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PROCEEDINGS —

Twenty-third Annual Meeting

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TRANSPORTATION RESEARCH FORUM

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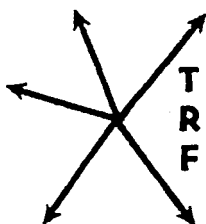
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TRANSPORTATION RESEARCH FORUM

Transit Boards and Labor-Management Relations†

by Kenneth M. Jennings,* Jay A. Smith, Jr.** and Earle C. Traynham, Jr.***

INTRODUCTION

AS TRANSIT SYSTEMS operations have shifted from private to public ownership, special-purpose units of government, such as public authorities or transit districts have been established to operate outside the normal framework of municipal or county governments. The governing body for the authorities or districts is the transit board. Board members are usually appointed from the public by the elected officials and, in many instances, the selection of board members is based upon constituent representation. Legally, the board is the transit authority. Transit boards usually have an employee who operates as a manager or executive director and the roles of both the board and the executive director must be clearly defined. In several cities, the transit board is concerned with the day-to-day operations, while in others, the executive director has much more autonomy, with the board acting only to ratify or reject the manager's actions.

A transit authority can perform several useful functions in the system. It provides a vehicle for consumer redress for alleged deficiencies in the system. The authority acts as a fiduciary of public assets, seeking to maximize the benefits from the allocation of public subsidies to transit operations. The transit authority can also monitor the performance of managerial staff responsible for the administration of the transit system, including collective bargaining relationships between management and union practitioners. Collective bargaining activities can be thought of as negotiator's strategies, bargaining behavior, and organizational characteristics. It

also includes the issues of the contract, such as wages, fringe benefits, health and pension programs, and work rule conditions.

Although labor costs constitute the majority of total transit costs and collective bargaining activities consume a major portion of transit management time, the role of the transit board in collective bargaining relationships has received little attention by students of mass transit. The purpose of this study is to examine this role from the standpoint of the capabilities of transit board members to participate in a meaningful way, the willingness of transit boards to play an active role in collective bargaining, the actual extent and nature of transit board involvement, and the desirability of transit board involvement in collective bargaining.

DATA

This research was part of a multi-phased effort which examined transit labor-management relationships in a nine-state Southeastern area. In the first phase of the research, 20 mass transit properties in the study area were visited. In-depth, on-site interviews were conducted with authority board members as well as transit management and union officials to determine the dimensions of collective bargaining and the role of authority board members in transit. In the second phase, 10 of the original 20 properties were revisited to obtain more detail and extend the depth of the research. To allow the investigators to understand more fully the environment in which the individual transit boards operate, labor contracts and Section 13(c) agreements were obtained and analyzed from all transit properties in the nine-state study area. Although the results of the analyses of labor contracts and Section 13(c) agreements are not reported directly in this paper, the information gained on specific contractual terms and various dimensions of collective bargaining issues provided the necessary foundation for the interview process.

PROFILE OF TRANSIT BOARD MEMBERS

Assigned a significant role with the

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*Professor of Industrial Relations, University of North Florida, Jacksonville, FL.

**Research Professor, University of North Florida, Jacksonville, FL.

***Professor of Labor Economics, University of North Florida, Jacksonville, FL.

transit authority, the board is considered a citizens' body and its members are not expected to be experienced in either government or transit. The capability, either perceived or actual, of part-time board members to handle mass transit issues can be initially approached by considering their full-time occupation. Table 1 presents the result of two related studies which ascertained the occupational background of authority members. Study I reports the findings by Horn while Study II refers to the results of our interviews in the nine-state study area. An initial review of Table 1 suggests an impressive variety of talent from which board members appear to be able to draw for the expertise to handle related mass transit issues (financial, managerial, legal, marketing, etc.). Further, a large number of board members classified in our study's "other" occupational category were union officials in non-transit labor organizations, an occupation background which should be most useful to understanding and acting upon labor relations issues. However, it should be noted that union officials at two of the interviewed properties having board members with labor backgrounds stressed that these individuals "bend over backwards to management," i.e., take a pro management orientation,

to show they can be "objective." A union official-board member interviewed at another property also indicated that he made a conscious effort to remain neutral and relatively uninvolved in labor relations activities.

Mass transit operations are often fairly difficult to understand, particularly in terms of scheduling and compensation for different bus runs and "extra board" operators, i.e., those individuals who have not been assigned a permanent bus run. All board members interviewed in our study expressed a lack of knowledge about mass transit work rules and related labor matters.

