South Damen (referred to as VA West Side); and Hines, Illinois, a western suburb of Chicago (referred to as VA Hines). The organized employees at these three hospitals are represented by the General Service Employees Union, Local 73, a division of the Building Service Employees International Union, AFL-CIO (hereafter referred to as Local 73). This union has negotiated contracts at two of these hospitals, VA Research and VA Hines, and is formally recognized at VA West Side.

The purpose of this paper is to investigate the framework of union-management relations as practiced between Local 73 and the management of these three hospitals. I have attempted to discover the attitudes, goals, tactics, and main issues of the union and management as they interact with each other on a daily basis.

To accomplish this purpose a brief history of the Veterans Administration and the General Service Employees Union, Local 73, is presented. Included is an analysis of the background and development of both organizations. An account of the Union-Management Cooperation Program as it has evolved in the Veterans Administration since the issuance of the Executive Order is also discussed. Finally, an analysis of the policies and procedures devised by the VA to implement an effective program following the guidelines of the Executive Order is presented.
The design is basically that of a research paper. Facts were gathered and material accumulated systematically. The first step was the observation of informal union-management meetings of "get-togethers" at VA West Side. These meetings were and still are held on a monthly basis. After getting an exposure to some of the problems and general climate of relationships, the other two VA hospitals were contacted to compare situations.

Next came the process of fact gathering. Official publications, public documents, books, periodicals, and governmental reports were examined. Earlier studies were also reviewed.

Following this came a period of extensive interviews with officials who were "on the firing line." Interviews were held with the Personnel Officer, Assistant Personnel Officers and Employee Relations Officers from the three hospitals to determine their: views of the main issues; attitudes; goals; and outlook for the future. Also interviewed were union officers, committee members, and union organizers to find out their side of the story. A comparison of their positions is fully explored.

In conclusion, the contracts negotiated at VA Hines and VA Research were analyzed. The object was to find similarities in content and then to compare these contracts with one negotiated by Local 73 with a non-Federal institution in a similar area.
CHAPTER II

HISTORY OF THE VETERANS ADMINISTRATION

The idea of providing medical care or aid to disabled or needy veterans can be traced back to the early days of our country's history. In fact, the first Federal enactment in this regard was made on August 26, 1776, "in the form of a promise of pensions for persons who were wounded or disabled due to service in the Revolutionary War." The government was concerned with providing compensation or pension benefits rather than medical or hospital care.

The advent of World War I created pressure for programs to cope with the more permanent needs of the veterans of that war. The number of men inducted into the military service increased tremendously. Taking into consideration the fact that nearly five million men were inducted, the following statistics will give an idea of the enormous job that had to be undertaken to care for the country's veterans. According to Dr. Griffith:

The number of admissions to hospitals during the World War was 4,784,440. This means that certain of the servicemen underwent more than one hospitalization. The number of wounded was 224,089. The number of men discharged from the military service on account of disabilities was 251,916.

With these large numbers, Congress had to act quickly. Legislation to ease the situation was passed on October 6, 1917, by a congressional

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5 Charles M. Griffith, "The Medical and Hospital Service of the Veterans' Administration", The Military Journal, LXXIX (October, 1936), p. 3.
amendment to the War Risk Insurance Act of 1914 which provided for "veterans medical and hospital care for service-connected conditions."  

Still the work expanded and "because of the huge increase in numbers of veterans of World War I, Congress established the United States Veterans Bureau in 1921."  

The Veterans Bureau took over "all veteran activities previously administered by the Bureau of War Risk Insurance, the U. S. Public Health Service, and the Federal Board for Vocational Education."  

Several agencies were now serving similar functions for the veterans. Finally, on July 21, 1930, by Executive Order 5398, a consolidation of the agencies was accomplished. The purpose of the Executive Order was to:  

...consolidate and coordinate any hospitals and executive and administrative bureaus, agencies, or offices, especially created or concerned in the administration of laws relating to the relief and other benefits provided by law for former members of the military and naval establishments of the United States into an establishment to be known as the "Veterans Administration"...  

ORGANIZATIONAL DEVELOPMENT -  

Since its inception in 1930, four general patterns of organizational structure have developed. (See Figure 1)  

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7 Ibid.  

8 A speech written by Dr. B. A. Cockrell, M. D., Chief Medical Officer of the Veterans Administration Regional Office, Chicago, Illinois, in 1950, delivered at a public meeting in 1950, p. 2 (mimeographed).  

9 U. S. Code Annotated, Title 38, p. 6.
SCHEMATIC PRESENTATION OF EVOLUTION OF VETERANS ADMINISTRATION ORGANIZATION

Figure 1

Showing General Pattern of Relations - Minus Details

1930-1945

1945-1947

1947-1954

1954-Present

Prepared in 1956 by the Staff of the Presidents Commission on Veterans Pensions
The first Administrator, General Frank T. Hines, faced the problem of integrating all the different agencies into a single unit. He met this problem by establishing an organization with the following characteristics: (1) it was a functional organization, that is, every key executive was in charge of a particular function; (2) it was highly centralized; and (3) many regional offices and hospitals were combined. 10

This organizational structure remained intact until 1945 when General Bradley was appointed Administrator. A tremendous demand for service was created with the rapid demobilization of our troops following World War II. General Bradley began a process of decentralizing administrative operations by dividing the country into 13 branch areas, each under the jurisdiction of a Deputy Administrator who had complete responsibility for his area. 11

(See Figure 1)

The organization remained in this form until 1948 when General Gray became Administrator. He was faced with two major problems. The first was a financial problem - operating costs were increasing rapidly. According to General Gray in his annual report for the fiscal year ending June 30, 1947, "the average operating cost of VA hospitals, like those of all hospitals, increased tremendously during fiscal 1947." 12

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11 Management survey of the organization and operations of the Veterans Administration by the firm of Booze, Allen & Hamilton, April, 1952, Volume I, p. 9 (mimeographed).

The second problem was political. During this period, the first Hoover Commission was undertaking a massive study of government organization. Proposals were being submitted "to break up the VA, and distribute its function among other government agencies."\(^{13}\)

A break came when in February, 1949, the Branch Offices were discontinued "and the responsibility for field station operation was transferred to the deputy administrator in central office with commensurate responsibility for technical and functional supervision being delegated to the respective assistant administrator.\(^{14}\)

The management consultant firm of Booze, Allen & Hamilton recommended a change from a functional type of organization to a "program department type of organization which provides an effective basis for accountability... and control as well as for the decentralization of management."\(^{15}\) The plan was modified by General Gray and became known as the Gray plan. (See Figure 1) On July 22, 1953, a new Administrator, Mr. R. Higley, was appointed and he gave the Gray plan his wholehearted support.\(^{16}\)

**EMPLOYEE-MANAGEMENT COOPERATION PROGRAM**

The VA employee-management program began in 1963 when Executive Order 10988 became effective. According to the Annual Report of the Administrator in 1963:

\(^{13}\) *Dynamic Management in a Public Enterprise*, p. 25.

\(^{14}\) *Booze, Allen & Hamilton survey*, p. 12.

\(^{15}\) Ibid., p. 27.

