

**Analysis of
Layoff, Recall, and Work-Sharing Procedures
in Union Contracts**

Bulletin No. 1209

UNITED STATES DEPARTMENT OF LABOR

James P. Mitchell, *Secretary*

Bureau of Labor Statistics

Ewan Clague, *Commissioner*



Analysis of Layoff, Recall, and Work-Sharing Procedures in Union Contracts

From the Monthly Labor Review
December 1956 and January, February, and March 1957
issues, with additional tables.

Bulletin No. 1209
March 1957
UNITED STATES DEPARTMENT OF LABOR
James P. Mitchell, *Secretary*
Bureau of Labor Statistics
Ewan Clague, *Commissioner*



For sale by the Superintendent of Documents, U. S. Government Printing Office
Washington 25, D. C. - Price 30 cents

Preface

As part of its continuing program of collective bargaining agreement studies, the Bureau of Labor Statistics, in 1954, began a comprehensive analysis of provisions dealing with layoff, recall, and work-sharing procedures in all agreements covering 1,000 or more workers. A selection of illustrative clauses and a brief glossary of terms was published early in 1956 under the title *Collective Bargaining Clauses: Layoff, Recall, and Work-Sharing Procedures* (BLS Bull. 1189). In this bulletin, the prevalence and interrelation of various aspects of layoff, recall, and work-sharing practices are analyzed.

This study was conducted in the Bureau's Division of Wages and Industrial Relations under the general direction of Joseph W. Bloch. The reports, which appeared first in four consecutive issues of the *Monthly Labor Review* (December 1956 to March 1957 issues, inclusive), were prepared by Joseph W. Bloch, Robert Platt, and Rose Theodore.

(iii)

Contents

	<i>Page</i>
Prevalence of layoff and work-sharing provisions; forestalling and minimizing layoffs	1
Introduction	1
Scope of study	2
Prevalence—Layoff and work-sharing	3
Forestalling and minimizing layoffs	5
Union participation in layoff procedures; advance notice of layoffs	11
Union participation in layoff procedures	11
Advance notice of layoff	14
Seniority and bumping practices	19
Types of seniority provisions	20
Exceptions to seniority	23
Seniority unit	25
Bumping practices	26
Short-term or temporary layoffs	28
Recall procedures; work-sharing	29
Recall procedures	29
Work-sharing	34

Layoff, Recall, and Work-Sharing Procedures

Prevalence of Layoff and Work-Sharing Provisions; Forestalling and Minimizing Layoffs

Introduction

A LARGE MAJORITY of the collective bargaining agreements covering 1,000 or more workers contain provisions setting forth the procedures which are to govern adjustments to declining employment needs, whether occasioned by regular seasonal slumps, sporadic changes in the volume of business, a general recession, or other factors. The process of adjusting to a reduced volume of work may begin long before the first worker is laid off and sometimes does not end with the recall of the last worker to be rehired. In this process, many important decisions must be made—unilaterally by the employer in the absence of an agreement provision bearing upon the problem, by the employer in ad hoc negotiations or consultation with the union, or by the employer in accordance with agreement provisions.

For example, should overtime, subcontracting, and the hiring of new employees be restricted when layoffs or work-sharing appear imminent? Should hours for all workers in the department or the plant be reduced before layoffs are made? To what level should hours be reduced, and how long can reduced hours prevail before layoffs are warranted? If some workers must be laid off, in what order are they to be let out? Should workers who are reached for layoff be permitted to displace junior employees in other types of work? How much notice should be given? Should union

shop stewards be protected from layoff based on seniority? In what order should employees be recalled to work? These and countless other questions to be answered involve the job security of employees, the productive efficiency of the establishment, the functioning of the union, and basic principles of equity. In virtually all such decisions, some workers may be adversely affected in order to protect others, and optimum efficiency may be sacrificed for the time being for the protection of morale or for other considerations.

The rules regarding layoff or work-sharing embodied in collective bargaining agreements may be relatively simple in expression and operation, e. g., the last person hired shall be the first to be laid off, or all employees will share available work. In such situations, other decisions necessitated by the reduced volume of work are made by the employer alone, possibly in accordance with custom, or by the employer in informal consultation with the union. More frequently, however, particularly as the size of the establishment increases and jobs become more diversified, the agreement provisions tend to become more complex and are often a source of administrative difficulties which find their way into grievance and arbitration cases. The provisions of a particular agreement, as important as they may be to insure the observance of minimum standards, serve in many instances not as a precise blueprint to shape every step of a layoff sequence, but rather as a framework within

which certain steps are fixed, others less rigidly determined, and some left entirely to the employer's discretion.

Scope of Study

This study, the first of its kind by the U. S. Department of Labor's Bureau of Labor Statistics, attempts to account for the various ways in which all major agreements handle layoff, recall, and work-sharing procedures. It is essentially a prevalence study, despite the difficulties of classifying certain types of clauses into precise or definitive categories, as will be pointed out from time to time. The entire sequence of layoff, recall, and work-sharing procedures is covered under the following major topics: Prevalence of layoff and work-sharing provisions; methods of forestalling and minimizing layoffs and work-sharing; union participation in layoff procedures; advance notice of layoff; the role of seniority; "bumping" practices; recall procedures; and work-sharing procedures.¹

For this study, virtually all agreements effective in late 1954 and 1955 covering 1,000 or more workers (exclusive of railroad and airline agreements) were analyzed.² Of the 1,743 agreements studied, 1,182 applied to manufacturing establishments and covered 4.9 million workers and 561 applied to nonmanufacturing establishments with 2.8 million workers under agreement (table 1). The total number of workers covered (7.6 million) represents somewhat less than half of all the workers under agreement in the United States, exclusive of railroads and airlines.

Layoff, recall, and work-sharing practices for all collective bargaining agreements are not necessarily portrayed by this analysis, because it is limited to agreements covering at least 1,000 workers. In other words, all the agreements

¹ The Bureau is also undertaking a study of dismissal and severance pay provisions which will be published as a separate report.

² The Bureau does not maintain a file of railroad and airline agreements; hence their omission from this study. For an analysis of the characteristics of the major agreements studied, see Characteristics of Major Union Contracts, Monthly Labor Review, July 1956 (p. 805).

TABLE 1.—Layoff and work-sharing provisions in major collective bargaining agreements by industry, 1954-55

Industry	Number studied		Agreements with—					
			Layoff provisions		Work-sharing provisions		No layoff or work-sharing provisions	
	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)
All industries.....	1,743	7,641.9	1,347	5,815.1	74	524.2	322	1,302.6
Manufacturing	1,182	4,857.3	1,039	4,123.1	72	521.8	71	212.4
Food and kindred products.....	110	352.5	96	320.3	4	12.1	10	20.1
Tobacco manufactures.....	11	35.5	10	29.5	1	4.0	—	—
Textile-mill products.....	64	158.3	55	118.5	6	27.0	3	12.8
Apparel and other finished textile products.....	52	441.4	3	4.1	47	434.3	2	3.0
Lumber and wood products (except furniture).....	21	47.4	17	39.2	—	—	4	8.2
Furniture and fixtures.....	20	39.8	16	29.2	2	3.2	2	7.5
Paper and allied products.....	54	120.7	53	119.5	—	—	1	1.2
Printing, publishing, and allied industries.....	32	63.2	14	28.1	4	13.1	14	22.1
Chemicals and allied products.....	61	132.6	61	132.6	—	—	—	—
Products of petroleum and coal.....	26	71.7	26	71.7	—	—	—	—
Rubber products.....	21	128.8	21	128.8	—	—	—	—
Leather and leather products.....	21	72.2	14	41.7	4	21.0	3	9.5
Stone, clay, and glass products.....	37	114.3	32	102.6	—	—	5	11.7
Primary metal industries.....	123	677.4	117	662.5	—	—	6	14.9
Fabricated metal products.....	72	192.5	63	169.2	—	—	9	23.3
Machinery (except electrical).....	142	369.8	142	369.8	—	—	—	—
Electrical machinery.....	106	436.2	102	424.0	1	1.2	3	11.0
Transportation equipment.....	147	1,271.5	139	1,205.4	—	—	8	66.1
Instruments and related products.....	29	64.8	29	64.8	—	—	—	—
Miscellaneous manufacturing industries.....	33	68.6	20	61.5	3	6.1	1	1.0
Nonmanufacturing	561	2,784.7	308	1,692.0	2	2.4	251	1,090.2
Mining, crude petroleum, and natural gas production.....	19	303.2	15	295.0	—	—	4	8.2
Transportation ¹	95	608.4	52	336.9	—	—	43	271.5
Communication.....	71	542.9	68	538.5	—	—	3	4.4
Utilities: electric and gas.....	70	198.3	64	173.2	—	—	6	25.1
Wholesale trade.....	14	23.3	11	18.6	—	—	3	4.7
Retail trade.....	76	195.5	48	139.6	—	—	28	55.9
Hotels and restaurants.....	31	156.4	16	102.8	—	—	15	53.6
Services.....	54	161.9	26	74.1	2	2.4	26	85.4
Construction.....	124	570.4	6	9.6	—	—	118	560.8
Miscellaneous nonmanufacturing.....	7	24.4	2	3.8	—	—	5	20.6

¹ Excludes railroads and airlines.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

TABLE 2.—*Layoff and work-sharing provisions in major collective bargaining agreements by type of employer unit, 1954-55*

Employer unit	Provisions for layoff or work-sharing						Reference also made to supplemental or local agreements on seniority or other aspects of layoff and work-sharing	
	Total		Layoff		Work-sharing			
	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)		
All types.....	1,421	6,339.3	1,347	5,815.1	74	524.2	100	1,512.7
Single plant.....	806	1,960.7	803	1,954.0	3	6.7	21	40.7
Multiplant company.....	334	2,687.3	330	2,681.1	4	6.3	71	1,388.3
Multiemployer.....	281	1,691.3	214	1,180.1	67	511.3	8	83.8

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

studied may be characterized as large agreements in the sense that they covered large establishments or large aggregations of workers under multi-employer agreements. Unlike certain other types of agreement provisions (e. g., union security and supplementary benefits), worker coverage alone may be a significant factor in shaping layoff, recall, and work-sharing procedures. For example, agreements for establishments with many diversified operations—a characteristic of the larger establishments—can be expected to provide for layoff problems created by the multiplicity of jobs, departments, and products. Moreover, agreements covering large groups of workers in general tend to be more detailed and specific than those for smaller groups; certain matters which, in a small agreement, might be left to ad hoc negotiations or unilateral determination become fixed in the larger agreements.

The fact that this study covers formal written policy rather than actual practice creates another limitation. Informal arrangements modifying the agreement, changes in plant practice based on grievance and arbitration decisions, and decisions required by the exigencies of the moment are neither discoverable nor measurable in an analysis of formal provisions. In actual operation, informal procedures and techniques may supplant apparently cumbersome features of the formal provisions. For example, management might insist upon a clause providing for consideration of other factors in addition to seniority in the determination of the order of layoff, but when the

time comes to lay off workers, management might proceed on the basis of straight seniority, particularly if the layoff is expected to be of short duration. Normally, a union would not object to this modification.

Prevalence—Layoff and Work-Sharing

Approximately three-fourths of the 1,743 agreements analyzed, covering about the same proportion of workers, contained provisions describing in whole or in part the procedure to be used for layoffs (table 1). Layoff procedures were far more prevalent in manufacturing than in non-manufacturing agreements. Nearly 9 out of 10 manufacturing industry agreements contained layoff provisions, whereas only 55 percent of the nonmanufacturing agreements contained such provisions.

Only 4 percent of the agreements, covering about one-half million workers, provided for some form of work-sharing in lieu of a layoff procedure. Under such systems, the available work is shared by reducing each worker's daily or weekly hours or by rotating the workers on an alternating work-period basis. Almost all such arrangements were found in manufacturing agreements. Although work-sharing provisions were scattered through 10 industry groups, the greatest concentration was found in the apparel industries, where more than 90 percent of the major agreements contained such clauses. This group constituted more than 80 percent of all those covered by work-sharing provisions.

Almost a fifth of the agreements made no provision for a layoff or a work-sharing procedure. Of these agreements, almost 80 percent were in nonmanufacturing groups, notably construction-transportation (other than railroads and airlines), retail trade, hotels and restaurants, and services.

More than a third of the agreements which contained no provisions for layoff or work-sharing procedures were found in the construction industry. Layoff provisions occasionally occurred in agreements of construction firms which normally offer comparatively steady employment to a regular crew of men, such as companies engaged in the operation of earth-moving equipment. A number of construction agreements, however, contained general limitations on overtime and shift operations, as will be pointed out subsequently.