The relative lack of expertise/involvement of board members in mass transit labor relations is coupled with the acknowledgement that union and management officials have had a long and sophisticated collective bargaining relationship. Mass transit, unlike other public sector services has usually had a long tradition of collective bargaining originating when the service was privately owned. For example, one study¹ found the average length of the collective bargaining relationship at the investigated properties averaged 44 years, while we found a comparable figure of 36 years, with the average mass transit collective bargaining experience of the union and

TABLE 1

OCCUPATIONS OF TRANSIT AUTHORITY BOARD MEMBERS REPORTED IN TWO STUDIES

Occupational Category	Study I	Study II	Combined Total	Percentage
Business Management	37	14	51	28%
Attorney	15	9	24	13%
Banking - Finance	12	4	16	9%
Engineering	8	1	9	5%
Real Estate - Insurance	7	3	10	6%
Educator	6	3	9	5%
Government Administration	5	3	8	4%
Professional Consultant	4	0	4	2%
Elected or Appointed Official	5	3	8	4%
Advertising - Public Relations	2	2	4	2%
Planner	1	0	1	—
Retired	8	0	8	4%
Other	15	17	32	18%
Total	125	59	184	

Source: Study I — K. Horn, "Transit Board Members: Who Are They and What Do They Do?," *Transit Journal*, Volume 2 (1976), pp. 15-32. Study II — Interview responses gathered in nine-state study.

management negotiators being 12 and 14 years, respectively.

Knowledge of mass transit operations can be somewhat related to the amount of time spent on related issues in authority activities. Only one of the interviewed board members indicated any previous operating experience; consequently nearly all of the board members obtain a background in mass transit only through their involvement on the transit board. The number of years a member has been on the authority can serve as a proxy from knowledge of mass transit issues. This figure at least suggests the relative opportunities board members have had to brief themselves on mass transit issues. Table 2 groups board members by their number of years of experience on the authority.

Over 60 percent of the board members have had three years or less of experience on the authority. This figure can be particularly significant if labor agreements in mass transit are for more than one year—it is quite possible that many authority members do not have previous labor negotiation experience to draw upon in the current collective bargaining sessions. However, this situation is only partially confirmed in our interviews with authority members. Six of the interviewed authority members have no idea of when the previous negotiations began and ended, and two of the authority members had no idea of the issues involved in previous contract negotiations. However, the responses of the remainder of the authority members were in agreement with union and management officials over the major collective bargaining issues influencing the previous labor negotiations.

Perhaps a more related indicator is the amount of time spent by authority members in dealing with labor relations issues. A potential problem in assessing this indicator is that many authorities

have responsibilities broader than mass transit such as policies pertaining to highways, bridges, etc. This was not a significant factor in our study, since only two of the properties interviewed reported less than 100 percent of authority responsibilities were devoted to mass transit. More meaningful are measures pertaining to time spent on transit, in general, and labor relations in mass transit, in particular.

We asked authority members the average time per month spent in mass transit issues at their locations. The mean response was approximately 13 hours a month (with a range of 1 hour to 45 hours a month), a figure substantially below the 22 hours a month cited in another study.² Of more significance is the time spent by authority members on labor relations issues in mass transit. All but one of our interviewed authority members indicated that zero (0) hours a month was spent on this activity. The lone dissenter indicated that one and one-half hours a year was devoted to labor relations issues. The following comments of an interviewed management official reinforce these figures as well as the current situation at mass transit properties:

"The board members have their own businesses and have little amount of time to spend on labor issues or any issues in great detail. The board does spend some time in reviewing our plans."

Perhaps certain structural modifications of the authority could mitigate the time limitations of authority members. For example, certain authority members and/or subcommittees could be designated to oversee labor relations activities and brief the entire authority on necessary information. Yet, our interviews with authority members revealed

TABLE 2

TRANSIT BOARD MEMBERS' YEARS OF EXPERIENCE ON THE BOARD

1 yr. or less	2 - 3 years	4 - 6 years	Over 6 years
	(percentage of total)		
16 (27%)	20 (34%)	17 (29%)	6 (10%)

Average Years of Experience = 3.70
(s.d. 2.84 years)

Source: Interview responses gathered in nine-state study area.

no such formal or even informal delegation at either the individual or sub-committee level.³

MASS TRANSIT BOARD MEMBERS' PLANNING AND DECISION MAKING ROLE ON SELECTED ITEMS

A transit board can become involved in several decisions which in turn can impact on labor-management relationships such as those concerning fare levels, grant applications, hours of operation, operating budgets, and wage/benefit levels. The board also has the potential of becoming directly involved in labor-management relations when the labor agreement is negotiated and approved. Our study asked board members to consider their role in the planning and decision making process for these issues. The results, presented in Table 3 are somewhat similar to a nationwide survey conducted by Horn.