\(^{16}\) *Dynamic Management in a Public Enterprise*, p. 27.
The new employee-management cooperation program, stemming from Executive Order 10988, was effective at the beginning of fiscal year 1963 through the application of instructions published in a new chapter for the VA Personnel Policy Manual.\textsuperscript{17}

While the VA was establishing an employee-management cooperation program following the guidelines of the Executive Order, union activity on a national level picked up in intensity. According to the 1963 Annual Report, "a total of 162 employee organization locals were recognized by management at 139 VA installations. Formal recognition was accorded to 103 locals; informal recognition was granted to 45 locals; exclusive recognition was granted to 14 locals."\textsuperscript{18} (These forms of recognition are defined in CHAPTER IV.) Local 73 looked upon these developments with great interest. Plans were set forth to organize workers at the three VA hospitals in the Chicago area. Intensive organizing campaigns were undertaken with very satisfying results. They succeeded in obtaining formal recognition first at VA Research in September, 1965; then at VA Hines in October, 1965; and finally at VA West Side in December, 1965.\textsuperscript{19} Within six months they had obtained exclusive recognition at VA Hines and VA Research.

Nationally, in the $3\frac{1}{2}$ year period from the inception of the Executive Order, membership in employee organizations rose from 25,000 to more than

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{18}Ibid.
\item \textsuperscript{19}Interview with George Smith, Business Representative, General Services Employees Union, Local 73, October 27, 1966.
\end{itemize}
\end{footnotesize}
45,000 or an increase of about 80%. Local 73's rate of growth was even more rapid, increasing from virtually no organized members in the three VA hospitals in January, 1962, to over 1300 in June, 1966.

According to the Bureau of National Affairs, by June, 1966, one of every three full-time VA employees belonged to an employee organization. This sharp increase is attributed to three causes which definitely apply to the situation in Chicago:

Intensified organizing efforts by unions which have traditionally sought members in the VA...

Authorization in December, 1963, for the withholding of dues from employees pay...

Increase in the number of separate unions, most with national or international affiliations, seeking to represent VA employees from six prior to the Order to more than double that number today.

**IMPLEMENTING THE EXECUTIVE ORDER**

As a means of implementing Executive Order 10988, the Office of Personnel in VA Central Office in Washington, D. C., conducted ten area workshops throughout the country on Employee-Management Cooperation.

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21 Interview with Frank Metzger, Business Representative, General Service Employees Union, Local 73, November 22, 1966.


24 Letter from A. H. Monk, Associate Deputy Administrator to Field Station Managers and Directors, Washington, November 19, 1962.
The Assistant Hospital Director, Personnel Officers, their Assistants and the Employee Relations Specialists from all three VA Hospitals in Chicago attended the area workshop held in Chicago in the summer of 1966. The purpose of the workshop was to "give support and backing to this entire movement; to help place the program on solid basis; to see that management reflected the positive attitude of the Administration and was familiar with the policies, regulations, and procedures of the Agencies."  

The Chicago area workshop was held over the two day period of June 7 and 8, 1962. The management officials from the three Chicago hospitals consulted with each other frequently during the course of this area workshop. None of the hospitals had as yet been contacted by any union in the area. However, all were certain that they soon would be. According to Mr. Miles Brousil, Personnel Officer of VA West Side Hospital:

We knew that other VA hospitals in other areas of the country had been organized and it was just a matter of time until our three hospitals would be approached by unions.

Since the size and locations of our hospitals were so similar, we were also certain that the same union would try to organize all three hospitals, and so we wanted to establish some common understanding among ourselves in order to better prepare for this eventuality. This we were helped to do through the information passed on to us at the workshop.  

The primary objective of the workshop according to Mr. Donald Monico, Assistant Personnel Officer, was to "help us prepare to deal effectively with employees on a collective basis under the policies and procedures

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26 Interview with Mr. Miles Brousil, Personnel Officer, VA West Side Hospital, December 6, 1966.
established for the Veterans' Administration."\textsuperscript{27} Mr. Monico outlined the workshop as follows:

After the opening remarks by Dr. Joseph Frankel, Director of VA West Side Hospital, we were given a presentation by Mr. Ralph Webster, Director of Placement and Relations Service, VA Central Office, of the background of Executive Order 10988, as well as the VA policies on Employee-Management Cooperation as determined by our Central Office in Washington, D. C.

The afternoon session included two very important topics, the Scope of Consultation and Negotiation, and Techniques of Negotiating. These were most helpful to me since I had never been involved in negotiations or collective bargaining procedures before this time.\textsuperscript{28}

Mr. Noren Dahlin, Personnel Officer, VA Hines, also found these sessions of the workshop most helpful. He explained:

It was very helpful for me to discuss the general policies and procedures of the VA in regard to Executive Order 10988. But in particular to me were the solutions presented to two very important questions that were raised during one of the discussion groups; namely, 'What should management do to prepare for its first negotiation session' and 'Who should represent management in negotiation sessions.'\textsuperscript{29}

The answer worked out to the first question by the three Chicago hospitals was that the first step in preparations should be to discuss with Department Chiefs, who departments were included in the bargaining unit, what managerial rights and procedures necessarily had to remain intact, and then to discuss what managerial procedures and issues were bargainable.\textsuperscript{30}

\textsuperscript{27} Interview with Mr. Donald Monico, Assistant Personnel Officer, VA West Side Hospital, December 6, 1966.

\textsuperscript{28} Ibid.

\textsuperscript{29} Interview with Mr. Noren Dahlin, Personnel Officer, VA Hines Hospital, December 7, 1966.

\textsuperscript{30} Ibid.
The Scope of the bargaining agreements are limited because of the fact that wages, hours of work, and fringe benefits were not bargainable issues according to Executive Order 10988. This procedure was, in fact, followed by both VA Research and VA Hines when actual negotiations began.

Regarding the second question, management officials agreed that the negotiating committee should include the Personnel Officer as the Chairman, supported by the Employee Relations Officer, Assistant Hospital Director, and a Department Chief from some area in the hospital included in the unit of recognition.

As a follow-up to these workshops VA Central Office issued many Service Letters and Personnel Circular Letters explaining questions that were raised during the process of implementation. These letters covered such topics as union "activities, recognitions, and membership estimated of employee organizations; workload impact of the program; and management and employee evaluations of VA policies for employee-management cooperation."

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31 Ibid.
32 Ibid.
CHAPTER III

HISTORY OF LOCAL 73

BACKGROUND AND DEVELOPMENT -

In June, 1941, President John McFeteridge of Local 1 of the Building Services Employees International Union thought the time was ripe to attempt to organize the clerical and non-clerical workers in the retail store business along State Street in Chicago. The man chosen to head this campaign was John Coleman; a young, aggressive, and enthusiastic member of Mr. McFeteridge's staff. The original thoughts of the leaders were to organize a labor council by getting various groups of unorganized workers together and then bringing them into Local 1. There was no intention at this time of establishing a separate union. According to Mr. Coleman "the organizing campaign went on from March, 1941, until August, 1941. At that time we had developed a few hundred members and a decision was made to petition the American Federation of Labor for a charter. The main purpose behind this move was to combat the Congress of Industrial Workers which was making great inroads at this time into similar industries." In addition, Mr. Coleman felt the "temper of the times made organizing efforts

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34 Interview with John Coleman, President, General Services Employees Union, Local 73, November 2, 1966.

35 Ibid.
conducive to our goals. There was a great forward movement to organize everyone in every industry."\textsuperscript{36}

After receiving their charter, the union decided to move into the South Side "Black Belt" area. They moved into the "retail stores, pawn shops, credit houses, hardware stores, etc., picking up storeclerks, bookkeepers, salespeople, and anyone who wanted to join."\textsuperscript{37} They also enrolled and organized elevator operators, janitors, porters, gardeners and, in fact, anyone who contributed to the upkeep of a building.\textsuperscript{38}

As a result of being in the building service industry they picked up a corollary of members who were "security guards, building service guards and watchmen, both those employed by the building itself and those employed by outside agencies such as Pinkerton, Burns and Kanes."\textsuperscript{39}

The next expansion in component membership was into the industrial production field. An industrial division was set up to organize production workers in factories operated in the Chicago area.\textsuperscript{40} They organized anyone in the factory up to the foreman. They made inroads into several factories such as Crackerjack and Pyle-National.