Forty-five percent of the agreements in the transportation field contained no layoff procedure or work-sharing provisions. Key agreements in this group, however, covered large numbers of employees of municipal transportation systems which had their own procedures for regulating reductions in force, independent of the collective bargaining agreement. Another large group of employees in the transportation industry not covered by formal procedures for layoff or work-sharing consisted of longshoremen, who are characteristically hired on a casual basis.

Unlike nonmanufacturing industries, there was no concentration of agreements in manufacturing without provision for layoff or work-sharing. The industry with the largest proportion of agreements which did not provide for layoff procedures or work-sharing provisions was printing, where 14 of the 32 major agreements had no formal procedures outlined. Some made reference, without details, to a system of rotation, however.

Types of Employer Bargaining Units. Almost all of the agreements studied which were negotiated by single employers, whether for one plant or a number of plants, contained layoff or work-sharing

provisions. Only about half of the multiemployer agreements contained such provisions.³ Almost all work-sharing provisions were found in agreements negotiated on a multiemployer basis (table 2). As pointed out earlier, such provisions were primarily concentrated in the apparel industry, which bargains principally through employer associations.

One hundred agreements contained a reference to supplemental or local agreements on seniority or other aspects of layoff or work-sharing. These provisions were found mainly in agreements negotiated by multiplant companies. The master agreement in such situations, where it covered seniority at all, generally was limited to a skeletal statement of policy and reserved the determination of the seniority unit and other specific layoff procedures to local plant agreements.⁴ On the other hand, only a few multiemployer agreements provided formally for supplemental arrangements

³ For total number of agreements negotiated by type of employer unit, see Characteristics of Major Union Contracts, op. cit., table 3.

⁴ Supplementary local agreements were not included in this study. An examination of local agreements for a few companies indicated that provisions dealing with seniority units or other aspects of layoff varied within the same company.

TABLE 3.—Provisions regulating subcontracting, overtime, shift operations, and employment practices in major collective bargaining agreements, 1954-55

Type of regulating provision	Regulating provisions in—							
	All agreements studied		Agreements with no layoff or work-sharing provisions		Agreements with layoff provisions		Agreements with work-sharing provisions	
	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)
<i>General provisions not specifically related to impending layoffs¹</i>								
Subcontracting, total.....	164	898.7	56	312.9	73	287.4	35	298.3
Union notification or discussion prior to subcontracting..	16	79.3			16	79.3		
Work subcontracted must go to union contractor or one who observes union agreement.....	80	550.4	31	251.7	26	55.3	23	243.4
Union permission required to subcontract work.....	10	25.8	3	4.7	2	4.2	5	16.9
Subcontracting permitted only if company does not have necessary facilities or skilled manpower.....	17	68.0	3	5.0	11	47.0	3	16.0
Subcontracting prohibited.....	20	49.7	11	24.6	7	15.1	2	10.0
Other subcontracting limitations ²	21	125.6	8	26.9	11	86.7	2	12.0
Overtime, total ³	129	712.8	57	208.5	34	85.4	38	418.9
Union permission required for overtime work.....	35	136.0	18	61.6	4	7.7	13	66.8
Daily or weekly overtime hours limited.....	39	194.2	6	15.3	14	39.2	19	139.8
Overtime prohibited.....	19	144.2	12	68.6	4	15.6	3	60.0
Saturday work prohibited.....	6	171.3	2	7.0	1	1.3	3	163.0
Sunday work prohibited.....	10	25.5	4	15.7	4	6.1	2	3.7
Saturday and Sunday work prohibited.....	11	33.1	9	23.0	1	1.1	1	9.0
Other overtime limitations ⁴	18	48.4	10	28.0	6	14.4	2	5.9
Shift operations, total.....	44	252.3	20	69.4	6	18.9	18	164.1
Union permission required for operation of more than 1 shift.....	15	62.9	11	46.7	4	16.1		
More than 1 shift prohibited.....	18	156.0	1	1.7	1	1.7	16	152.6
Other shift limitations ⁵	11	33.4	8	20.9	1	1.0	2	11.5

See footnotes at end of table.

TABLE 3.—Provisions regulating subcontracting, overtime, shift operations, and employment practices in major collective bargaining agreements, 1954-55—Continued

Type of regulating provision	Regulating provisions in—							
	All agreements studied		Agreements with no layoff or work-sharing provisions		Agreements with layoff provisions		Agreements with work-sharing provisions	
	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)
<i>Specific provisions effective only in event of slack work</i>								
Subcontracting, total.....	100	571.4			68	286.1	32	285.3
Subcontracting limited during periods of slack work; permitted only if no layoff or work-sharing results or if present work force is fully supplied with work.....	92	543.8			61	263.5	31	280.3
Subcontracting prohibited or eliminated.....	8	27.7			7	22.7	1	5.0
Overtime, total.....	30	187.5			30	187.5		(⁹)
Daily or weekly overtime hours limited.....	11	142.7			11	142.7		
Overtime prohibited.....	15	36.7			15	36.7		
Other overtime limitations.....	4	8.1			4	8.1		
Shift operations, total.....	9	23.7			9	23.7		(⁹)
Operation of more than 1 shift limited.....	5	16.2			5	16.2		
More than 1 shift prohibited.....	4	7.5			4	7.5		
Employment practices, total ¹	422	1,991.2			422	1,991.2		(⁹)
Probationary and temporary employees laid off.....	342	1,706.5			342	1,706.5		
Employees with less than specified service (other than probationary) laid off.....	113	594.3			113	594.3		
New hires prohibited.....	6	7.7			6	7.7		
Other employment practice limitations ²	29	97.7			29	97.7		

¹ General limitations appeared both in agreements with layoff or work-sharing provisions, and in those without such provisions.

² Includes agreements which prohibited or limited subcontracting only of specific types of work or of work ordinarily done by the employees, or banned subcontracting for the purpose of union discrimination. Also includes agreements which prohibited subcontracting except in emergencies or failure to meet production schedules for causes such as slowdowns or work stoppages.

³ Includes agreements which waived overtime limitations during emergencies or during certain seasons. Some agreements that permitted overtime only in certain departments or occupations were also included in this group. Totals are unduplicated because some agreements contained limitations applying both to daily or weekly overtime work and to work on Saturday or Sunday.

⁴ Includes agreements which prohibited overtime "insofar as practical," or when more than 1 shift was working; 1 agreement which applied the prohibition to women only; and 4 maritime agreements which limited overtime to that necessary for the navigation and safety of the vessel.

⁵ Includes agreements which prohibited shift work in specific departments only or where there was no nightwork under previous agreements, or on jobs

of less than 5 days' duration. In some instances, the prohibition was waived in event of emergencies.

⁶ The reduction of hours required by work-sharing in event of slack work usually involves cutting any overtime currently scheduled and, perhaps, curtailing shift operations. Seven agreements with work-sharing arrangements contained specific provisions limiting or banning overtime or shift operations in slack periods, and 1 of these agreements prohibited the employer from hiring new workers during such periods.

⁷ Unduplicated totals; some agreements provided for more than one type of employment action.

⁸ Includes agreements which provided for layoff of "peak force" employees, learners, married women with working husbands, nonunion employees, or of a specified number or percent of employees. In some of these provisions, temporary or probationary employees with special skills were exempted from layoff.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

on layoff or work-sharing procedures. Such agreements generally contained clauses which specified that the determination of the seniority unit and layoff procedures would be subject to supplemental negotiations between individual employers and the union. It is likely that informal arrangements are common in this area. Some single-plant agreements also referred to supplemental agreements on seniority or provided that such agreements be negotiated as the occasion arose.

Forestalling and Minimizing Layoffs

Few business concerns are likely to move headlong into a layoff situation affecting regular employees. Rather, operations will be tapered off in advance of actual layoffs; for example, overtime

may be eliminated, hours of work reduced below normal schedules, temporary employees released, and hiring brought to a standstill. These are steps that employers might choose unilaterally to take or might agree to take in the collective bargaining agreement.

When a layoff appears imminent, certain positive actions are provided for in some agreements to delay the layoff, to minimize its extent, or possibly to avert it altogether. Such measures, which have the broad purpose of spreading available work among regular employees, included limitations on: (1) employment practices, (2) the amount of overtime that may be worked, (3) the number of shifts that may be scheduled, (4) the nature and amount of work that may be subcontracted, and (5) scheduled weekly hours of work. When linked by the agreement to a layoff situation,

such measures are designed to serve a temporary purpose.

On the other hand, some agreements contained rules regulating subcontracting, the amount of overtime, weekend work, and the like, which were not related by the agreement to slack work or impending layoffs. These provisions were in effect throughout the term of the agreement, during peak employment periods as well as slack, unless, of course, modified by informal agreement between the parties. The objectives or purposes of these rules may not have been limited to maximizing work opportunities for regular employees, but their similarity to provisions effective only in the event of impending layoffs would appear to

justify their consideration in this study as methods designed to forestall and minimize layoffs.

Agreement limitations on overtime, shift operations, subcontracting, and employment practices are discussed in this analysis as specific provisions (effective only in the event of slack work) and general or standing provisions (not specifically related to impending layoffs). Both types may appear in the same agreement; for example, an agreement might limit the amount of overtime or subcontracting during normal or peak operations but prohibit all overtime or subcontracting when layoffs are scheduled. Also discussed are provisions for reduction in hours which may further delay or minimize layoffs.

TABLE 4.—Provisions regulating subcontracting, overtime, shift operations, and employment practices in major collective bargaining agreements, by industry, 1954-55

Industry	Agreements with—													
	General provisions not specifically related to impending layoffs						Specific provisions effective only in event of slack work							
	Subcontracting		Overtime		Shift operations		Subcontracting		Overtime		Shift operations		Employment practices	
	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)
All industries.....	164	898.7	129	712.8	44	252.3	100	571.4	30	187.5	9	23.7	422	1,991.2
Manufacturing.....	79	430.8	70	482.6	23	176.8	67	370.9	26	66.5	9	23.7	352	1,507.1
Food and kindred products.....	1	2.3	5	9.3	1	1.0	2	4.2	1	6.0			25	64.5
Tobacco manufactures.....													1	1.3
Textile-mill products.....	5	25.0	6	27.3	1	7.0	7	21.6	1	1.3	3	3.4	13	28.9
Apparel and other finished textile products.....	32	273.6	29	369.1	17	157.1	25	258.8					1	1.0
Lumber and wood products (except furniture).....	5	8.1	3	6.3									1	1.8
Furniture and fixtures.....	2	4.0	2	7.0					2	3.6			8	15.1
Paper and allied products.....			4	6.1			2	2.0					11	20.5
Printing, publishing, and allied industries.....			1	2.3										
Chemicals and allied products.....	1	1.8	3	4.7			4	13.2	1	1.8			19	40.4
Products of petroleum and coal.....	3	12.7	1	1.2			7	22.5					2	4.7
Rubber products.....	1	22.0					1	1.0					12	24.6
Leather and leather products.....	2	6.0	5	27.0			2	5.7					6	20.8
Stone, clay, and glass products.....	1	1.6					2	3.4					2	2.5
Primary metal industries.....	1	2.1	3	4.4	1	1.6	1	6.5	3	4.5	1	2.2	31	80.9
Fabricated metal products.....	3	6.9	1	2.5	3	10.0	1	2.2					24	65.7
Machinery (except electrical).....	7	13.4	3	5.9			2	3.2	3	9.6	2	3.1	63	202.0
Electrical machinery.....	3	7.8	2	4.8			3	5.4	8	16.4	2	5.2	32	59.8
Transportation equipment.....	8	34.1					1	5.0	6	20.8	1	9.8	77	813.4
Instruments and related products.....	1	1.0					2	3.9					13	36.3
Miscellaneous manufacturing industries.....	3	8.4	2	4.9			5	12.3	1	2.5			11	22.8
Nonmanufacturing.....	85	467.8	59	230.2	21	75.6	33	200.5	4	121.1			70	484.1
Mining, crude petroleum, and natural gas production.....	2	2.0					1	1.0						
Transportation ¹	1	5.0	6	13.4	2	11.0	1	1.1	2	111.1			1	1.6
Communication.....	7	107.2	2	13.6			11	133.8	1	7.2			53	449.4
Utilities: electric and gas.....	16	33.7					20	64.6					8	19.8
Wholesale trade.....	1	2.0												
Retail trade.....	5	9.9	9	27.6	1	1.7			1	2.8			2	3.0
Hotels and restaurants.....	2	2.8	5	27.8	1	4.0								
Services.....	8	23.6	5	15.5	4	17.0							5	8.3
Construction.....	42	280.1	32	132.2	13	41.8							1	2.0
Miscellaneous nonmanufacturing.....	1	1.5												

¹ Excludes railroads and airlines.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

Specific Provisions. Of the measures specifically designed to avoid or minimize layoff of regular employees, by far the most common in the agreements studied were those regulating employment procedures. More than 400 agreements covering almost 2 million employees provided for changes in employment practices when layoff was impending (table 3). Significant concentrations of such clauses were noted in the machinery and transportation equipment industries (two-fifths and one-half of the agreements in the respective industries) and in the communication industry (three-fourths of the agreements). (See table 4.)