Table 3 suggests that transit authorities tend to have the final decision making authority in issues affecting labor relations. However, the results also suggest that the authorities generally do

not have a major role in the planning of these decisions. The potential involvement gap between planning and the final decision can have fateful implications for labor relations activities in mass transit. Therefore, it is necessary to understand in more detail the role of the board in labor-management activities as well as the relationship, if any, between members and union and management officials.

THE ROLE OF MASS TRANSIT AUTHORITY MEMBERS IN COLLECTIVE BARGAINING

There are several stages of collective bargaining. Various authors have contended that management and the union often begin preparing for subsequent negotiations the day after the current contract has been signed, i.e., research and lobbying is undertaken to secure desired proposals in the next labor contract. Typically, negotiations officially begin when one party, usually the union, informs the other of its formal intent to renegotiate the current labor agreement. While this stage is largely pro-forma, union and/or management representa-

TABLE 3

BOARD MEMBERS' RESPONSE TO ROLE IN PLANNING AND DECISION MAKING ON SELECTED ITEMS

Decision Making Dimensions	Role in Planning			Final Decision	
	None	Some	Major	Yes	No
Setting Fare Levels	6	1	9	16	0
Submitting Grant Applications	8	6	2	13	3
Adding New Routes or Services	7	5	4	15	1
Changing Hours of Operations	9	5	2	14	2
Establishing Operating Budgets and Changes Thereto	3	3	10	11	5
Establishing General Wage Levels and Employee Benefit Plans	7	8	1	12	4
Collective Bargaining and Negotiation of the Labor Agreement	13	2	1	14	2
Total Response For Items Affecting Labor-Management Relationships	53	30	29	95	17
Percentage of Total Response for Planning Decisions	47%	27%	26%	85%	15%

Source: Interview responses gathered in nine-state study area.

tives might take the opportunity to establish the atmosphere of upcoming negotiations and/or initially discuss issues likely to be featured in subsequent negotiation sessions. Authority members might be present in these early sessions to hear and comment on the union's initial presentation of proposals and the development and review of management's counterproposals. Involvement by the authority members could also occur at any point in formal negotiations, before or after an impasse between union and management officials has been reached.

To gain insight into the role of the transit authority in collective bargaining, board members were asked, "At what initial point in the negotiations did some or all of the members of the authority become directly involved with management and/or union officials?" The possible response categories were: "pre-notification involvement; notification of re-negotiation; presentation and review of union and management proposals; development and review of management's counterproposals; during formal negotiations prior to impasse resolution; impasse; and, not at all." Given the potential variety of negotiation states, it was somewhat surprising that the unanimous response of surveyed board members, union officials and management officials was "Not at all." One of the interviewed authority members did attend one negotiation session as an observer "just to see what negotiations were like." Also, in the case of a privately owned company, the mayor and governor did become involved after an impasse was reached, settling 17 out of 21 issues, with the remainder resolved in arbitration. The relative lack of involvement by transit board members in negotiations is also confirmed by another study that found management officials at only 2 of the 24 interviewed mass transit properties indicated any attempt by board members to become involved in the negotiation of specific issues.⁴

Board member involvement in negotiations were also approached by asking each member the number of times during negotiations they met with union officials and management officials, either separately or jointly. Board members at approximately one-half of the interview properties indicated that separate meetings were held with management representative, ranging from four to five meetings during negotiations. These meetings were intended to brief the board members on the progress of negotiations. None of the board members indicated any separate meetings with union officials or joint meetings with

union and management officials. These results were verified by the response from management and union officials to this question. The one exception pertained to a union official who indicated that the transit board did meet jointly with union and management officials on three occasions during a strike at the property.

Board members still receive collective bargaining information even though they indicate that they neither met separately with union officials nor jointly with union and management officials. Board members were asked the extent their decisions concerning the labor agreement were influenced by the following information sources: outside political pressures, budget information, community influences, projected revenues, and wage comparability studies. Table 4 presents board members' responses along with those of union and management officials, who were asked an identical question.