\textsuperscript{36} Ibid.
\textsuperscript{37} Ibid.
\textsuperscript{38} Interview with Frank Metzger, Business Representative, General Service Employees Union, Local 73, November 1, 1966.
\textsuperscript{39} Ibid.
\textsuperscript{40} Interview with Mr. John Coleman.
This remained the core of their membership until 1952. At this time they made a move into the Public Service field. An account of developments in this area is given by Mr. Irv Kurasch:

During the late 1930's and 1940's two big unions working in the public service field were the United Public Workers and the United Office and Professional Workers of America.

These were both CIO affiliates. In the early 1950's a purge took place in the CIO of allegedly Communist dominated unions. The United Public Workers was one of the unions purged. The local in this area of United Public Workers was Local 2. They had organized many of the public social agencies in this area. However, when the national was purged, many of the agencies took a position of non-recognition in dealing with Local 2. Local 2 made an attempt to go independent, but they couldn't survive.

The Local officers went to William McFeteridge for advice. He recommended that they seek affiliation with Local 73 - and they did. Mr. Coleman received them warmly and set up a new division in his organization known as the Public and Social Service Employees Division. Local 73, having this division, has had the responsibility for the organizing campaign at the three VA hospitals in Chicago.41

ORGANIZATION AND PHILOSOPHY -

Local 73 is a dynamic organization led by a dynamic individual. Mr. John Coleman was the first and only president of this union. He started it by organizing the original members and his ideas have kept it growing. Today they have a total membership of over 11,000. He has defined the jurisdiction of his union in one word - "catch-all". Their one requirement for membership is that the person be of good moral character employed in

41 Interview with Irv Kurasch, Secretary-Treasurer, General Service Employees Union, Local 73, November 9, 1966.
any employment." They are organized along the following lines: President; Vice-President; Secretary-Treasurer; Recording Secretary; and five members of the Executive Board. The term of office for all officers is three years.  

Local 73 is more than a bread-and-butter union. According to Harry Kurschenbaum, Director of Public Employees Division, "Local 73 wants to raise the standards of the working people. We are not just interested in wages and salaries but want to expand to areas beyond the job - education, social problems, and political problems." Local 73 wants to become a very large and a very important union. In my interview with Mr. Coleman regarding the union's philosophy he was quick to refer to Samuel Gompers. Mr. Coleman said, "As you know, our guiding principle is that your only strength is strength in numbers. The more members you get, the more powerful you become. We have grown rapidly and we expect to make even more substantial gains both in the VA and now in the private hospital area."

The leaders of this union consider their union to be a militant one, but in the words of Mr. Coleman "...militant with discretion. Militancy is good when used at the right time and with the right dosage." This

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42 Constitution and By-Laws of the General Service Employees Union, Local 73, B.S.E.I.U., Article III, p. 4.

43 Ibid., Article IV, p. 4.

44 Interview with Harry Kurschenbaum, Director of Public Employees Division, General Service Employees Union, Local 73, October 21, 1966.

45 Interview with Mr. John Coleman.

46 Ibid.
point was reinforced by Mr. Kurschenbaum who said of their recent campaign for hospital employees, "We will do more to stop an explosion among hospital employees than any other group of people or organization. However, we will not back off from a fight. We do not want to be irresponsible, but if we must we will strike." 47

**THE ORGANIZING CAMPAIGN IN THE VA**

Local 73 began to think very seriously about an organizing campaign at the three VA hospitals in Chicago in the fall of 1964. There were several reasons in favor of an organizing campaign. According to Mr. Metzger:

> We knew that the guidelines of Executive Order 10988 had been actually implemented by the Veterans Administration. Other locals of B.S.E.I.U. had organized VA hospitals in Rhode Island, New York, and Pennsylvania. So we knew that VA hospitals could be tapped. Secondly, several inquiries were received from employees at all three of the Chicago hospitals expressing a desire to join our union. 48

Several staff meetings were held to discuss and plan an organizing campaign. Mr. Harry Kurschenbaum was the Director of the Public Employees Division of Local 73 and was given the responsibility to oversee the campaign. The first contact was made at VA Research on March 4, 1965, when Mr. Kurschenbaum, Mr. Kurasch, Mr. Coleman and Mr. Harrison paid a visit to the Personnel Officer who at that time was Mr. Velmon E. Autry. A report of this first meeting was filed by Mr. Autry and reads as follows:

47 Interview with Mr. Harry Kurschenbaum.

48 Interview with Frank Metzger.
On Thursday, March 4, 1965, we were contacted by Mr. John Coleman, Mr. Irv Kurasch, Mr. Harry Kurschenbaum, and Mr. Pete Harrison of the Building Service Employees International Union that wanted to establish union recognition in this hospital. Mr. Autry and Mr. Dimicoff discussed the rules and regulations under which Employee-Management Cooperation is run and made arrangements for their organizer, Mr. Pete Harrison, to have space in the 4th floor Canteen and the 6th floor Personnel Dining Room for dispensing literature and membership applications. This would be restricted to the period between 12 Noon and 12:30 P.M. each day for the remainder of the month beginning March 8, 1965. The Representatives stated that they had very few members at this time, but were going to make a concerted effort to recruit employees in our Housekeeping Division, Dietetic Service, Nursing Service, and Engineering Division. 49

The same representatives visited the other two VA hospitals during the next few weeks and received similar responses from the Personnel Officers.

Prior to March 8, representatives of Local 73 talked individually with several employees of VA Research Hospital.

On March 8, the organizing campaign began at VA Research. Mr. Harrison arrived in mid-morning and began to set up card tables by the cafeteria.

The following account is given by Mr. Smith:

People were inquisitive but conservative. We tried to meet as many people as possible and talk to key people that we wanted on our side. A few employees who already were members helped us distribute literature.

Our main concern was to convince the employees that we could really do something for them. We told those who inquired that we could represent them at grievances, at hearings, and on wage surveys. We also told prospective members that there would be no dues, fees or assessments until we received formal recognition. 50


50 Interview with George Smith, Business Representative, General Service Employees Union, November 1, 1966.
Local 73 received formal recognition in September, 1965, at VA Research; October, 1965, at VA Hines; and December, 1965, at VA West Side. Exclusive recognition was received shortly thereafter at VA Hines and VA Research and negotiations were begun at these two hospitals in February, 1966.

RECENT DEVELOPMENTS -

As has been indicated earlier, Local 73 has had a great deal of success in organizing the VA hospitals in the Chicago area since the issuance of the Executive Order. Partly because of this success and partly because recent developments have indicated the atmosphere is right, Local 73 had launched a new and aggressive campaign in the hospital field. Mr. Coleman has said that "this will be the biggest organizing campaign since the Steelworkers, only I think we have much more going for us."51 A new first in this organizing campaign is the fact that Local 73 has entered into a joint relationship with Teamsters Local 743 to organize the hospital employees in the greater Chicago area. The potential membership is over 40,000 employees.52

With the accounts given of the Veterans Administration and Local 73, I would like to turn now to a discussion of the rules and regulations established by the Veterans Administration which set forth the areas in which both local management and union can interact.