Four-fifths of the agreements regulating employment practices specified that all temporary and probationary employees must be removed from the payroll before regular employees may be laid off. There was no uniformity in the agreement definitions of temporary and probationary employees. Some probationary periods ran for as long as 6 months or more.

Closely linked to the practice of laying off probationary employees before seniority employees was the practice of removing employees with less than a certain minimum period of service before the "regular" complement would be affected. One-fourth of the agreements containing clauses restricting employment practices at time of layoff specified such a measure. The definition of what constituted short service likewise varied among agreements—from a few months of service to several years. Such clauses were often found as the second step in the layoff process, following the layoff of probationary or temporary employees. For example:

Layoffs shall take place within each occupational classification in the following order:

1. Temporary employees shall be laid off first; and then
2. Employees having less than 6 months' service shall be laid off in such order as to cause the minimum disturbance to the business and when practicable in inverse order of employment; and then
3. Employees having more than 6 months' service shall be laid off in inverse order of seniority.

Clauses which provided that no new employees would be hired during slack periods were comparatively few. Other infrequent provisions included

⁵ In some cases, the restriction or limitation on subcontracting may not have been intended primarily as a method of spreading the work among regular employees but as a method of controlling the flow of work to non-union plants.

those for laying off peak force employees, married women with working husbands, or a specified proportion of the work force before layoff in accordance with seniority was to begin.

The next most common provision for avoiding or minimizing layoffs involved the limitation or prohibition of subcontracting work during slack periods, found in 100 agreements. The typical clause allowed the employer to subcontract work only if (1) no layoff or work-sharing would result or (2) the present work force was fully supplied with work. For example:

The company agrees that it will not contract any work which is ordinarily or customarily done by its regular employees, if, as a result thereof, it would become necessary to lay off or reduce the rate of pay of any such employees.

The largest cluster of clauses limiting subcontracting in the event of slack work was found in apparel industries, where subcontracting is a standard practice. Approximately half of the apparel agreements had such restrictions to avoid reducing the amount of work available to regular or "inside" employees. In nonmanufacturing, the communication and utilities industries accounted for almost all of the clauses restricting subcontracting prior to consideration of layoffs.

Specific limitations and prohibitions on overtime work during slack periods were found in 30 agreements. Fifteen agreements prohibited overtime entirely during slack periods.

General Provisions. Some agreements contained standing limitations on the amount and extent of subcontracting, the amount of overtime, and extra shift operations, or restricted the choice of procedures on the part of the employer. These were negotiated predominantly in the apparel and construction industries (table 4).

The most prevalent type of general limitation was on the amount and extent of subcontracting, found in 164 agreements. Half of these agreements provided that any work subcontracted had to be given to either a subcontractor approved by the union or one who agreed to observe all pertinent terms of the union agreement, particularly the union wage scale.⁵ Some prohibited subcontracting of all types of work; others prohibited or limited subcontracting of certain types of work, such as maintenance and repair, or set

TABLE 5.—Provisions for reducing the workweek as a component of layoff procedures in major collective bargaining agreements, by industry, 1954-55

Industry	Number with layoff provisions		Number with provisions for reduction in workweek prior to layoff	
	Agreements	Workers (thousands)	Agreements	Workers (thousands)
All industries.....	1,347	5,815.1	356	2,211.8
Manufacturing.....	1,039	4,123.1	281	1,591.3
Food and kindred products.....	96	320.3	8	28.8
Tobacco manufactures.....	10	29.5	1	1.3
Textile-mill products.....	55	118.5	16	41.2
Apparel and other finished textile products.....	3	4.1	2	3.1
Lumber and wood products (except furniture).....	17	39.2	1	1.8
Furniture and fixtures.....	16	29.2	8	15.3
Paper and allied products.....	53	119.5	11	20.7
Printing, publishing, and allied industries.....	14	28.1	-----	-----
Chemicals and allied products.....	61	132.6	13	44.0
Products of petroleum and coal.....	26	71.7	-----	-----
Rubber products.....	21	128.8	13	36.9
Leather and leather products.....	14	41.7	7	27.0
Stone, clay, and glass products.....	32	102.6	8	33.8
Primary metal industries.....	117	662.5	53	480.2
Fabricated metal products.....	63	169.2	20	57.6
Machinery (except electrical).....	142	369.8	48	133.8
Electrical machinery.....	102	424.0	37	98.5
Transportation equipment.....	139	1,205.4	23	534.2
Instruments and related products.....	29	64.8	7	20.2
Miscellaneous manufacturing industries.....	29	61.5	5	12.9
Nonmanufacturing.....	308	1,692.0	75	620.6
Mining, crude petroleum, and natural gas production.....	15	295.0	5	84.0
Transportation ¹	52	336.9	5	10.3
Communication.....	68	533.5	47	456.8
Utilities: electric and gas.....	64	173.2	5	38.4
Wholesale trade.....	11	18.6	-----	-----
Retail trade.....	48	139.6	7	19.7
Hotels and restaurants.....	16	102.8	1	1.6
Services.....	26	74.1	5	9.9
Construction.....	6	9.6	-----	-----
Miscellaneous nonmanufacturing.....	2	3.8	-----	-----

¹ Excludes railroads and airlines.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

up specific conditions under which work could be subcontracted. For example, certain construction agreements prohibited subcontracting unless the subcontractor supplied the materials as well as the labor. Some agreements prohibited subcontracting except in emergency situations. A number of agreements required the company to notify the union prior to subcontracting, either making specific union permission a prerequisite to such action or permitting the union to enter a grievance protesting the action if it so desired. A clue to the considerations which might guide the union in determining whether an employer's request to subcontract was reasonable was supplied by a few agreements which provided that subcontracting would be permitted only if the company did not have the necessary facilities or the skilled manpower required.

The amount of overtime that could be worked was regulated by 129 agreements covering almost three-quarters of a million employees. Thirty-nine agreements limited daily or weekly overtime hours, as in this example for the garment industry:

Overtime is limited to 5 hours per week during 3 months of each of the 2 [peak] seasons of the year, and the workers shall be paid for overtime at the rate of time and one-half.

Thirty-five agreements made union permission a prerequisite for overtime work. Nineteen agreements covering about 150,000 employees flatly prohibited all overtime work.

Twenty-seven agreements, applying to about 230,000 employees, contained specific prohibitions against work on Saturday or Sunday or on both Saturday and Sunday.

A group of 44 agreements, applying to approximately 250,000 employees, limited shift operations. The bulk of these agreements either required union permission for operating more than 1 shift or prohibited work on more than 1 shift. A few agreements prohibited shift work in specific departments only or where there had been no nightwork under previous agreements. In some instances, shift limitations were waived in the event of emergencies.

Reduction in Hours. After overtime is eliminated and other devices have been used, layoffs can be further delayed or minimized by reducing scheduled weekly hours below 40 or whatever the normal schedule happens to be. In some agreements, the reduction in hours is the first step possible in a layoff sequence provided by the agreement. A provision in a collective bargaining agreement requiring the employer, as part of the layoff sequence, to reduce hours represents, in its effect, a limited form of work-sharing.⁶ The agreement may fix a lower floor to hours beyond which point layoffs are to be made, or may provide that a decision be made as to whether hours should be reduced or workers laid off.⁷

⁶ In this study, the Bureau attempted to distinguish between agreements under the terms of which the hours of work may be reduced prior to and during the course of a layoff and those providing for work-sharing in lieu of layoff. In actual operation, this may be a difficult line to draw. A general reduction of hours prior to an expected layoff which fails to materialize is in effect purely a work-sharing arrangement. Contrariwise, even when a contract provides for equal division of work, work-sharing might have to give way to layoff if work-sharing is no longer feasible. Work-sharing methods are discussed on pages 34-35.

⁷ Whether the union or management makes this decision, as established in the agreements, is discussed on pages 13 and 14.

TABLE 6.—*Level and duration of reduced workweek prior to consideration of layoffs, major collective bargaining agreements, 1954-55*

Level of reduced workweek	Number with provisions for reduction in workweek prior to layoff		Duration of reduced workweek before layoff is considered											
			2 weeks or less		More than 2 weeks but less than 4 weeks		4 weeks		More than 4 weeks		Other ¹		No duration stated	
	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)
Total.....	356	2,211.8	15	29.6	15	38.0	27	48.4	29	121.6	16	558.8	254	1,415.4
Number with provisions for level of reduced workweek.....	236	1,628.0	14	28.5	15	38.0	24	43.5	28	119.8	15	550.2	140	848.0
Weekly hours reduced:														
To 35.....	11	18.4	2	2.1			1	1.1			2	3.4	6	11.7
To 32.....	136	811.1	5	12.5	11	23.9	14	26.0	15	43.0	6	59.8	85	646.0
To 24-30.....	20	54.0	2	3.4	1	2.1	4	8.0	1	1.9			12	38.6
As necessary.....	21	54.2	1	1.1	2	8.9	3	4.8	1	1.0	1	1.2	13	37.2
In accordance with other provisions establishing minimum weekly hours ²	48	690.3	4	9.4	1	3.1	2	3.6	11	73.9	6	485.8	24	114.5
No provision regarding level of reduced workweek.....	120	583.8	1	1.2			3	4.9	1	1.8	1	8.6	114	567.4

¹ Includes agreements which provided that reduced hours were to be limited to "2 or 3 pay periods," a "reasonable" period, or a maximum number of days or weeks within a specified period; and 5 agreements covering 469,200 workers under which the duration of the period during which a reduced workweek was to be in effect depended upon the level to which hours were reduced. For example, 1 of these 5 agreements provided that the workweek could be reduced to 24 hours for not more than 2 weeks, or 32 hours for not more than 8 weeks.

² In addition to the 5 agreements under which the level of reduced hours varied with the duration of such reduction, this group also includes agree-

ments which specified minimum levels other than those listed, such as 36 hours or a stated percentage of normal workweek; agreements which provided for reducing hours in successive steps until the specified minimum was reached; agreements under which minimum hours were established by department, occupation, or seniority groups; and agreements which provided for negotiation of the level of reduced hours.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

About a fourth of the agreements containing layoff procedures provided for a reduction in hours to forestall layoff (table 5). Agreements providing for a reduction in hours were particularly prevalent in primary metal industries and in communications. Of the 356 agreements which incorporated provisions for reducing hours, 236 specified the level to which the workweek would be reduced (table 6). Only 96 agreements, however, specified both the level of hours and the duration of reduced hours before layoffs would begin.

A lower limit of 32 hours was specified in more than half of the agreements with provisions for reducing hours. Relatively few agreements provided other fixed levels. Five agreements, covering almost one-half million employees, provided that the level to which hours would be reduced depended upon the duration of the period during

which the reduced workweek was to be in effect. For example, one of these agreements provided that the workweek could be reduced to 24 hours for not more than 2 weeks or 32 hours for not more than 8 weeks.

Only 102 agreements specified the number of weeks during which the company would operate on a reduced workweek before layoffs would be instituted. The largest group of agreements with a definite pattern provided for a period of 4 weeks or more for the duration of reduced workweeks. The failure of the majority of agreements to provide for a definite time limit does not mean that curtailed workweeks would go on indefinitely. In practice, such an omission probably reflects the desire of the parties to allow for flexibility in regulating the work force in accordance with the needs of production.

Union Participation in Layoff Procedures; Advance Notice of Layoffs

Union Participation in Layoff Procedures

UNION-MANAGEMENT negotiations on layoff procedures do not necessarily cease with the signing of the collective bargaining agreement. Methods and details of operation often must be worked out at the time layoffs become imminent in the light of the specific circumstances then existing. Union participation may be an informal procedure, not covered by the contract, or it may be formally provided for in the written agreement. In either event, joint agreement may be sought in advance of any particular action, or management may fulfill its obligations by consulting with, or simply notifying, the union on an impending action. In practice, the distinction between obtaining union consent (joint agreement) and consulting with the union might depend not so much upon the precise meaning of these terms in agreement language as upon the importance management lends to obtaining union approval.