A review of the mean responses by authority members shows that wage comparability studies, community influences, and outside political pressures are not considered to be sources of influence in collective bargaining. Only budgetary information and projected revenues are regarded as having some or a little influence. Several board members indicated that the budget is formulated before collective bargaining negotiations start; therefore, the budget represents a significant constraint at least on the economic terms of the labor agreement. This appears especially to be the case where mass transit properties are publicly owned and there are several public employee classifications (police, fire, sanitation workers, etc.). One board member mentioned that wage increases for any public employee classification such as mass transit can have a far more serious impact on the budget when other public employee classifications use the mass transit wage settlement as a starting point in their subsequent negotiations.

While budgetary considerations were reported to have a significant influence on collective bargaining, no board member indicated that this information solely determined the terms of the labor agreement. There appears to be some flexibility in the budget making process; for example, one board member indicated that the negotiated wage settlement represented an average wage increase of 83 cents per hour even though the budget only permitted an increase of 50 cents per hour. The transit board, in this case, had to obtain additional funds from the municipal finance committee.

TABLE 4

**MEAN RESPONSES OF BOARD MEMBERS, MANAGEMENT,
AND UNION REPRESENTATIVES CONCERNING EXTENT
OF INFLUENCE OF SELECTED INFORMATION SOURCES
USED IN COLLECTIVE BARGAINING**

Information Source	Respondent Category		
	Board Members	Management	Union
1. Outside political pressures	2.43	2.00	3.33
2. Budget information	4.23	4.55	3.89
3. Community influences	2.22	2.33	2.55
4. Projected revenues	3.69	3.33	3.11
5. Wage comparability studies	1.60	2.55	2.79

NOTES: Mean responses based on a five point scale where: 1 = "not a factor," 2 = "was brought up but regarded as no influence," 3 = "little influence," 4 = "some influence," 5 = "significant influence."

Source: Interview responses gathered in nine-state study area.

Board respondents viewed wage comparability data as being the least influential information affecting the terms of the labor agreement. This appears to be inconsistent with the attitudes of union and management officials, who attribute much more influence to this information course.

The results presented in Table 4 also permit comparison between board members' perceptions and those of union and management respondents. These results must be interpreted with some caution, particularly since the relatively small number of respondents and the response scale do not permit tests of statistical significance. However, a review of Table 4 can suggest the relative extent that board members, union officials, and transit managers agree specifically on which factors influence labor contract negotiations. An overall comparison of these influence categories could suggest one of the following four general situations:

Situation One: Board members as well as union and management officials generally agree on what influences the terms of the negotiated labor agreement. This situation would probably aid in orderly, efficient collective bargaining.

Situation Two: Board members tend to agree with only one negotiator (either the management or the union official) on appropriate collective bargaining influences. This situation may result in efficient bargaining although either the union or the management negotiator might be relatively ineffective since he

or she does not realize what authority members consider to be influential to the labor agreement.

Situation Three: Union and management officials are in general agreement over collective bargaining influences, but both parties disagree with related perceptions of authority members. This situation does not hinder collective bargaining if board members basically play an insignificant ("rubber stamp") role in this process. Communication problems can occur, however, when authority members become active collective bargaining participants.

Situation Four: None of the union, management, and board representatives agree on which factors influence collective bargaining. This situation would result in an unsystematic, even chaotic contract negotiation, one where the eventual bargaining outcome is possibly determined by chance.

An assessment of the results shown in Table 4 finds the union attributing more influence to "outside political forces" than do management or authority members, and board members attributing less influence to "wage comparability studies" than either management or union officials. This latter finding might not seriously affect collective bargaining since board members in our nine-state study area do not play an active role in collective bargaining. In spite of these differences, an overall assessment of the results in Table 4 conforms relatively closely to "Situation One," where

authority, union, and management representatives assign similar influence to items presented in labor agreement negotiations. This situation would seem to minimize some misunderstandings which could occur in the collective bargaining sessions.

Collective bargaining in a broad sense includes the day-to-day administration of the labor agreement after it has been negotiated. Union and management officials at least potentially have the opportunity to bring administrative issues such as grievances, contract interpretation differences, or labor-management issues not in the labor agreement to the board members for advice and consideration. Yet, in all but three instances, there was no board involvement in labor-management issues after the agreement had been signed. One property reported that the transit board would hear employee "complaints" (not grievances protesting alleged contract violations) because "employees are citizens, and the authority listens to citizens' complaints in a public relations capacity." Board members at another property have occasionally listened to employee complaints concerning alleged unfair wage payments for work performed. A third property has had only one instance where board members were involved in a labor-management issue after the contract was signed. An employee complained that his tools were stolen and the board appointed a subcommittee to look into the matter.