51Interview with Mr. John Coleman.
CHAPTER IV

PROCEDURES FOR DEALING WITH EMPLOYEE ORGANIZATIONS

The basic policies and procedures for dealing with Employee Organizations was established in a new chapter of the Veterans Administration's Management Personnel Series, a manual of policies and procedures written by VA Central Office. In addition to the issuance of this chapter the VA made its position known to the Employee Organizations in another manner. Speaking at the National Convention of the American Federation of Government Employees soon after the Executive Order was made effective, Mr. Willis O. Underwood, Assistant Administrator for Personnel stated:

We believe our personnel are responsible, dedicated, and reliable people with integrity. We believe the organizations they form will also be responsible, dedicated, and reliable.

We do not plan to take the initiative in helping organize any unions. This is your job. It is healthier that your own organization grow from your own strength, through your own efforts, so they will truly reflect your interests, desires and needs. But, once you are organized and recognized, we are interested in working with you for the benefit of the employees, the Agency, those we serve, and the public at large...

If we are to work together to successfully accomplish a mission, it is necessary every place, that our own individual activities, fit into a larger, overall pattern whether or not we fully understand and concur.53

The pattern set then was of working together in a common effort to accomplish a common goal. The main feature of the agency's policy was decentralization. In a letter to all field stations Mr. Underwood said,

"In the VA, it is our firm conviction that local problems are best handled where they begin -- at the local level...If every little issue is referred to higher management or higher union levels, how are the local negotiators going to gain any experience and become mature in conducting their own affairs."

With the atmosphere set at the top levels the VA began the task of boning up the local stations so that they would, in fact, gain experience and become mature in conducting their own affairs. The new chapter, Chapter 20, of the VA Management Personnel Series set forth the policies and procedures to be followed by each local station in dealing with employee organizations. Chapter 20 begins by setting forth three very important definitions which are quoted here:

**Employee Organization** - Any lawful association...having as a primary purpose the improvement of working conditions among Federal employees, or any...union whose membership includes...VA employees.

**Unit** - A grouping of employees for purposes of representation in collective dealings with management.

**Supervisor** - An employee who performs a preponderance of the following duties:

1. Assigns and schedules work for employees reporting to him.
2. Initiates requests for filling vacancies.
3. Participates in the selection of employees.
4. Recommends...status changes or recognition...of assigned personnel.

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(5) Initiates classification actions.
(6) Checks attendance and approved leave...
(7) Receives complaints and grievances.
(8) Holds corrective interviews...
(9) Conducts informal training...
(10) Keeps subordinates informed...of management's...
    programs.
(11) Participates in setting performance standards...

**TYPES OF RECOGNITION**

Having these definitions established the next important phase for our purposes is the explanation of the forms of recognition. The three types of recognition a local station may grant are formal, informal, or exclusive. Informal recognition may be granted to any employee organization that represents VA employees at the local station.\(^{56}\) Formal recognition may be granted when the employee organization has met three conditions: (1) The employee organization requests, in writing, for a specified unit; (2) They have 10% of the membership in the Union; and (3) no other organization has exclusive recognition for that unit.\(^{57}\)

Once the union has received formal recognition they are entitled to bring matters pertaining to their employees to the attention of management. The union at this time can represent only their own members and management need not take action on the union's recommendation.

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\(^{55}\) VA Personnel Policy Manual, MP 5, Chapter 20, pp. 3-4.
\(^{56}\) Ibid., p. 9.
\(^{57}\) Ibid., pp. 9-10.
In addition, management must consult with unions achieving formal recognition anytime new personnel policies such as promotion plans or hours of sick leave are going to be installed. The only requirement on the part of management is that they consult with the union but they do not have to follow the union's recommendations. In addition, most hospitals that have a formally recognized union have made arrangements to meet with the union on a regular basis. This is done by VA West Side Hospital on a monthly basis with the understanding that management can discontinue this schedule at any time. Normally a unit of recognition will be a field station, but smaller units may be determined with the approval of the station head. To be granted exclusive recognition, an organization must meet all the requirements for formal recognition and, in addition, must "submit evidence that a majority of the eligible employees in the unit belong to the organization or have indicated in writing that they desire to be represented by the organization."

In granting exclusive recognition, appropriate units may be established on any basis "which will insure a clear and identifiable community of interest among the employees concerned and will permit the development of stable and constructive employee-management relations based on negotiated agreements."

This determination can be made by the Director of the station with a right of appeal, on the part of the employee organization, to the VA and then to the Department of Labor.

58 Ibid., p. 11.
59 Ibid., p. 11.
60 Ibid., p. 12.
Only when an employee organization is granted exclusive recognition does it become entitled to "negotiate agreements covering all employees in the unit." In addition, the employee organization becomes entitled to the following rights:

1. Execute basic and supplementary written agreements.
2. Negotiate appropriate techniques...to assist in reaching agreements.
3. Negotiate any questions arising from the agreement.
4. Meet and confer, at reasonable times, with respect to personnel policy and practices and matters affecting working conditions.
5. Be represented at discussions between management and employees...concerning grievances, personnel policies and practices, or other matters affecting general working conditions of employees in the unit.
6. Be present throughout a grievance hearing as an observer in the event the employee does not choose to have the employee organization represent him.

AGREEMENTS UNDER EXCLUSIVE RECOGNITION -

Once exclusive recognition has been granted, the basis for negotiating an agreement has been set. The VA is very definite in what may or may not be included in a basic agreement. The guidelines established by the VA must

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61 Ibid., p. 15.
62 Ibid., pp. 15-16.
be followed in every local situation and, in fact, an agreement negotiated
on a local level does not become effective until it has been reviewed and
approved by the office of the Assistant Administrator for Personnel in
Washington. 63 Each basic agreement must contain the following material:

(1) A statement identifying the parties to the
    agreement;

(2) The authority for making the agreement;

(3) Specific definition of the unit covered;

(4) Purpose of the agreement;

(5) General subject areas for negotiation;

(6) Procedures for negotiating issues arising under
    the agreement;

(7) Extent and duration of the agreement;

(8) A method for resolving disputes;

(9) A statement that final approval rests in Central
    Office;

(10) A statement terminating the agreement if exclusive
    recognition is withdrawn; and

(11) A stipulation that the organization will not
    strike against the government or advocate its
    overthrow. 64

In addition, the following two paragraphs must be part of every basic
agreement:

63 Ibd., p. 20
64 Ibd., pp. 17-18.
(a) In the administration of matters covered by this agreement, officials and employees are governed by the provisions of any existing or future laws and regulations, including policies set forth in the Federal Personnel Manual, VA Personnel Manual MP-5, and published department policies, which may be applicable, and the agreement shall at all times be applied subject to such laws, regulations and policies.

(b) Nothing in this agreement shall restrict the VA in exercising the right, in accordance with applicable laws and regulations, to (1) direct employees of the VA, (2) employ, promote, transfer, assign, and retain employees in positions within the VA, and to suspend, demote, remove, or take other disciplinary action against employees; (3) relieve employees from duties because of lack of work or for other legitimate reasons, (4) maintain the efficiency of the Government operations entrusted to the VA, (5) determine the methods, means and personnel by which such operations are to be conducted, and (6) take whatever actions may be necessary to carry out the mission of the VA in situations of emergency. 65

Management at the two hospitals made this information known to Local 73 as soon as the Local informed them of their intention to come to the bargaining table. Both hospitals again pointed this out when they had their first meetings with Local 73 in February, 1966.

The unions were cognizant of these regulations but questioned the intent of the Local management. According to Mr. Metzger:

We felt both hospitals approached negotiations with two ideas fixed in their mind; namely, that there was to be no deviation from the Manual and that the only existing authority that had a right to question the Manual was the Civil Service Commission or VA Central Office. We felt there was much material in those manuals open to interpretation and that both hospitals were taking too restrictive a view. 66

The unions did not press this beyond the point of letting their feelings be known. Also, at the first meeting at VA Research they agreed

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65 Ibid., pp. 18-19.
66 Interview with Frank Metzger.
to meet twice a week for two hours. Similar conditions were arranged at VA Hines.