Union participation is generally limited to problems involving a choice of procedures, since the determination of the need for a reduction in force or an equivalent reduction in working time is invariably a management responsibility. Thus, the absence of a provision in the agreement establishing an area of union participation might signify that (1) the layoff sequence is explicitly defined in the agreement, or (2) management retains the right unilaterally to make the various decisions not covered by the agreement, or (3) the parties are content to rely upon customary methods of working out these problems on an informal basis.

Of the 1,743 major agreements studied, layoff procedures were found in 1,347 agreements involving 5.8 million workers. Of these, 245, covering more than one-fourth of the workers, provided for some degree of union participation in handling layoff problems during the term of the agreement.⁸ (See table 7.)

The area of participation varied from all layoff problems under some agreements to only one or more specific aspects under others. Some clauses consisted of a general statement to the effect that the company would discuss or negotiate with the union before any layoff action was taken, or provided for union participation in determining layoff procedures after the initial layoff of temporary or part-time employees. For example:

In the event of a severe reduction of working force, requiring a layoff of individuals with seniority, the company and the union will jointly discuss and agree upon the problem at the time of such layoff, with reference to the length of the workweek and the schedule of hours.

* * * * *

In the event there is a lack of work in any department, excluding operators, which necessitates either the reduction of work or the furloughing of employees, or both, before either method is determined upon, the company agrees to confer with the [union] for the purpose of determining which method will be used.

⁸ The prevalence of union participation clauses may be slightly higher than indicated. Reference to local negotiation of seniority and layoff was found in 68 multiplant contracts having no provision for union participation; over 900,000 workers were involved. It is possible that some supplemental agreements at the plant level granted the union a voice in determining layoff policies or represented, in their inception, the exercise of unions' right to participate.

TABLE 7.—Provisions for union participation in layoff procedures in major collective bargaining agreements, by industry, 1954-55

Industry	Number with layoff provisions		Number with provision for some degree of union participation ¹	
	Agreements	Workers (thousands)	Agreements	Workers (thousands)
All industries.....	1,347	5,815.1	245	1,533.5
Manufacturing.....	1,039	4,123.1	176	1,014.7
Food and kindred products.....	96	320.3	8	22.7
Tobacco manufactures.....	10	29.5	1	1.3
Textile-mill products.....	55	118.5	5	5.8
Apparel and other finished textile products.....	3	4.1	-----	-----
Lumber and wood products (except furniture).....	17	39.2	-----	-----
Furniture and fixtures.....	16	29.2	4	5.3
Paper and allied products.....	53	119.5	5	27.5
Printing, publishing, and allied industries.....	14	28.1	-----	-----
Chemicals and allied products.....	61	132.6	6	13.9
Products of petroleum and coal.....	26	71.7	2	20.3
Rubber products.....	21	128.8	6	11.7
Leather and leather products.....	14	41.7	4	9.3
Stone, clay, and glass products.....	32	102.6	5	19.9
Primary metal industries.....	117	662.5	40	447.8
Fabricated metal products.....	63	169.2	12	42.0
Machinery (except electrical).....	142	369.8	32	100.6
Electrical machinery.....	102	424.0	22	68.8
Transportation equipment.....	139	1,205.4	17	201.9
Instruments and related products.....	29	64.8	5	10.5
Miscellaneous manufacturing industries.....	29	61.5	2	5.5
Nonmanufacturing.....	308	1,692.0	69	518.8
Mining, crude-petroleum and natural-gas production.....	15	295.0	2	10.0
Transportation ²	52	336.9	6	10.7
Communications.....	68	538.5	46	429.3
Utilities: electric and gas.....	64	173.2	11	54.9
Wholesale trade.....	11	18.6	-----	-----
Retail trade.....	48	139.6	2	11.5
Hotels and restaurants.....	16	102.8	-----	-----
Services.....	26	74.1	1	1.2
Construction.....	6	9.6	-----	-----
Miscellaneous nonmanufacturing.....	2	3.8	1	1.3

¹ Includes agreements which required employer consultation with the union, as well as agreements which required agreement between the employer and union, on 1 or more aspects of layoff policy before action was taken.

² Excludes railroads and airlines.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

Some agreements provided for union participation in discussions relating to certain types of layoffs; for example, reduction of the workweek in lieu of immediate layoff; layoff of employees without regard to seniority; composition of the units to be considered for layoff; transfer of employees to other groups to avoid layoffs; and review of the list of employees selected for layoff.

Of the 245 agreements with provisions for union participation in 1 or more aspects of layoff, 136, covering about a million workers, required joint agreement; i. e., the union was granted an equal

voice in making decisions. In some instances, this was limited to a specific aspect of the layoff problem; in others, it applied to a number of decisions or all phases of the layoff sequence in the particular establishment. Provisions which required the employer to consult with the union, either on specific or all aspects of the layoff problem, were found in 106 agreements, covering a third of the workers. Under these clauses, the final determination was left to the employer. Clauses combining consultation on certain aspects of layoff with negotiation on others were found in the three remaining agreements which provided for union participation.

Nine agreements which required either consultation or negotiation of some aspects of layoff reserved to the union the final decision involving a choice between reduction of the workweek and layoffs.

Virtually all major agreements provide for a grievance procedure which safeguards the union's right to challenge any management action that appears to violate the agreement. But union participation in the grievance procedure differs significantly from participation in the formulation of procedures to guide management action and consequently it is not included in this study.⁹ However, it should be noted that the operation of grievance procedures might open informal avenues for union participation, at least to the extent of attempting to avoid future grievances.

Choice Between Reduction in Hours and Layoff.

One of the devices designed to forestall or minimize layoffs is the reduction of hours below normal schedules.¹⁰ By reducing the workweek, all regular employees share in the available work, and the work force is kept intact. On the other hand, if layoffs are made as soon as work slackens, more protection is afforded certain employees, usually those with longer service, at the expense of those who are laid off. Because of this conflict of in-

⁹ As indicated later in this report, a substantial number of agreements provided for advance notice of layoffs to the unions involved. These also have been excluded as a type of union participation for purposes of this section.

¹⁰ For a discussion of the prevalence of provisions in union agreements to reduce hours as a part of the layoff sequence, see pages 8 and 9.

terests among employees, the union has an especially important role in establishing policy.

The decision to reduce the normal workweek in the event of slack work may be made by the parties when the agreement is negotiated. In this case, the reduction would be instituted automatically by management, under the terms of the agreement, when circumstances warrant this action.

Provisions permitting or requiring a reduction in the normal workweek in lieu of immediate layoff were incorporated in over a fourth (356) of the major agreements with layoff procedures. The

remaining agreements with layoff provisions (991) contained no reference to the reduction of hours prior to layoffs, presumably reserving to management, without restriction or requirement regarding union consultation, the power to make whatever decisions were deemed appropriate. Moreover, 42 agreements making reference to reduced hours specifically stated that the choice between layoffs and reduced hours would be made by management (table 8). Thus, in approximately 300 agreements, the union had a voice in determining procedures either in the negotiation of the contract or at the time layoffs were imminent.

TABLE 8.—Method of decision to reduce normal workweek in lieu of immediate layoff, as provided in major collective bargaining agreements, by industry, 1954-55

Industry	Number with provisions for reduction in workweek prior to layoff		In period of slack work, decision to reduce workweek in lieu of immediate layoff made by—									
			Employer and union jointly ¹		Union		Employer		Automatic contract provision		Other ²	
	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)
All industries.....	356	2,211.8	135	661.8	5	19.4	42	112.7	156	1,113.5	18	304.5
Manufacturing.....	281	1,591.3	86	239.6	3	14.3	31	77.8	149	1,076.1	12	183.4
Food and kindred products.....	8	28.8	4	16.3					3	9.0	1	3.5
Tobacco manufactures.....	1	1.3							1	1.3		
Textile-mill products.....	16	41.2	3	3.5			4	8.8	8	25.3	1	3.6
Apparel and other finished textile products.....	2	3.1							2	3.1		
Lumber and wood products (except furniture).....	1	1.8							1	1.8		
Furniture and fixtures.....	8	15.3	3	4.3			1	1.8	4	9.3		
Paper and allied products.....	11	20.7	2	7.2			2	2.5	7	11.0		
Printing, publishing, and allied industries.....												
Chemicals and allied products.....	13	44.0	3	6.8			3	7.2	7	29.9		
Products of petroleum and coal.....												
Rubber products.....	13	36.9	4	19.6			3	8.6	6	8.7		
Leather and leather products.....	7	27.0	2	5.4					5	21.7		
Stone, clay, and glass products.....	8	33.8	1	2.0					6	21.8	1	10.0
Primary metal industries.....	53	480.2	11	21.9	1	1.3	2	13.8	37	440.0	2	3.2
Fabricated metal products.....	20	57.6	5	6.4			1	2.2	13	45.0	1	4.0
Machinery (except electrical).....	48	133.8	17	40.7			1	1.4	30	91.7		
Electrical machinery.....	37	98.5	15	51.4	1	3.3	9	20.7	9	13.4	3	9.7
Transportation equipment.....	23	534.2	9	38.3	1	9.8	4	9.4	6	327.4	3	149.4
Instruments and related products.....	7	20.2	5	10.5					2	9.7		
Miscellaneous manufacturing industries.....	5	12.9	2	5.5			1	1.5	2	6.0		
Nonmanufacturing.....	75	620.6	49	422.1	2	5.1	11	34.9	7	37.3	6	121.1
Mining, crude petroleum, and natural gas production.....	5	84.0	1	2.8			1	2.6	2	10.0	1	68.5
Transportation ³	5	10.3	3	5.7	1	3.1					1	1.5
Communications.....	47	456.8	37	368.0			5	18.1	1	19.5	4	51.0
Utilities: electric and gas.....	5	38.4	5	38.4								
Wholesale trade.....												
Retail trade.....	7	19.7	2	6.0			4	12.6	1	1.1		
Hotels and restaurants.....	1	1.6					1	1.6				
Services.....	5	9.9	1	1.2	1	2.0			3	6.8		
Construction.....												
Miscellaneous nonmanufacturing.....												

¹ Includes 3 agreements which gave the union option to choose between reduced workweek or layoff when employees with greater than specified amount of seniority were affected.

² Includes agreements (1) which combined automatic layoff of employees having a specified minimum seniority, or of a stated percent of the work force, with union participation in determining whether to reduce or rotate the work-

week in lieu of layoff for the remaining workers; (2) which provided for automatic reduction of the workweek in specific occupations or departments only; and (3) which did not clearly state procedure to be used.

³ Excludes railroads and airlines.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

TABLE 9.—Provisions for union participation in reducing normal workweek in lieu of immediate layoff, major collective bargaining agreements, 1954-55

Extent of union participation in reducing workweek	Agreements	Workers (thousands)
Total with provision for reduction in workweek prior to layoff.....	356	2,211.8
Number with provision for union participation in choice of reduced workweek or immediate layoff.....	140	681.2
Employer to consult with union.....	58	228.3
Employer and union to negotiate (joint agreement)	70	387.1
Other arrangements for employer-union consideration ¹	7	46.4
Union to choose between reduced workweek or layoff.....	5	19.4
No provision for union participation.....	216	1,530.6

¹ Includes agreements which allowed the employer to reduce the workweek pending negotiation or to invoke arbitration in the event of dispute, and agreements which provided for consultation combined with union option to choose between reduced workweek and layoff when employees with greater than specified amount of seniority were affected.

The proviso that hours were automatically to be reduced was written into 156 agreements covering more than 1.1 million workers. In 135 agreements, provision was made for joint employer-union consideration (negotiation or consultation) when the need arose. Five agreements left the choice up to the union.

Of the 135 agreements providing for joint consideration, 70 required negotiation between the employer and the union, while 58 required consultation or discussion (table 9). As previously indicated, the distinction between negotiation and consultation may not be entirely clear cut. In general, however, the requirement for negotiation presupposes agreement before action is taken, whereas the requirement for consultation would appear to narrow or limit the union's role.

Additional Reductions in the Workweek. If available work is still insufficient to prevent layoffs after an initial reduction of hours from the normal weekly level, consideration is sometimes given to further cuts in working time before resort to layoff. Union participation in determining whether to cut hours from levels below the normal workweek was provided in 60 agreements covering 663,000 workers. Under some of these agreements, the union participated in both the initial reduction and in the decision to reduce hours further. Under others, the union participated only in the latter step. As in the provisions covering the initial reduction, employer-union

negotiation was the most predominant type of arrangement—provided for in 38 agreements. In 19, the employer was required to consult with the union. Only one agreement left the choice to the union. Under the remaining two, the extent of union participation was not clear.