The transit board might choose not to become involved in the collective bargaining process for strategic-legal considerations. Mass transit has been described as having the potential for fragmented decisionmaking performed by union and management officials, board members, and, often times, government officials, such as the city council and mayors. Public sector unions, including mass transit, therefore, often have opportunities to "end-run" the negotiations before, during, or after their occurrence; that is, they make a direct appeal to individuals making the final decision on an agreement in the hope that they will gain a more favorable settlement. Board members can, of course, eliminate this tactic if they remove themselves from negotiation discussions.

Some states have legislation, e.g., "sunshine laws," which influences the conduct of formal negotiations. The rationale for these laws is that citizens are owners of the public service and are entitled to observe and offer input into the collective bargaining process. However, flexibility and honesty are necessary prerequisites to successful labor-

management relationships, and these qualities are often lost if union and management negotiations have to posture their efforts before a public audience. Board members at two of the interviewed properties stated that sunshine laws and their aforementioned dysfunctions were a major reason the authority avoided participation with union and management officials in the collective bargaining process.

For whatever reason, the board members seldom, if ever, become involved in collective bargaining. The question then becomes, should transit board members participate in mass transit's collective bargaining efforts? None of the interviewed board members or management officials expressed any desire for board member involvement, although many of the management officials maintained that board members should be available either for the overall review of the negotiated settlement, or when an impasse is reached. However, some of the union respondents indicated that the transit board should be involved since it has final determination of funds and approval of the labor agreement. The same respondents believed the authorities were poorly informed on the necessary details concerning negotiations. In one situation, the transit board informed the union after negotiations had been concluded that they were not aware negotiations had even taken place.

CONCLUSION

Simply stated, board members tend to have final decision over terms and conditions of the labor agreement but little, if any, involvement in the collective bargaining process (contract negotiation and administration). There are at least three general, and possibly interrelated, factors which might explain this discrepancy: 1) limited capabilities (perceived or actual) of authority members; 2) board members' confidence in union and management officials to resolve their own problems; and 3) legal/strategic considerations which might encourage authority detachment from participating in labor-management issues.

Some would agree with interviewed board members, management officials, and a large majority of union officials that the transit board should play no role in negotiations (at least until an impasse occurs). The previously cited reasons for their reluctance may be sound. Additionally, "interference" with sincere and capable efforts by management and union officials might jeopardize the very principle of collective bargaining. However, others might contend that

FOOTNOTES

the fiduciary role of the transit board requires knowledge of and possible participation in the collective bargaining process. This belief might be strengthened by the realization that labor costs constitute a substantial portion of the cost to operate public transportation systems, particularly bus systems.

Currently, most transit governing-board members answer to no one directly, and are in many cases far removed from the commuters who pay for the services through fares and taxes. There have been some efforts at insuring that authorities are more directly accountable to communities such as the election of board members. It has even been suggested that court decisions holding boards of other public agencies guilty of mismanagement might apply to mass transit authorities. Any position taken by transit authorities in the near future remains speculative; although increased involvement in labor relations matters could alter the present collective bargaining process and outcome.

1 K. Horn, Transit Authority Board of Directors: Membership, Organization, Functions, and Performance (Springfield, Va.: National Technical Information Service, 1976), pp. 101-107.

2 K. Horn, Transit, "Board Members: Who Are They and What Do They Do?" Transit Journal, Volume 2 (1975), pp. 15-32. Horn's figure is based on actual self response of 123 authority members. It should be noted that our n was 13 (with an S.D. of 14.19 hours); some of the respondents were unable to project time estimates for fellow authority members. Yet, Horn also found a very wide range of responses (from 3 to 175 hours).

3 The existence of authority subcommittees specializing in labor relations activities fared slightly better in another study that found such committees existing in 4 out of 27 transit authority boards. See K. Horn, "Transit Boards, Part Two: How Do They Work?" Transit Journal, Volume 3 (1977), pp. 51-69. It should be noted, however, that at one property, two of the authority members, who were also union officers, did "educate" other authority members as to the meaning of various labor relations concepts. The emphasis was on describing what generally takes place in collective bargaining, not on the implications on specific mass transit issues.

4 J. L. Stern, et al., Labor Relations in Local Transit (Springfield, Va.: National Technical Information Service, 1977), p. 34.