The basic agreement left little to the initiative of those on the local level and was reached at both hospitals within a month. Supplementary agreements, on the other hand, concern themselves with specific situations and took nearly four months for the Union to reach an agreement with both hospitals. Since this is the situation, I have studied the supplementary contracts negotiated at VA Research and VA Hines.
CHAPTER V

COMPARISON OF CONTRACTS

With the problems, policies, and goals of the VA hospitals so alike, it is not surprising to find many similarities in the negotiated contracts, even though both hospitals bargained separately. According to both parties, the major articles in each contract were the following: Grievance procedure; Seniority; Union-Hospital Relationships; Tours of Duty; Wage Surveys; and the Promotion Plan. Both contracts are compared with a contract negotiated in a similar industry, but with a non-Federal institution. I have selected a contract negotiated between Local 73 and the Joint Personnel Committee of the following agencies: Jewish Family and Community Service; Jewish Children's Bureau of Chicago; Jewish Community Centers of Chicago; and Jewish Vocation Service and Employment Center. (For the sake of convenience, I shall refer to this contract as the JPC contract.) Local 73 has exclusive recognition at all four of these agencies. For the purposes of efficiency and economy, the agencies formed a Joint Personnel Committee to carry on negotiations with Local 73. They are similar to the VA hospitals in that they are all non-profit organizations servicing a segment of the public -- those who are in need. Both organizations are on a 24-hour day basis; the eight-hour day and five-day week is not the rule. Employees range in background from very highly skilled and educated to very low skilled and non-educated. The Jewish Agencies are non-Federal and autonomous. They are not restricted by Federal Law or Executive Order or a Central Office.
when they deal with Local 73. This has caused substantial differences to appear in their contract as compared with the VA contracts.

GRIEVANCE PROCEDURE -

The grievance procedure established at Hines is as follows:

Step 1 - The employee will take up his grievance individually with his immediate supervisor.

Step 2 - If the grievance is unresolved, the employee and union steward will discuss the matter with the supervisor involved and a designated section chief.

Step 3 - If unresolved within seven days, then the employee, union steward, and chief steward will discuss the matter with the division chief or his designee and the two supervisors involved in Step 2.

Step 4 - If the grievance is still unresolved seven days after Step 3, the grievance will be discussed between the Union Representative and the Personnel Officer. They will refer the matter back to the Division or Service Chief for reconsideration and for the issuance of a written decision within seven days. If still unresolved, the employee can request a formal hearing under VA procedures, or request advisory arbitration under the alternate grievance procedure negotiated in the contract.

Step 5 - At this point a final attempt is made to resolve the problem through a meeting of the employee, union representative, steward and appropriate chief steward with the Personnel Officer and the supervisory officials involved.

Step 6 - If this meeting fails to produce a solution, then a hearing is held according to VA procedure; or the grievance may go to arbitration.
The arbitrator is selected by the union representative and the Personnel Officer within five days. The arbitrator's decision must be within the realm of Federal Law and Executive Order 10988 and is subject to reversal by VA Central Office.

The grievance procedure negotiated at VA Research is the same as that outlined above for VA Hines. The only difference is that in Step 4 at VE Research only the Personnel officer and the Union Representative are involved and if no solution is reached, the grievance goes on to the next step instead of being referred back to the Division involved.

The grievance procedure is detailed in Article V of the JPC contract. Fundamentally, the procedure is similar to that negotiated at the VA hospitals. The particulars negotiated with the Joint Personnel Committee are as follows:

The employee first goes to the immediate supervisor involved to try to settle the grievance. If not settled within five working days, the employee or his representative may present the grievance in writing to the Executive Director or designee. If the grievance is not settled within ten working days, it may be referred by either party to an impartial arbitrator for settlement. This request must be made within the ten working days period or within twenty working days after receiving the decision of the Executive Director. The arbitrator's decision is final and binding.

The arbitrator may be selected by agreement between the attorney for the Joint Personnel Committee and the President of the Union. In selecting the arbitrator either party may submit a letter to the Federal Mediation and Conciliation Service for a list of five arbitrators. The union will
have the first choice in eliminating two of the names. The Agency then has the choice of eliminating two of the remaining three and the last name remaining will be selected. Expenses will be shared equally.

This section also stipulates that grievances on evaluation, promotion within the unit, or dismissal based upon evaluation shall not be subject to arbitration. Employees of the Veterans Administration do have a right to appeal decision in these areas. However, the employees' right to a hearing is not based on any agreement in the negotiated contracts, but on policies passed by Congress, interpreted by the Civil Service Commission, and implemented by the Veterans' Administration. The union at no time entered into negotiations with either VA hospital to discuss the procedures for a hearing on adverse actions.

The most significant difference between the JPC grievance procedure and the procedure negotiated by the two VA hospitals is the fact that the arbitrator's decision at JPC is final and binding, while at the VA hospitals the arbitrator's decision is really subject to review by VA Central Office.

SENIORITY -

Both VA contracts have provisions for a seniority system. The provision at VA Hines contains more details than VA Research. Both base an employee's seniority on his service computation date. This date is not necessarily the date the employee began working for the Veterans Administration. It can take into account military service or previous service in any Federal Agency.

In addition, both contracts provide that the hospitals maintain a seniority list on a quarterly basis. These are the only provisions in this article at VA Research hospital. This article at Hines further provides
that seniority will be used in determining vacation schedules; selecting employees for overtime work; and selecting employees for holiday work. These three provisions, though not included under the seniority article in the VA Research contract, are covered in separate articles. Therefore, there is no significant difference between the two contracts regarding what seniority is based upon and what circumstances it shall be used for.

The seniority issue is discussed in Article IV at JPC. It provides that the union be given at least twenty working days notice to any action involving "retrenchment, reorganization, or contraction of any Agency program involving general lay-offs or discharges." In such cases, seniority is to be a determining factor in selecting employees to be retained. Any employee who is laid off under such conditions has the right to be recalled up to one year following the lay-off.

The JPC contract differs from the two VA contracts regarding the areas of emphasis on seniority. The JPC contract is concerned with job security and provides for dealing with lay-offs or discharges, while both VA contracts emphasize seniority in relation to work schedules, holiday schedules and the like. This is probably because seniority provisions in the Federal Service as regulated by the Civil Service Commission encompass the areas of job security.

UNION-HOSPITAL RELATIONS

Both VA contracts deal in great detail with the general area of Union-
Hospital Relationships. Both articles contain provisions for the union to obtain: space on bulletin boards; office space to conduct Local 73 business; persons for distribution of literature and placement of announcements in the hospital papers. Distribution of literature is allowed outside of regular working hours and announcements in the hospital paper are limited to $\frac{1}{2}$ page at VA Hines and 1 page at VA Research, both with the approval of the Personnel Officer. This article in both contracts also provides that all employees covered by the agreement will receive a copy of the written agreement. It further provides that the union representative, upon the approval of the Personnel Officer, can discuss with employees questions regarding work status and on-the-job problems or grievances.

One provision at VA Hines not mentioned at Research in this article is that written draft copies of proposed personnel policies will be furnished the union and they will have an opportunity to reply within 14 days.

The article on Union-Hospital Relations at VA Research provides that the union will furnish a list of its stewards or committeemen to the union, and states the number allowed. This same provision is contained in the contract at VA Hines but under a separate article.