Advance Notice of Layoff

Advance notice of layoff to the affected employees, the union, or both, is a common requirement in layoff procedures. Provisions for advance notice were incorporated in more than one-half (707) of the 1,347 agreements with layoff clauses, covering nearly half of the workers (2.8 million). During the period of notice, the union has an opportunity to review the situation, verify the seniority status of the employees involved, and make suggestions regarding the manner of layoff. The employee is enabled to determine his displacement rights under the bumping and seniority provisions of the agreement, and has some opportunity to prepare for economic adjustment. Thus, employees are assured of fair treatment, and grievances are minimized. Under some agreements, payment for part or all of the notice period was mandatory if the employer failed to give the required notice to the employee.

Because of the need for quick adjustment of the work force during emergencies, many of the agreements made some provision for waiver of the notice requirement. Escape for the employer ranged from general statements that notice would be given "wherever practical," or "if possible," to specific itemization of reasons for waiver. These included fire, flood, or other "acts of God," and causes beyond management's control, such as failure of utilities, breakdown of machinery, and lack of materials.

Advance Notice to Union. Approximately 400 agreements, covering more than a fourth of the workers under agreements providing for layoff, required advance notice of layoff to the union (table 10).¹¹ Of these, 204 agreements also required

¹¹ A number of these agreements excluded temporary or occasional employees, or those with specified minimum seniority, from the requirement for advance notice to the union.

notice to employees. Union-notice requirements were most prevalent in the electrical machinery and communications industries, where over two-thirds of the workers under agreements with layoff provisions were involved.

The period of notice required was specified in 274 of the 408 agreements with union-notice clauses. The remaining 134 required the employer to give the union advance notice of impending layoffs without indicating the amount of notice.

Notice periods to the union ranged from less than 1 day to 90 days. Three out of four agreements that specified the period of notice provided for notice of 1 week or less, with the majority requiring less than 1 week's notice. More than 1 week's notice was provided in 60 agreements.

All but 7 of the 214 agreements which required notice of 1 week or less were in manufacturing industries. Notice periods of more than 1 week were found predominantly in nonmanufacturing, particularly in communications and utilities.

All of the communications agreements which specified the period of notice required more than 1 week. The bulk—21 out of 34—provided for 30 days' notice. The other 13 provided for periods ranging from 10 to 90 days. Several agreements made the period dependent on the reason for layoff. Longer periods, varying from 30 to 90 days, were set for layoffs due to installation of dial systems or to other technological changes. Shorter periods, from 10 to 30 days, were provided for layoffs due to other causes.

TABLE 10.—Provisions for advance notice of layoff to union in major collective bargaining agreements, by industry, 1954-55

Industry	Number with provisions for advance notice to union ¹		Period of notice ²										Not specified ³	
			1 day or less		2 days		3 or 4 days		5 days or 1 week		More than 1 week			
			Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)			Agreements	Workers (thousands)
All industries.....	408	1,672.4	62	284.6	33	74.5	69	249.0	45	197.8	60	327.3	139	539.2
Manufacturing.....	326	1,198.8	61	282.6	32	64.5	69	249.0	41	184.6	13	39.5	110	378.6
Food and kindred products.....	17	41.3	3	12.2	3	5.1	2	7.0	1	1.4			8	15.7
Tobacco manufactures.....	1	1.3											1	1.3
Textile-mill products.....	4	6.0											4	6.0
Apparel and other finished textile products.....														
Lumber and wood products (except furniture).....	1	1.0											1	1.0
Furniture and fixtures.....	5	12.5	2	7.8	2	3.5							1	1.2
Paper and allied products.....	5	8.3							2	4.0	2	3.2	1	1.1
Printing, publishing, and allied industries.....	4	8.5	2	4.5							2	4.0		
Chemicals and allied products.....	11	28.4	1	1.8			1	1.0	2	2.5			7	23.1
Products of petroleum and coal.....	4	7.1									3	5.9	1	1.2
Rubber products.....	2	6.0					1	1.7					1	4.3
Leather and leather products.....	4	5.8	1	1.2			2	3.2					1	1.4
Stone, clay, and glass products.....	3	5.8			1	1.8							2	4.0
Primary metal industries.....	34	80.3	3	4.5	5	7.1	11	39.0	4	12.0	1	2.7	10	14.9
Fabricated metal products.....	20	55.1	7	15.5	1	1.0	5	12.6	2	2.1			5	23.8
Machinery (except electrical).....	73	162.4	11	15.9	7	10.4	23	53.2	11	18.3			21	64.6
Electrical machinery.....	58	327.6	13	38.0	2	3.1	9	76.3	14	127.6	2	2.5	18	80.2
Transportation equipment.....	59	387.6	14	172.5	6	23.3	15	55.0	2	5.5	3	21.3	19	110.1
Instruments and related products.....	14	37.7	1	1.0	3	3.7			3	11.2			7	21.8
Miscellaneous manufacturing industries.....	7	15.9	3	7.8	2	5.5							2	2.6
Nonmanufacturing.....	82	473.6	1	2.0	1	10.0			4	13.2	47	287.8	29	160.6
Mining, crude petroleum, and natural gas production.....	1	1.0									1	1.0		
Transportation ⁴	3	7.7									3	7.7		
Communications.....	46	369.2									34	263.9	12	105.3
Utilities: electric and gas.....	19	47.4							3	7.7	8	14.1	8	25.6
Wholesale trade.....														
Retail trade.....	7	27.5											7	27.5
Hotels and restaurants.....	2	15.5			1	10.0			1	5.5				
Services.....	3	3.3									1	1.0	2	2.3
Construction.....	1	2.0	1	2.0										
Miscellaneous nonmanufacturing.....														

¹ 204 agreements covering 908,000 employees provided for notice to the employees in addition to notice to the union.

² Includes agreements with qualified provisions, such as those requiring advance notice "if possible" or "wherever practical."

³ Includes 5 agreements which specified the period of notice; ⁴ varied the

period according to size or cause of layoff, and 1 required 36 hours' notice. ⁴ Excludes railroads and airlines.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

TABLE 11.—Provisions for advance notice of layoff to regular employees in

Industry	Number with provisions for advance notice to employees ¹		Period of notice ²							
			1 day or less		2 days		3 or 4 days ³		5 days or 1 week	
	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)
All industries.....	503	2,063.1	99	717.4	56	153.1	89	349.8	133	426.4
Manufacturing.....	428	1,789.9	97	711.9	54	137.7	88	347.8	105	329.2
Food and kindred products.....	21	45.1	6	17.2	1	2.4	1	2.2	6	8.3
Tobacco manufactures.....	3	10.6								
Textile-mill products.....	8	12.4					1	1.1	4	7.5
Apparel and other finished textile products.....										
Lumber and wood products (except furniture).....	1	2.5					1	2.5		
Furniture and fixtures.....	4	5.0			1	1.2			1	1.6
Paper and allied products.....	13	33.7					1	11.5	3	5.1
Printing, publishing, and allied industries.....	5	12.1	2	5.8						
Chemicals and allied products.....	35	77.0			2	7.6	6	10.3	21	44.4
Products of petroleum and coal.....	10	17.2					1	3.5	4	5.4
Rubber products.....	14	43.6	1	1.1	1	1.0	6	15.1	4	7.1
Leather and leather products.....	2	3.2					2	3.2		
Stone, clay, and glass products.....	12	39.7			1	1.8	5	27.8	6	10.2
Primary metal industries.....	35	96.6	8	13.2	5	8.9	10	41.9	9	25.2
Fabricated metal products.....	18	32.5	3	9.0	4	4.3	3	7.4	5	6.5
Machinery (except electrical).....	88	217.5	23	45.6	18	28.8	24	78.5	15	43.5
Electrical machinery.....	56	280.9	18	53.0	6	10.2	13	71.3	11	114.6
Transportation equipment.....	78	801.9	34	564.5	10	64.9	9	58.0	11	40.5
Instruments and related products.....	19	48.4	1	1.0	4	5.2	3	10.5	4	7.6
Miscellaneous manufacturing industries.....	6	10.1	1	1.6	1	1.5	2	3.1	1	1.4
Nonmanufacturing.....	75	273.2	2	5.5	2	15.4	1	2.0	28	97.2
Mining, crude petroleum, and natural gas production.....	2	7.3								
Transportation ⁴	13	39.4	1	3.0	1	5.4	1	2.0	3	16.4
Communications.....	10	79.6							2	8.2
Utilities: electric and gas.....	26	72.9							6	17.1
Wholesale trade.....	1	2.0							1	2.0
Retail trade.....	11	23.0							11	23.0
Hotels and restaurants.....	4	16.6	1	2.5	1	10.0			1	2.5
Services.....	7	31.2							4	28.0
Construction.....										
Miscellaneous nonmanufacturing.....	1	1.3								

¹ See footnote 1, table 10.² See footnote 2, table 10.³ Only 4 of these agreements provided for 4 days' notice.⁴ Includes agreements which specified varying periods of notice: 13 agreements were based on length of service and others on occupation, type of work or product, shift, size, or cause of layoff. Also includes agreements which

*Advance Notice to Regular Employees.*¹² More than a third of the workers under agreements with layoff procedures were covered by 503 agreements which required the employer to give regular employees advance notice of layoffs (table 11). Such clauses were most prevalent in manufacturing industries, particularly in chemicals, machinery (except electrical), electrical machinery, transportation equipment, and instruments and related products. Between a half and two-thirds of the workers under layoff provisions in these industries were covered by clauses requiring notice to the employee.

The period of notice to employees was specified in 450 agreements. Four out of five provided for notice of 1 week or less. Periods of 1 day or less applied to approximately two-fifths of the workers under the 450 agreements, although only about

one-fifth of the agreements were involved. In most of these agreements, notice of 8 or 24 hours was designated; a few specified less than 8 hours.

Notice of 5 days or 1 week was the most common period in terms of number of agreements (133). Provisions for 3 days' notice were found in 85 agreements, and for 2 days in 56; only 4 agreements specified 4 days' notice.

Periods of more than 1 week were found in only 41 agreements. As in the case of provisions for notification to the union, notice periods to the employee of more than 1 week were more prev-

¹² Advance notice of short-term layoffs was not commonly required and was not included in this section. Only 29 of 400 agreements which distinguished between indefinite and short-term or temporary layoffs required advance notice to the employees for short-term layoffs; virtually all specified a shorter notice period than for long-term or indefinite layoffs. This section deals with provisions which did not distinguish between short- and long-term layoffs and with the advance notice provisions relating to long-term or indefinite layoff in cases where such a distinction was made. For a discussion of short-term layoffs, see table 23 (p. 28).

major collective bargaining agreements, by industry, 1954-55

Period of notice ² —Continued						If employer fails to give notice, he must pay for—				Industry
More than 1 week		Not specified		Other ⁴		Full notice period		Less than full notice period		
Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	
41	90.3	53	182.2	32	143.9	107	346.8	15	29.0		All industries.
12	31.4	46	161.7	26	70.2	74	235.9	13	26.5	Manufacturing.
3	4.7	3	8.7	1	1.7	3	4.5			Food and kindred products.
		2	9.2	1	1.4					Tobacco manufactures.
		3	3.8			3	4.5			Textile-mill products.
										Apparel and other finished textile products.
		2	2.3			1	1.6			Lumber and wood products (except furniture).
4	6.2	3	6.4	2	4.4	2	2.3			Furniture and fixtures.
1	2.2	2	4.1			1	2.8			Paper and allied products.
		3	9.6	3	5.1	12	19.8	1	1.2	Printing, publishing, and allied industries.
		2	2.4	3	5.9	6	12.3			Chemicals and allied products.
1	4.3	1	15.0			5	15.8			Products of petroleum and coal.
										Rubber products.
						3	5.1			Leather and leather products.
		2	3.8	1	3.7	1	1.8			Stone, clay, and glass products.
		2	4.3	1	1.0					Primary metal industries.
		2	12.6	6	8.5	10	16.5	1	2.0	Fabricated metal products.
		6	13.8	2	17.8	15	103.2	5	9.5	Machinery (except electrical).
2	11.9	7	42.5	5	19.7	9	33.8	6	13.8	Electrical machinery.
1	2.2	5	20.7	1	1.0	2	10.3			Transportation equipment.
		1	2.6			1	1.7			Instruments and related products.
										Miscellaneous manufacturing industries.
29	58.8	7	20.5	6	73.8	33	110.9	2	2.6	Nonmanufacturing.
1	1.0	1	6.2			1	1.0			Mining, crude petroleum, and natural-gas production.
										Transportation. ¹
7	12.6			3	57.9	2	11.5	1	1.5	Communications.
4	12.1	1	1.4	2	14.8	4	17.6			Utilities: electric and gas.
13	28.2	5	12.9			10	27.9	1	1.1	Wholesale trade.
										Retail trade.
1	1.6					9	18.8			Hotels and restaurants.
2	2.1			1	1.1	5	29.1			Services.
										Construction.
1	1.3									Miscellaneous nonmanufacturing.

provided for notice only to employees with a minimum length of service, to employees in certain departments, to those replaced by returning veterans, or for notice only in event of plant shutdown.