The first three articles of the JPC contract set the tone of union-management relations.

Article I deals with the bargaining unit and includes all employees except those specifically eliminated. This includes all Directors, their assistants, their secretaries, and supervisory personnel. The bargaining unit "is not based on any precise technical definition or tradition in
collective bargaining, but as a compromise between the parties."68 The 
bargaining unit is to remain intact. Those employees in positions included 
in the unit will remain in the unit and those excluded will remain so. In 
cases where new positions are created or existing positions are reclassified 
the matter of inclusion will be negotiated between the two parties. If 
agreement is not reached the matter will be submitted to arbitration. In 
the VA if a similar situation exists, final approval rests with VA Central 
Office and there is no provision for arbitration.

Article II deals with areas important to the permanency of union 
membership. This section contains provisions for payroll deduction for 
union fees, dues and assessments. It also authorizes payroll deductions 
for Local 73's Credit Union, Union Health Service medical center, hospital-
ization, individual life insurance, and a retirement plan. Provisions are 
made to limit union activity during working hours except for authorized 
conferences with Agency officials. There is also a no-strike agreement on 
the part of the union and a no-lockout agreement by the Agencies. There 
are no similar issues discussed in the VA contracts, but similar provisions 
do exist as part of VA policy on a national level. They are outside of 
the areas provided in the Executive Order and are subject to the approval 
of Congress.

Article III of the contract deals with the Agencies' rights to deter-
mine the scope and character of their functions. The contract in no way 
limits the Agencies in determining the expansion or contraction of services

68 Ibid., p. 2.
or activities. Similar provisions exist at both hospitals as part of the basic agreement as mentioned in Chapter Four.

TOURS OF DUTY -

As in other areas the amount of similarity in this article is substantial in the VA contracts. Both provide that the work week where possible shall consist of five consecutive days with two consecutive days off. Hines' contract specifies that changes in schedules should reach the employee two weeks prior to the effective date, except in emergency situations. This same provision is contained at Research except that Local 73 will be notified and does not mention the employee specifically. In addition, each contract provides that management will attempt not to schedule any employee to return to work less than 34 hours after completing his weekly tour of duty. However, employees directly involved in the care and treatment of patients are excluded.

Two provisions in this article at VA Research are not found at VA Hines. One section states that overtime shall be distributed as equally as possible and a record is to be maintained by management and made available by a Local 73 steward. This provision is not contained at VA Hines. A second section of this article at VA Research provides for clean up time and time at the end of the tour of duty to change uniforms. This same provision is contained as a separate article in the contract at VA Hines.

Article VII at JPC deals with the following areas: hours of work; description of work assignments; and fringe benefits. The contract with the four Jewish agencies stipulates the number of hours per week to be worked by the employees. Generally, the work week is 38 1/2 hours with certain
exceptions for some types of work at several of the Agencies. The important fact is that the hours of work are negotiated between the Agencies and Local 73. This is definitely not the case in the Veterans Administration since the hours of work are determined by Congress. The contract contains a provision for overtime. The principle of compensatory time is approved. The employee should take his compensatory time off for overtime as soon as possible after the overtime is worked. If compensatory time is not approved within forty-five days after the overtime is worked, then "the overtime shall be compensated as straight-time rates of pay." 69

Also included in this section is a provision for a six-month probationary period for professional and program staff, and a sixty-day probationary period for all other employees. Both may be extended up to six months if more time for evaluation is necessary. The evaluation process is a continuing one in which both supervisors and employees participate. The evaluation is prepared after the probationary period and at least annually thereafter. The evaluation is discussed by the worker and his supervisor before being submitted to the Executive Director.

WAGE SURVEYS -

The subject issue was of prime concern to officials at both hospitals. As in the other cases, the provisions in both contracts were very similar. The contract at Hines stipulates that the Hospital must notify the Union within three working days after receiving information regarding the tentative

69 Ibid., p. 6.
and actual starting date of a full scale survey or a wage change survey ordered by VA Central Office. The VA Research contract has the same provision except the Hospital must notify the Union at least thirty days before the tentative or actual starting date. Both contracts provide that a list of firms to be surveyed shall be furnished to Local 73 and then the Hospital and Local 73 will meet to agree on recommendations for additions or deletions. Final approval of the list rests with Central Office or the host station. Union and Management then will meet to select Data Collectors. Final approval of the Data Collectors rests with the Director of the Hospital, and he must select from among those best qualified. Copies of the Wage Survey summaries are to be given to Local 73 when they are received by the Hospitals. Up to this point the two articles are practically the same. However, there is one provision in the VA Research contract not mentioned in the Hines contract. This provides that Local 73 can request full scale and wage change surveys when significant industry wage raises have taken place in the area. However, they may not submit more than one request during the contract year.

Article VIII in the contract with the four Jewish Agencies covers salaries and contains salary charts for all the occupations covered in the unit; their minimum and maximum rates and the percent of raise to be granted each year. The contract provides that "every employee shall receive a salary increase on January 1st or July 1st of each year depending upon anniversary date..." No similar provisions are included in the VA contracts.

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70 Ibid., p. 16.
PROMOTION PLAN -

Both VA contracts state that promotions will be based on Hospital policy. Job vacancies are to be posted on bulletin boards for not less than five days and a copy of each posting is to be given to Local 73. The rating point schedules agreed upon are exactly the same and are distributed in the following manner:

60 points for meeting the required qualifications
20 points for experience or education above the minimum
15 points for supervisory evaluation
5 points for employee recognition awards

Hines' contract provides that notification of selections made are to be posted on the bulletin boards with a copy furnished to Local 73. The VA Research contract specifies that the Union be informed of final selection, but no mention is made of posting selections on bulletin boards. The Research contract does contain in this article a provision that reductions in force should be carried out through normal attrition wherever possible. This provision is stated as a separate article in the contract at Hines.

While both VA contracts have clauses for promotion with formulas for decisions, no such policy is contained in the contract with the Jewish agencies. Their contract does contain a clause covering promotions, but only requires that Agencies post vacancies within five working days from the time they are informed of the vacancy. It further provides that if a vacancy is filled without first being posted, the position must be vacated for two weeks pending notification of all employees.

The JPC contract also provides for non-discriminatory practices under Article VI. Article VI provides that there shall be no discriminating of
an employee because of union membership or activity or because of sex, marital status, race, color, or creed. There is, however, a statement that "recognition shall be given to the sectarian nature of the Agencies and to the fact that religious or cultural background or education may be a qualification for a given position."71 A non-discrimination clause is contained in the basic agreements of both VA hospitals (See CHAPTER IV).

Other articles contained in both contracts but of less importance than those mentioned above deal with rest periods, union leave for union meetings, union representation on the Hospital Safety Committee and union representation of the Employee Hearing Panel.

It is readily apparent that very little difference exists between the contracts negotiated at the VA hospitals. Although some provisions are more detailed in one contract than the other, both documents are basically the same. Conspicuously missing in both contracts is any mention of wages, hours of the work week and other significant provisions governing working conditions.

On the other hand, fringe benefits negotiated between the Union and the Jewish Agencies cover the following areas: vacations; holidays, leaves of absence; job expenses; health examinations; medical service and insurance; and workman's compensation. Although employees at the three VA hospitals in Chicago receive benefits in similar areas, none are subject to the bargaining process between union and management. They are all received through passage of federal legislation.

71 Ibid., p. 5.
The Jewish Agencies also accept the principle of severance pay for workers affected by a reduction of activities or a reduction of staff. To be eligible for severance pay the worker must have been employed for at least one year. The schedule allows one week severance pay for each year of service, plus one additional week, the total not to exceed ten weeks' pay. For example, an employee with three years of service would be entitled to four weeks severance pay.