⁴ Excludes railroads and airlines.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

alent in nonmanufacturing industries, and notice periods of 1 week or less were more prevalent in manufacturing.

The remaining 32 agreements which designated the period of notice were not classified in any of

TABLE 12.—Provisions for payment for full notice period in lieu of advance notice of layoff to regular employees in major collective bargaining agreements, by period of notice required, 1954-55

Period of advance notice	Agreements	Workers (thousands)
Number with provisions for payment of full notice period.....	107	346.8
1 day or less.....	11	35.1
2 days.....	4	4.8
3 days.....	20	101.3
5 days or 1 week.....	54	155.8
More than 1 week.....	13	35.4
Other ¹	5	14.4

¹ In 4 agreements, the period of notice varied by length of service; the remaining agreement did not specify the period of notice.

the above categories because of variations or qualifications in the clauses.

Pay in Lieu of Notice. Provisions for payment in lieu of layoff notice were found in 122 agreements (table 11). These clauses either required the employer to pay the employees as a penalty for failure to give the notice designated, or permitted the employer the choice of giving notice or of making payment in lieu thereof.

Payment for the full notice period (or for any time remaining if the layoff occurred during the notice period) was provided in 107 agreements and for less than the full notice period in the remaining 15. About half of the contracts requiring full payment provided for advance notice of 5 days or 1 week (table 12). Three days' notice was required in 20 agreements requiring full payment.

Seniority and Bumping Practices

THE PRINCIPLE that length-of-service differences among employees merit special consideration in the event of layoffs or reductions in force is widely accepted in private and Government employment. The basic issues that arise between unions and management in collective bargaining relate to the specific weight to be assigned to length of service in determining the order of layoff and the amount of discretion or choice to be reserved to management. Historically, most unions concerned with this aspect of job security have pressed for a straight seniority rule under which length of service alone governs, thereby eliminating management choice and, with it, the possibility of bias or favoritism. On the other hand, management has generally attempted to maintain a free hand in determining the order of layoff, allowing as much weight to length of service as it saw fit, or has sought a qualified seniority rule which would allow for consideration of the individual worker's ability and fitness and other matters relating to plant efficiency, in addition to a specific commitment to recognize length of service.

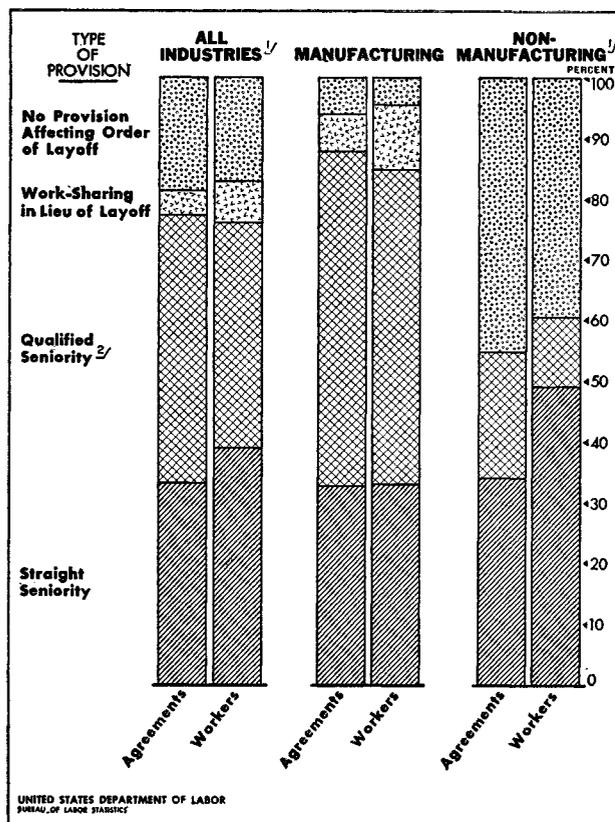
A rule of seniority fixes the status of a worker relative to that of other employees in the establishment. The worker's standing on a seniority list is, in many ways, a measure of his job security and is highly valued as such. As long as the extent of layoffs remains subject to business fluctuations,

however, seniority provides no absolute assurance of job security. In establishments not subject to wide shifts in the need for workers, or in departments (such as maintenance and repair) which continue to operate during plant layoffs, the able worker with high seniority enjoys a status tantamount to guaranteed employment. In other situations, he may expect to lose less time in the event of layoffs, but the possibility of layoff remains.

The pros and cons of seniority have been debated extensively for many years. On the one hand, it is claimed that a seniority system protects the worker against discrimination and minimizes uncertainty in that the worker knows where he stands. Workers growing old in the employ of a particular company are comforted by the fact that, as their ability to obtain other jobs diminishes, their seniority, hence their security, in their employment increases.¹³ Such assurances to the worker, it is maintained, make for a stable and loyal work force. On the other hand, it is argued that the rule of seniority discourages ability and encourages inefficiency. Reliance on seniority may lead to a general and unbalanced aging of the work force in the particular establishment or industry.

¹³ See *Older Workers Under Collective Bargaining—Hiring, Retention, Job Termination*, BLS Bull. 1199-1.

Order of Layoff Provided in 1,743 Major Agreements, 1954-55



¹ Exclusive of railroad and airline agreements.

² Includes small number of agreements classified as "other."

From a broader point of view, it is frequently maintained that the value workers place upon seniority deters movement from job to job, from industry to industry, and from region to region, and thus tends to immobilize the Nation's work force. The issue is far from resolved in any general sense, as this study of collective bargaining provisions shows. Moreover, as long as high employment levels prevail, it is not likely that the picture as a whole will be materially changed through collective bargaining.

The application of seniority, whether straight or qualified, becomes especially complicated in enterprises with a high degree of job specialization. For example, it is usually necessary in union-management negotiations to establish fixed areas of competition or units within which employees are to be ranked in order of retention. Having established such units, the parties must then face

the question as to whether senior workers in one unit will be laid off while in another unit junior workers who are equal or lower in the hierarchy of skills and wage rates continue to work, or whether displacement or "bumping" will be permitted. Thus, in actual operation, the order in which workers are separated from the payroll is determined by the interaction of the type of seniority in effect, the seniority unit, and bumping privileges. In theory, the need to eliminate one skilled worker in a plant may result in the layoff of the last unskilled laborer hired and a number of job changes for low seniority workers along the way.

Types of Seniority Provisions

The widespread prevalence of the seniority principle in establishments under collective bargaining is demonstrated by the fact that less than a fourth of the 1,743 major agreements studied¹⁴ failed to provide specifically for consideration of length of service in determining the order of layoffs. (See chart.) These agreements were predominantly in nonmanufacturing industries; all but 12 percent of the manufacturing agreements provided that relative seniority, i. e., length of service, shall be the only factor, or at least an important factor, in establishing the order of layoffs.

Straight Seniority. Straight seniority, under which length of service was the only factor to be considered, was provided by approximately a third of the major agreements in both manufacturing and nonmanufacturing industries, covering about one-half of the workers in the latter group. Qualified seniority systems, under which varying weight was given to length of service, was the predominant form of seniority in manufacturing, found in more than half of the agreements. Under major agreements in all industries, the number of workers covered by layoff procedures based on straight seniority was roughly the same as those covered by qualified seniority procedures.

Industry characteristics and the requirements of production were undoubtedly important in determining the type of seniority procedure to be

¹⁴ Each agreement covered 1,000 or more workers. For scope of study, see pages 2 and 3.

practiced, but these factors were apparently not the only ones. Among the 1,347 major agreements which referred to the order of layoffs, straight seniority was the predominant method in such diverse industry groups as mining, transportation, communication, rubber products, leather, and printing (table 13). In manufacturing, the metal-working group as a whole favored qualified seniority; in transportation equipment, however, a larger number of workers were covered by straight than by qualified seniority provisions. In industries such as textile-mill products and electric and gas utilities, where intraindustry differences in the nature of production (which may possibly explain variance in practice in other industries) are not especially pronounced, the major agreements with layoff provisions were almost equally divided between straight seniority and qualified seniority, indicating the influence of factors other than production requirements.

Qualified Seniority. The essential difference between a straight and a qualified seniority procedure is the element of discretion or selection reserved to management under the latter method. Straight seniority is synonymous with length of service and operates in a mechanical fashion. Company employment records provide a definitive accounting of length of service; aside from the possibility of questions relating to the seniority unit, straight seniority offers few problems of interpretation. Qualified seniority, on the other hand, takes into account, in varying measure, differences among employees in ability and competence, sometimes difficult factors to assess objectively, at least to the satisfaction of the workers affected. In the operation of qualified seniority, management can usually exercise without opposition the option of reverting to straight seniority in layoffs, especially in a large layoff; under straight seniority, the order is fixed by relative length of service, with certain

TABLE 13.—Length of service as a factor in determining the order of layoff in major collective bargaining agreements, by industry, 1954-55

Industry	Number with seniority provisions affecting order of layoff		Type of seniority applied in layoff					
			Straight seniority (length of service only)		Qualified seniority (length of service and other factors)		Other ¹	
	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)
All industries.....	1,347	5,815.1	579	2,974.1	749	2,737.5	19	103.5
Manufacturing.....	1,039	4,123.1	388	1,605.5	635	2,427.5	16	90.0
Food and kindred products.....	96	320.3	40	112.9	55	205.4	1	2.0
Tobacco manufactures.....	10	29.5	8	21.7	2	7.9		
Textile-mill products.....	55	118.5	26	66.8	28	47.9	1	3.8
Apparel and other finished textile products.....	3	4.1	3	4.1				
Lumber and wood products (except furniture).....	17	39.2	6	17.0	11	22.2		
Furniture and fixtures.....	16	29.2	4	6.4	11	19.7	1	3.1
Paper and allied products.....	53	119.5	17	39.1	35	78.8	1	1.5
Printing, publishing, and allied industries.....	14	28.1	11	24.1	3	4.0		
Chemicals and allied products.....	61	132.6	19	33.8	42	98.8		
Products of petroleum and coal.....	26	71.7	8	23.5	18	48.1		
Rubber products.....	21	123.8	14	85.3	6	8.5	1	35.0
Leather and leather products.....	14	41.7	9	33.3	5	8.4		
Stone, clay, and glass products.....	32	102.6	11	56.0	21	46.6		
Primary metal industries.....	117	662.5	30	79.9	85	577.9	2	4.7
Fabricated metal products.....	63	169.2	17	25.9	42	121.7	4	21.6
Machinery (except electrical).....	142	369.3	46	143.4	94	216.7	2	4.7
Electrical machinery.....	102	424.0	46	140.8	56	233.3		
Transportation equipment.....	139	1,205.4	55	653.9	82	538.9	2	12.5
Instruments and related products.....	29	64.3	10	16.9	18	46.8	1	1.2
Miscellaneous manufacturing industries.....	29	61.5	8	15.8	21	45.7		
Nonmanufacturing.....	308	1,692.0	191	1,368.6	114	310.0	3	13.5
Mining, crude petroleum, and natural gas production.....	15	295.0	6	272.7	9	22.2		
Transportation ²	52	336.9	43	316.3	9	20.6		
Communication.....	68	538.5	61	517.4	7	21.1		
Utilities: Electric and gas.....	64	173.2	31	96.6	30	63.2	3	13.5
Wholesale trade.....	11	18.6	5	10.0	6	8.6		
Retail trade.....	48	139.6	17	60.7	31	78.9		
Hotels and restaurants.....	16	102.8	9	52.9	7	49.9		
Services.....	26	74.1	15	34.7	11	39.4		
Construction.....	6	9.6	4	7.4	2	2.2		
Miscellaneous nonmanufacturing.....	2	3.8			2	3.8		

¹ Includes 13 agreements specifying straight seniority for certain groups of employees and qualified seniority for others and 6 agreements not specifying which type of seniority would be applied.

² Excludes railroads and airlines.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

exceptions to be noted later, and management has no alternative procedure.¹⁵

There are three basic types of qualified seniority provisions. The most common type, found in almost half of the 749 agreements with qualified seniority provisions (table 14), makes length of service the primary consideration and other factors secondary, as in the following examples:

Whenever there is a reduction in the working force or employees are laid off from their regular jobs, total length of continuous service, applied on a plant, department, or other basis as negotiated locally, shall be the major factor determining the employees to be laid off or transferred. . . . However, ability will be given consideration.

* * * * *

It is agreed that whenever the company either reduces or increases its working forces within any of the departments . . . the principle of seniority shall prevail, provided the employee retained or recalled is capable of doing the work.

Another type, appearing in about a third of the qualified seniority agreements, establishes length of service as a secondary factor, to govern only when ability and fitness among competing employees are approximately equal. To illustrate:

In decreases in forces or rehiring after layoffs the following factors as listed below shall be considered; however, only where both factors "a" and "b" are relatively equal shall continuous service be the determining factor: (a) Ability to perform the work; (b) Physical fitness; (c) Continuous service.

* * * * *

When ability and other qualifications are relatively equal, seniority shall govern when employees are promoted, demoted, laid off, or reemployed.

TABLE 14.—Types of qualified seniority determining the order of layoff in major collective bargaining agreements, 1954-55

Qualifications of seniority	All industries		Manufacturing		Nonmanufacturing	
	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)
Total.....	749	2,737.5	635	2,427.5	114	310.0
Seniority governs, provided senior employee is competent to do available work.....	350	1,039.5	313	937.2	37	102.3
Seniority secondary, i. e., governs only if ability is equal to competing employee.....	264	1,101.6	215	979.9	49	121.7
Consideration given seniority not clear.....	125	557.8	97	471.9	28	86.0
Other ¹	10	38.6	10	38.6		

¹ Includes agreements in which the type of qualified seniority varied by length of service or type of occupation.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

TABLE 15.—Specified exceptions to the use of seniority as a factor in determining the order of layoff in major collective bargaining agreements, 1954-55

Type of exception to seniority provisions	Agreements	Workers (thousands)
Total with seniority provisions affecting order of layoff.....	1,347	5,815.1
No exceptions specified.....	1,126	5,029.9
With provision for exceptions.....	221	785.2
During defined emergency period.....	35	102.9
During undefined emergency period.....	20	80.3
During temporary layoffs.....	132	465.5
At company's discretion under special circumstances.....	6	8.8
Jointly determined by company and union.....	20	74.6
Other.....	8	53.1

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

The third classification includes about a sixth of the qualified seniority provisions in which both length of service and relative ability were recognized but the relationship of one to the other in fixing the order of layoff was not made clear. In some of the agreements, this may have been intentional, in that management retained the right to decide (with or without union participation) as the occasion arose. In others, this may have been the consequence of loose or careless writing (from the point of view of a third party) or may have reflected an understanding not explicit in the words of the clause.¹⁶ Examples follow:

Seniority is defined as the length of an employee's continuous service with the company and it shall apply, merit considered, as to demotions, promotions, layoffs, and rehiring within a department.

Such layoffs shall be arranged with due consideration for seniority in the line-of-advancement, ability, length of service with the company, and family responsibility, and in reemployment the same consideration shall prevail.

* * * * *

In the event of a reduction of, or any increase in, the working forces, the case of each employee affected, that is, his transfer, layoff, or recall, will be based upon (1) his seniority and (2) his ability to perform the work.

¹⁵ The distinction between a layoff procedure and a discharge procedure should be borne in mind. As a rule, layoff procedures are not intended to cover the removal of incompetent or untrustworthy employees. Most agreements provide that management may discharge workers for "just cause," which, when defined, includes such reasons as incompetence, inefficiency, dishonesty, drunkenness, and insubordination.

¹⁶ Because of their lack of precision and the use of subjective phrases, qualified seniority clauses in general are known for the number of grievances they create and for the difficulties they present to arbitrators of grievance disputes (see, for example, Arbitration of Labor-Management Grievances, Bethlehem Steel Co. and United Steelworkers of America, 1942-52, BLS Bull. 1159). In the present analysis, the Bureau of Labor Statistics attempted to be consistent in interpreting the language of not one but a large number of agreements. In classifying 749 qualified seniority provisions according to the weight given to length of service, the Bureau obviously does not wish to lay claim to an insight that arbitrators, or even the parties who negotiated the contracts, may lack.

Exceptions to Seniority ¹⁷

In anticipation of special circumstances which might justify waiver or suspension of the seniority rule, about a sixth of the agreements contained provisions for such general contingencies (table 15). More than half of these agreements allowed for exceptions or suspension of seniority during temporary layoffs, which were variously defined or not defined in the agreements. A fourth of the general exceptions applied to "emergency" periods, also an undefined term in a number of agreements.

More common were provisions granting superseniority, or a place at or near the top of the

retention list, for union representatives, key personnel, or other groups. To insure continued experienced employee representation during and after a layoff, and possibly to provide an incentive to union members to accept such responsibilities, over 40 percent of the layoff agreements provided top seniority to union representatives and shop stewards (table 16). Only a small proportion of these agreements granted superseniority to all union representatives; rather, the bulk of the provisions listed the categories of union representa-

¹⁷ Temporary and probationary employees may be laid off before seniority provisions come into play. This study deals with the provisions as they affect regular employees.

TABLE 16.—Superseniority provisions for union representatives during layoff in major collective bargaining agreements, by industry, 1954-55

Industry	Number with seniority provisions affecting order of layoff		Number providing superseniority for union representatives		Superseniority for—									
	Agreements	Workers (thousands)	Agreements	Workers (thousands)	All union representatives		Fixed number or proportion of union representatives		Listed categories of union representatives		Fixed number or proportion of listed categories of union representatives		Other ¹	
					Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)
All industries.....	1,347	5,815.1	590	2,998.6	28	364.6	46	288.0	319	1,467.5	176	701.6	21	176.9
Manufacturing.....	1,039	4,123.1	545	2,692.8	26	359.0	39	110.9	296	1,380.4	165	668.9	19	173.7
Food and kindred products.....	96	320.3	20	38.1	1	3.4	1	1.4	12	19.4	4	9.1	2	4.8
Tobacco manufactures.....	10	29.5	2	2.7					1	1.4	1	1.3		
Textile-mill products.....	55	118.5	31	76.5	3	4.7	1	1.8	24	65.1	3	5.0		
Apparel and other finished textile products.....	3	4.1												
Lumber and wood products (except furniture).....	17	39.2	1	1.8					1	1.8				
Furniture and fixtures.....	16	29.2	12	22.8					8	15.2	2	4.9	1	1.6
Paper and allied products.....	53	119.5	7	11.4					5	8.0	1	2.4	1	1.0
Printing, publishing, and allied industries.....	14	28.1	1	1.5					1	1.5				
Chemicals and allied products.....	61	132.6	20	55.0	1	13.0	1	1.4	10	27.6	8	13.0		
Products of petroleum and coal.....	26	71.7												
Rubber products.....	21	128.8	3	9.6					3	9.6				
Leather and leather products.....	14	41.7												
Stone, clay, and glass products.....	32	102.6	7	11.3	3	4.2			2	4.7	2	2.4		
Primary metal industries.....	117	662.5	72	530.6	4	7.1	9	27.4	42	449.0	10	43.5	1	3.7
Fabricated metal products.....	63	169.2	42	117.6	2	2.7	4	25.8	23	64.1	11	20.0	2	5.0
Machinery (except electrical).....	142	369.8	111	308.9	4	5.2	11	31.1	46	138.0	44	119.2	6	15.3
Electrical machinery.....	102	424.0	73	338.8	4	10.1	5	8.7	42	165.4	22	154.6		
Transportation equipment.....	139	1,205.4	110	1,097.5	3	307.6	3	5.7	59	368.1	42	277.7	3	138.4
Instruments and related products.....	29	64.8	16	35.5			1	1.3	11	28.0	3	5.1	1	1.0
Miscellaneous manufacturing industries.....	29	61.5	17	33.3	1	1.0	2	5.1	6	13.6	6	10.7	2	2.9
Nonmanufacturing.....	308	1,602.0	45	305.8	2	5.6	7	177.1	23	87.1	11	32.7	2	3.2
Mining, crude petroleum, and natural gas production.....	15	295.0	7	17.8					4	7.9	2	8.9		
Transportation ²	52	336.9	7	199.8					2	165.0	4	4.0		
Communication.....	68	538.5												
Utilities: Electric and gas.....	64	173.2	13	33.1	2	5.6	3	8.6	2	4.5	4	11.3	2	3.2
Wholesale trade.....	11	18.6	2	2.2					1	1.0	1	1.2		
Retail trade.....	48	139.6	4	25.9					2	19.8	1	3.6		
Hotels and restaurants.....	16	102.8	1	2.5					1	2.5				
Services.....	26	74.1	7	18.0					5	14.3	2	3.8		
Construction.....	6	9.6	4	6.4					4	6.4				
Miscellaneous nonmanufacturing industries.....	2	3.8												

¹ Includes agreements which provided that the union representative must have a specified length of service before being entitled to superseniority; prohibited the exercise of superseniority over employees with a specified length of service; and limited superseniority to certain administrative subdivisions only or granted it subject to the union representative's ability to do the work.

² Excludes railroads and airlines.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

TABLE 17.—Superseniority provisions for special groups (other than union representatives) during layoff in major collective bargaining agreements, by industry, 1954-55

Industry	Number with seniority provisions affecting order of layoff		Superseniority for 1—									
			Key or exceptional employees, specialists ²		Students, trainees		Superannuated, disabled employees		Disabled veterans ³		Other ⁴	
	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)
All industries.....	1,347	5,815.1	230	1,157.0	38	463.7	51	661.4	32	116.3	15	47.9
Manufacturing.....	1,039	4,123.1	190	969.9	36	455.0	47	650.2	26	98.7	12	38.3
Food and kindred products.....	96	320.3	12	29.3			1	1.5	1	2.0	1	4.8
Tobacco manufactures.....	10	29.5										
Textile-mill products.....	55	118.5		4.6					5	20.0		
Apparel and other finished textile products.....	3	4.1										
Lumber and wood products (except furniture).....	17	39.2	2	3.3								
Furniture and fixtures.....	16	29.2	1	1.2								
Paper and allied products.....	53	119.5	2	4.9							1	1.3
Printing, publishing, and allied industries.....	14	28.1	1	1.5								
Chemicals and allied products.....	61	132.6	11	18.4	1	1.1	6	17.2	3	9.2		
Products of petroleum and coal.....	26	71.7	2	4.4	1	2.2	1	1.2	1	1.0		
Rubber products.....	21	128.8	2	3.1	1	1.5	2	3.3				
Leather and leather products.....	14	41.7										
Stone, clay, and glass products.....	32	102.6	7	38.8			1	2.0	1	1.1		
Primary metal industries.....	117	662.5	29	73.6	8	19.9	6	13.3	3	4.6		
Fabricated metal products.....	63	169.2	14	25.8	3	8.0	1	4.2	3	5.8	2	5.3
Machinery (except electrical).....	142	369.8	38	144.0	12	75.7	6	41.2	4	37.7	2	5.6
Electrical machinery.....	102	424.0	23	124.5	1	4.5	2	4.2	4	10.3	3	6.2
Transportation equipment.....	139	1,205.4	33	463.3	9	342.0	21	562.1	1	7.0	2	13.3
Instruments and related products.....	29	64.8	8	22.8								
Miscellaneous manufacturing industries.....	29	61.5	3	6.5							1	1.9
Nonmanufacturing.....	308	1,692.0	40	187.1	2	8.7	4	11.2	6	17.6	3	9.6
Mining, crude petroleum, and natural gas production.....	15	295.0	1	1.0	1	1.0	2	5.5	1	2.6		
Transportation ⁵	52	336.9										
Communication.....	68	538.5	27	163.7							2	8.6
Utilities: Electric and gas.....	64	173.2	2	4.5	1	7.7	1	4.5	5	14.9		
Wholesale trade.....	11	18.6										
Retail trade.....	48	139.6	6	10.9								
Hotels and restaurants.....	16	102.8										
Services.....	26	74.1	4	6.9			1	1.2			1	1.0
Construction.....	6	9.6										
Miscellaneous nonmanufacturing.....	2	3.8										

¹ The total number of agreements and workers are nonadditive; 41 agreements in the sample covered more than 1 category of employees.

² 44 of these agreements limited superseniority to a fixed number or proportion of employees in this category.

³ 8 of these agreements granted superseniority to all veterans.

⁴ Includes agreements which provided for superseniority for other special groups such as employees on the basketball team and employees hired before

a specified date; and agreements in which superseniority provisions were not clear.

⁵ Excludes railroads and airlines.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

tives to be covered, or limited the extra seniority protection to a fixed number or proportion. The practice of safeguarding the continued employment of union representatives was particularly prevalent in the metalworking industries.