In conclusion, it is evident that substantial differences exist between the contract negotiated in a private agency with that negotiated in the Federal agencies. Issues which are basic provisions in the private contracts are in many cases not even mentioned in the VA contracts. The JPC contract sets the terms and conditions of employment for the individuals it covers. The VA contracts do not. The wage rates, hours of work, overtime rates, and vacation schedules are negotiated in the JPC contract. They are not negotiated in either VA contract. Union security is negotiated in the JPC contract, while it is obtained from Executive Order 10988 in the VA. Individual security is a negotiable issue in the JPC contract but not in the VA contract. While VA employees have similar benefits, they were not in any way determined at the bargaining table. The terms and conditions of employment for VA employees is strictly up to the Congress and the President of the United States.
CHAPTER VI

A VIEW OF THE WORKING RELATIONSHIPS

I would like to turn now to an analysis of the working relationships between both parties at the local stations. A number of interviews were held with officials of the three hospitals responsible for dealing with the union. These include the Personnel Officers, the Assistant Personnel Officers and the Employee Relations Officers. In addition, I spoke with the union representatives, the Chief Stewards, and members of the bargaining committee from Local 73. The results of these interviews are discussed below.

MAIN ISSUES -

My first problem was to ascertain what each side considered to be the most important topic of discussion. I wanted to discover the issue that seemed to be of prime concern to each party when they met and discussed matters with each other.

Seven of the nine members from management felt that the topic discussed most frequently and the one which was the most difficult to resolve was that of wages. Although the union does not have the right to bargain over wages in their negotiations, the members of management still felt this was the most important issue. They felt the union has a definite policy in this regard and their methods were discussed by Mr. Samuel Hill, Personnel Officer, VA Research. According to Mr. Hill:

The union has used two distinct approaches in an effort to get more money for its members. They first seek to raise the grade
levels in which the employees are classified. Most of the union members are hourly employees. They are to be paid a wage equivalent to wages paid in private industry for similar jobs. These wages are determined by a wage survey held every three years to insure comparability. The union is trying to become actively involved in these surveys by making suggestions as to which firms are to be included in the survey.72

Other issues in order of importance to the members of management were job classification, hours and shifts of employees and working conditions. The two areas considered to be of least importance as far as problems were concerned were promotions and the grievance procedure. No hospital has, as yet, gone through a formal grievance procedure.

The union officials interviewed were in agreement with management regarding the least important issue - grievances. However, of the fifteen union people interviewed, twelve thought that working conditions were the most important of the topics discussed. One union steward explained what he meant by "working conditions". He referred to a problem at VA Research dealing with the cleaning of ice machines by the Practical Nurses.

The machines are located on each floor but in small rooms just off the main corridors. The LPN's felt the task of cleaning the ice machines should be given to the Housekeeping Division. They felt they were being put into awkward positions because they wear short dresses and their bending over caused them embarrassment and many were self conscious. While management did not give in on reassigning the job, they agreed to move the ice machines to a different position so that the door could be closed while the machines were being cleaned. The issue is still unresolved but at least we made management aware of a problem and caused them to take some action.73

72 Interview with Mr. Samuel Hill, Personnel Officer, VA Research Hospital, December 7, 1966.

73 Interview with a Union Steward from VA Research who asked to remain anonymous, December 15, 1966.
Some comments expressed by union stewards were: "We want to achieve justice on the job." "We want to be treated as human beings." "Our supervisors are finally learning to respect us -- in fact, they're even a little afraid of us."

ATTITUDES -

All members of management felt that cooperation between union and management was either the same or slightly improved. Members of the union had the same response. Typical responses were: "At this point we are beginning to understand each other." "There are areas where the union has been cooperative, for example, on the U. S. Savings Bond drive and the Crusade of Mercy." No significant differences existed on either side at the three hospitals regarding the progress or lack of it in cooperation.

The union was stronger in expressing their position. Mr. George Smith, a union representative, states that management's attitude was "disgusting; they have not accepted the spirit of the Executive Order. They want to treat us as an outside party and act as though they would rather deal with the employees instead of the union."

Divergent opinions also existed between management and the union regarding management's authority to make decisions dealing with local problems. Basically management at the three hospitals felt they had enough authority to solve issues that pertained to the local situation. They felt that the Executive Order gave each local station the right to determine

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74 Interview with Mr. George Smith, Union Representative, December 9, 1966.
problems subject to local perogative. The problem of authority in decision making comes from interpretation of the Executive Order. Management feels the union wants to talk about things beyond the scope of the Executive Order. These topics are not in the realm of authority of the local station. They should not be talked about. If the union would stick to problems permitted in the Executive Order, management feels they would be able to make final decisions without any hesitancy.

The union, on the other hand, feels that in dealing with local management they are hamstrung because local management has, according to Mr. Smith, "been delegated responsibility without corresponding authority." Mr. Harry Kurschenbaum elaborated on this point. He states, "Washington has to relinquish more and more of their power. We think Division Chiefs must give up more power to the Personnel Department. In any classic bargaining situation, Division Chiefs or Department heads don't have equal status with Personnel in regard to labor relations. The management representatives have a final say-so in industry which is definitely lacking at the three hospitals." 

The positions stated above by management and union representatives are, perhaps, brought into greater focus when consideration is given to the fact that Local 73 is a militant union. This fact is quickly mentioned by management officials and readily adhered to by union officials. All management

75 Ibid., December 9, 1966.

76 Interview with Mr. Harry Kurschenbaum, Director of Public Employees Division, Local 73, December 9, 1966.
officials agreed that the union was very militant. The reason for this militancy according to management officials, is that Local 73 is basically an industrial type union and does not know, and refuses to learn, how to operate in a bureaucratic area.

Local 73 readily admits to a militant attitude but claims it is caused by the constant frustration they are faced with in their dealings with management. They feel the management officials are "hiding behind the manuals" and sticking strictly to the letter of the law in areas where there is much room to bend.

BARGAINING STRATEGY -

The Executive Order quite clearly extended the process of collective bargaining to Federal employees. This was a new phenomenon for the management of the three VA hospitals here in Chicago. Although Local 73 was well experienced in collective bargaining in private industry, it, too, was entering a new phase in the federal area. The attitudes and approaches used by both sides is quite interesting. I think management's position is best expressed by one of the Assistant Personnel Officers who asked to remain anonymous. He said:

This was certainly a new experience for us, and quite frankly, I don't think we were properly prepared. The first time we met we used the wrong techniques. In our case, they made their propositions and we didn't advise them of our counter-proposals. We went straight to the bargaining table. We should have made counter-proposals, then we would have been either in or out of a contract zone.

Another problem we encountered came up while we were involved with the actual negotiations. We would agree to an item on
principle, but we didn't initial it and shelve it. Consequently, we renegotiated some items three or four times.\textsuperscript{77}

This last problem was encountered at both hospitals according to management officials. One went so far as to recommend the use of a tape recorder but he noted that the union opposed vigorously.

The union has found itself in an area of learning, also. According to Frank Metzger, Union Representative:

The bargaining strategy is different in government than it is in private industry. In private concerns we're dealing with professionals. It's a matter of economic strength dealing with economic strength. Horse trading is possible.

Another important factor is that we both realize the other side has to exist -- there is no way one side can get rid of the other side. This feeling seems to be definitely lacking in the government. There is a real job of education to be done here. I enter the bargaining sessions feeling as though I were entering a class in labor relations with myself as the teacher.\textsuperscript{78}

Another union official who has taken part in contract negotiations at both hospitals also felt the problems faced in government were quite different than those met in the private sector. In particular, he was concerned with the intent of management. In his opinion the union was looked upon as a necessary evil -- something with which management had to deal but not necessarily in good faith.\textsuperscript{79} Mr. George Smith carried this feeling a step

\textsuperscript{77}Interview with an Assistant Personnel Officer from one of the hospitals who asked to remain anonymous, December 15, 1966.

\textsuperscript{78}Interview with Frank Metzger, Union Business Representative, December 12, 1966.

\textsuperscript{79}Interview with a Union Steward who asked to remain anonymous, December 10, 1966.
further by saying that "when a company has taken an arbitrary position the union would ultimately be in a position to shut them down. This was lacking in the Federal Service, thereby causing great difficulty in being able to pin down positions of the members of management."

The actual bargaining sessions began in February, 1966, -- first at VA Research, then at VA Hines. The union met with officials at VA Research on Mondays and Wednesdays and with officials of VA Hines on Tuesdays and Thursdays. The union was represented by Mr. Irv Kurasch, Mr. Harry Kurschenbaum, Mr. George Smith, and a Local bargaining committee from both hospitals. The bargaining committee at VA Research consisted of the following employees; Mr. Normal Dorsey, Mr. Paul Gonzalez, Mr. Joe Lance, Mr. Nason Nall, Mrs. Dolores Robinson, and Mr. Joe Showers. The bargaining committee at VA Hines included; Mrs. Bobbie McClain, Mr. Edward Rylko, Miss Vera McMurtry, Mr. Richard Hodge, Miss Elsie Bradley, and Mr. Tecumseh Garrett. Management representatives from both hospitals included the Assistant Hospital Director, the Personnel Officer, the Employee Relations Officer, and a Department Chief. There was no deadline to meet and there existed no threat of a union strike or walkout. However, the meetings did create their own sets of pressures. Both hospitals concluded a basic agreement with Local 73 within a month, but it took nearly four months to reach agreement on the supplementary contract. The union submitted the same set of demands to both hospitals. In both cases, management and unions

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80 Interview with George Smith, Union Business Representative, December 9, 1966.
used the piecemeal approach to bargaining -- taking one issue at a time and passing over the more difficult issues in order to reach agreement on simpler issues. The meetings had their share of table pounding, name calling, and flaring tempers. Neither side ever walked out of the bargaining session although both hospitals and Local 73 made frequent use of caucuses to settle things down and make it easier to arrive at agreements. When a particular issue was agreed upon, both sides received copies of the article agreed to and both sides initialed the article. Progress was slow but steady and both hospitals had a signed agreement with Local 73 by June, 1966.
CHAPTER VII

CONCLUSIONS

Although faced with many problems, Local 73 does have a definite position of representation at the three hospitals and is interacting with the local managements on a daily basis. Formal meetings are held between the union and each of the hospitals on a monthly basis. Recent monthly meetings have covered a wide area of topics including; salary rates, lack of comfortable chairs in rest areas, push carts in the food service department and in the laundry, and cleaning of windows and ice machines. A pertinent question is how will this relationship change, if at all, over the coming years.

Locally, the union is confident it will soon obtain exclusive recognition at VA West Side and thus have and maintain exclusive representation at all three hospitals. Management is in agreement with this prospect. This union is here to stay. Both sides feel they have gained valuable experience in their dealings over the past year or two and this will be of invaluable assistance in the years to come. There is little doubt in my mind that both sides have learned much about the attitudes and feelings of the other side and if this does not instill cooperation between them, it will at least provide a solid foundation on which to build further relationships.

\[81\] Ibid., December 9, 1966.
It is obvious from my analysis that the scope of issues subject to union management negotiations is drastically limited. I feel this situation will have to change. The union movement is pushing to have the Executive Order replaced by statutes passed by Congress. Labor leaders feel it is necessary to obtain "legislation by Congress to make collective bargaining rights for federal and postal workers and their union substantive law, rather than depend on the whim of any one President or administration."

This could have an effect on the scope of issues open to union-management negotiations. Perhaps, the two biggest issues to be resolved are the right to strike and the right to negotiate wages. Some solution to cope with these problems will have to be found if the union movement is ever to become and remain a factor in employee-management programs in the Federal Service.

I have tried to present an objective picture of the situation as it exists today in one small segment of the Federal Service; but the problems that exist in this situation and its underlying solution, I am certain, can be multiplied a hundredfold throughout all the Federal agencies across the land. A policy has been initiated and it is now up to government and labor leaders, together, to guide and expand the implementation of that policy if an effective labor relations program is ever to exist as part of the Federal Service.

Certain conclusions can be drawn on the local level regarding the attitudes, issues, tactics and goals of local management and the unions.

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The attitude of the union is best expressed by Mr. Harry Kurschenbaum when he said, "We are willing to cooperate but we must deal with a firm hand." It is obvious that the position of all three VA hospitals is the same. As one VA Personnel Officer recently said, "the union must learn to work with us within the structure of the federal bureaucracy, as interpreted by the VA Central Office."

These two attitudes, while expressing cooperation, do in fact underline the basic issue between the two parties. This concerns the authority granted local management by Executive Order 10988. The unions encourage management to interpret the Executive Order in broad terms, while local officials want to stick to a strict interpretation and follow the guidelines set down by VA Central Office. The union feels local officials are not using their authority, while local officials don't really feel they have the authority that the union tells them they have. As both sides become more familiar with dealing with each other, this issue will become easier to work around. However, it will not be resolved either by local officials or by Local 73. The resolution of this problem lies in the hands of the Congress or the President. One of these two must clarify the role and authority of local management before effective collective bargaining can take place in the Federal Service.

Both sides have become more refined in their dealings with the other side. More has been learned by the federal officials, because they, in fact, had more to learn. The bargaining arena was new to them. The give

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83 Interview with Mr. Harry Kurschenbaum, Director of Public Employees Division, General Service Employees Union, Local 73, December 19, 1966.
and takes, the decision making, and the table pounding - demand making atmosphere was a new experience. Now they are in a better position to play the game the way it should be played. This in itself will pave the way for more meaningful bargaining.

The goals of Local 73 are simple. According to Mr. Smith, the Local wants "to obtain exclusive recognition at all three VA hospitals and then negotiate the best contract for the employees." \(^{84}\) This contract would include a more effective promotion plan, grievance procedure, and seniority clause than either contract now negotiated with the VA. \(^{85}\) The local VA officials' goal is to "get the union to understand the bureaucratic system, to be less militant and more willing to work under the Federal structure." \(^{86}\)

There is room for both sides to move but there is also a definite need for clearer and more meaningful explanations of Executive Order 10988. Both sides realize this and, in fact, are waiting for it. Both sides are starting to put pressure on authorities in Washington for explanation, clarification, and interpretation of Executive Order 10988. Both sides, thusly, can become concerned with developing an effective and meaningful relationship for the betterment of the Veterans Administration and its employees.

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\(^{84}\) Interview with Mr. George Smith.

\(^{85}\) Ibid.

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APPROVAL SHEET

The thesis submitted by William J. Ranieri has been read and approved by three members of the faculty of the Institute of Industrial Relations.

The final copies have been examined by the director of the thesis and the signature which appears below verifies the fact that any necessary changes have been incorporated and that the thesis is now given final approval with reference to content, form, and mechanical accuracy.

The thesis is therefore accepted in partial fulfillment of the requirements for the degree of Master of Science in Industrial Relations.

Date June 7, 1967
Signature of Director

Arthur A. Malucinski