Just as unions are interested in securing clauses exempting union representatives from seniority provisions, management frequently seeks seniority waivers for key or exceptional employees to maintain essential operations, plant safety, or for other reasons. Some agreements made one object the consideration for the other; that is, superseniority was granted to an equal number of key employees and union representatives. Approximately a sixth of the agreements contained clauses waiving seniority provisions for key or exceptional em-

ployees (table 17). Such provisions were concentrated mainly in the metalworking and communication industries.

Contracts also provide extra seniority protection to other groups, such as students and trainees, superannuated or disabled employees, and disabled veterans. Clauses exempting superannuated or disabled employees¹⁸ from layoffs based on seniority were found in 4 percent of the agreements, particularly the major agreements in the transportation equipment industry. Fewer agreements protected other special groups. One clause provided a special waiver for members of the company's basketball team.

¹⁸ For clauses granting special protection to older workers, see *Older Workers Under Collective Bargaining*, op. cit. (p. 22).

TABLE 18.—Extent of definition of seniority unit in major collective bargaining agreements, by type of employer unit, 1954-55

Extent of definition of seniority unit	Number with seniority provisions affecting order of layoff		Type of employer unit					
	Agreements	Workers (thousands)	Single plant		Multiplant company		Multiemployer	
			Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)
Total.....	1,347	5,815.1	803	1,954.0	330	2,681.1	214	1,180.1
Defined.....	1,101	4,369.8	729	1,794.4	254	1,869.6	118	705.7
Fully defined; no reference to local agreements.....	1,080	3,727.8	728	1,782.9	236	1,248.4	116	696.5
Defined in master agreement; subject to change locally.....	17	602.6	1	11.5	16	597.0	1	5.6
Defined for certain situations only.....	4	39.4	1	11.5	2	24.2	1	3.7
Not defined.....	246	1,445.3	74	159.5	76	811.4	96	474.3
Not defined in master agreement; established in local agreements.....	40	678.1	—	—	38	675.6	2	2.5
Not defined in single plant agreements; to be negotiated.....	9	23.1	9	23.1	—	—	—	—
Referred to but not defined.....	197	744.1	65	136.4	38	135.8	94	471.8

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

In contrast to the practice of providing super-seniority to special groups, a few agreements provided less-than-normal seniority protection to certain employees otherwise considered as regular employees. For example, 2 agreements required that in a slack period married women whose husbands were employed were to be laid off without regard to seniority; 3 agreements specified that apprentices were to be laid off without regard to seniority; and 1 agreement provided that non-union workers were to be laid off before union members. Of greater significance was the establishment of separate seniority lists for men and women employees, discussed later in this section, which in operation may provide less seniority protection to women than to men with equivalent years of service.

Seniority Unit ¹⁹

The second major component in the procedure of determining the order in which employees may be laid off is the seniority unit; that is, the area in which employees compete in terms of length of service and other factors that may be involved in seniority. Seniority units are necessarily tailored to fit the needs of the particular establishment. Among establishments in general, the more homogeneous the work force in terms of operations and skills, the wider the seniority unit tends to be. In diversified operations, each job or occupational classification may comprise a separate unit; on the

¹⁹ For a description of a seniority system in operation, see *The Practice of Seniority in Southern Pulp Mills*, Monthly Labor Review, July 1955 (p. 757)

TABLE 19.—Type of seniority unit specified for layoff purposes in major collective bargaining agreements, by type of employer unit, 1954-55

Type of seniority unit specified	Total		Type of employer unit					
	Agreements	Workers (thousands)	Single plant		Multiplant company		Multiemployer	
			Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)
All types of seniority unit.....	1,101	4,369.8	730	1,795.5	254	1,869.6	117	704.7
Job, craft, occupation, classification.....	151	360.3	91	224.6	24	44.2	36	91.4
Job or occupational families.....	38	140.0	34	128.6	4	11.4	—	—
Job and department.....	193	633.3	145	340.2	37	215.1	11	78.1
Department.....	299	846.5	215	400.4	53	356.6	31	89.5
Plant.....	71	156.9	45	77.1	17	53.9	9	25.9
Unit varies with type of layoff.....	28	106.4	20	58.4	7	46.8	1	1.2
Unit broadened if layoff caused by technological displacement.....	6	350.4	3	6.4	3	344.0	—	—
Unit varies by craft or occupation.....	61	173.5	50	139.6	10	28.4	1	5.6
Unit varies with length of service.....	25	157.3	20	85.2	4	64.8	1	7.3
Other.....	229	1,445.2	107	335.0	95	704.5	27	405.8

¹ Includes agreements with seniority units defined by administrative subdivisions such as "district," "wage group," "payroll location," "station," "office," "zone"; agreements with combinations of the seniority units listed

separately in the table; and agreements in which the seniority units were not clearly defined.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

TABLE 20.—Provisions in major collective bargaining agreements for separate seniority lists for men and women, by industry, 1954-55

Industry	Number with separate seniority lists		Number with other related provisions ¹	
	Agreements	Workers (thousands)	Agreements	Workers (thousands)
All industries.....	92	596.5	14	42.5
Manufacturing.....	89	571.2	9	25.8
Food and kindred products.....	24	110.8	2	2.1
Tobacco manufactures.....	1	2.5		
Textile-mill products.....				
Apparel and other finished textile products.....				
Lumber and wood products (except furniture).....				
Furniture and fixtures.....	3	3.8		
Paper and allied products.....	3	7.1	1	1.4
Printing, publishing, and allied industries.....				
Chemicals and allied products.....	6	9.4		
Products of petroleum and coal.....				
Rubber products.....	4	8.0		
Leather and leather products.....				
Stone, clay, and glass products.....	4	5.3		
Primary metal industries.....	4	5.2	1	2.2
Fabricated metal products.....	5	11.1	2	6.6
Machinery (except electrical).....	12	54.0	1	1.2
Electrical machinery.....	9	16.9	1	2.9
Transportation equipment.....	7	324.6	1	9.4
Instruments and related products.....	4	4.9		
Miscellaneous manufacturing industries.....	3	7.6		
Nonmanufacturing.....	3	25.4	5	16.8
Mining, crude petroleum, and natural gas production.....				
Transportation ²				
Communication.....	2	24.3		
Utilities: Electric and gas.....			1	3.9
Wholesale trade.....				
Retail trade.....	1	1.1	2	5.0
Hotels and restaurants.....			1	1.6
Services.....			1	6.3
Construction.....				
Miscellaneous nonmanufacturing.....				

¹ Includes agreements which provided separate seniority lists for women in certain departments only or for women hired after a specified date, excluded women from exercising seniority to displace employees in specified classifications, confined hiring and firing of women to certain classifications for seniority purposes, specified separate job classifications for men and women, or otherwise indicated separate seniority lists. One agreement permitted women to bid on certain jobs if there were at least 3 such jobs in the unit, 2 of which were filled by men; 1 permitted interchangeability of male and female operators by determination of the general foreman and shop steward. Women were classed as temporary employees under one agreement, with no seniority rights except among themselves; they were to be replaced by men as soon as an adequate supply of men became available.

² Excludes railroads and airlines.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

other hand, in some situations the plant as a whole may be considered as a single unit.

Two limited aspects relating to seniority units in agreements were studied: whether the agreement defined the seniority units and the type of unit specified. Since these aspects may be a function of size, it is important to emphasize that each of the agreements analyzed covered at least 1,000 workers.

About 1 out of every 5 agreements covering the order of layoff failed to describe the nature of the seniority unit (table 18). Most of these agree-

ments, which included a substantial proportion of multiemployer agreements, referred to seniority units but did not define them. Since seniority is meaningful only in the context of a given area of application, it is likely that in these situations the seniority unit was negotiated at the local level or was established by custom.

Because terms such as job, department, and plant have many synonyms and a variety of meanings among the 1,101 agreements which defined the seniority unit,²⁰ the classification of units can be, at best, only a rough approximation. About a fifth of these agreements referred to units such as "district," "wage group," "station," which could be defined only with knowledge of the operations of the particular establishment covered by the agreement. On the whole, however, it would appear that job or departmental seniority units, or their equivalent, were the most common. Units based on jobs or job families were specified in 17 percent of the agreements; job and department units in 18 percent; and department units in 27 percent. Plantwide units were provided for in only 6 percent of the agreements. Slightly more than 10 percent provided for units varying with the employee's job, length of service, or the nature of the layoff situation (table 19).

The order of layoff applicable to men and women is sometimes administered through the use of separate seniority lists, a practice which has the effect of establishing seniority units based on sex. Generally, men and women are first divided into noninterchangeable occupational groups and then into separate seniority units within a department or the plant. The employee's relative standing on the appropriate retention list determines the order of layoff. About 8 percent of the agreements with layoff provisions contained clauses providing for separate seniority lists for each sex (table 20). Such clauses were confined almost entirely to manufacturing agreements. They were most common in the food industries, where they appeared in a fourth of the agreements with layoff procedures, and in transportation equipment, where 8 agreements with such clauses covered almost 335,000 workers.

²⁰ Time worked in the seniority unit does not necessarily coincide with the basis upon which length of service for layoff purposes is computed or calculated. The methods of calculating length of service were not covered in this study.

Bumping Practices

Although the type of seniority and the seniority unit determines the order in which employees may be reached for layoff, the question as to whether an employee is actually separated from the payroll may depend on another factor—his privilege of displacing or bumping a junior employee (in terms of length of service) in another seniority unit. For example, a tool and die maker with 5 years' service may be the first to be reached for layoff in his unit, but he may be allowed by the agreement to displace a less skilled machine tool operator in another unit with 4 years' service. The machine tool operator, in turn, may bump a worker in another unit with 3 years' service. The practice of bumping, which may involve a chain reaction affecting a number of workers for each

one laid off, is generally qualified in the interest of maintaining plant efficiency.

Approximately half of the agreements with layoff procedures contained bumping provisions (table 21). The practice was more prevalent in manufacturing than in nonmanufacturing agreements (56 percent as against 31 percent of the agreements) and was fairly well distributed among major large-establishment industries.

The complexity of the administrative processing and the disruption caused by bumping may account for clauses limiting the use of bumping to indefinite or long-term layoffs. Almost a third of the agreements with bumping clauses contained this specific qualification (table 21). On the other hand, relatively few agreements specified that bumping would be practiced in both short-term and indefinite layoffs. The majority of clauses

TABLE 21.—Bumping provisions in major collective bargaining agreements, by type of layoff and industry, 1954-55

Industry	Number with seniority provisions affecting order of layoff		Number with provisions for bumping		Bumping permitted in—							
					No reference to length of layoff		Indefinite layoffs only		Indefinite and short-term layoffs		Other ¹	
					Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)
All industries.....	1,347	5,815.1	681	2,380.2	425	1,379.2	210	769.3	30	185.7	16	46.0
Manufacturing.....	1,039	4,123.1	586	2,026.0	347	1,091.7	197	712.5	23	180.2	14	41.7
Food and kindred products.....	96	320.3	38	205.3	30	187.1	5	11.8	2	3.1	1	3.4
Tobacco manufactures.....	10	29.5	3	4.9	3	4.9						
Textile-mill products.....	55	118.5	18	31.4	15	28.0	2	2.4	1	1.0		
Apparel and other finished textile products.....	3	4.1										
Lumber and wood products (except furniture).....	17	39.2	7	13.9	7	13.9						
Furniture and fixtures.....	16	29.2	8	11.5	4	6.2	3	4.1	1	1.2		
Paper and allied products.....	53	119.5	22	50.8	11	18.5	9	28.5			2	3.8
Printing, publishing, and allied industries.....	14	28.1	5	11.9	5	11.9						
Chemicals and allied products.....	61	132.6	40	90.2	22	48.8	17	39.9	1	1.5		
Products of petroleum and coal.....	26	71.7	14	35.9	12	25.7	2	10.2				
Rubber products.....	21	128.8	13	27.3	9	19.7	3	3.3			1	4.3
Leather and leather products.....	14	41.7	6	23.4	6	23.4						
Stone, clay, and glass products.....	32	102.6	17	54.5	8	30.7	7	12.6	1	1.3	1	10.0
Primary metal industries.....	117	662.5	67	200.9	43	109.4	22	88.3	1	1.8	1	1.4
Fabricated metal products.....	63	169.2	28	65.8	17	51.2	9	11.5			2	3.2
Machinery (except electrical).....	142	369.8	94	253.4	56	148.5	32	89.1	5	12.4	1	3.4
Electrical machinery.....	102	424.0	68	230.0	36	108.8	27	114.2	4	5.0	1	1.0
Transportation equipment.....	139	1,205.4	98	623.5	38	200.6	48	266.6	10	149.3	2	7.1
Instruments and related products.....	29	64.8	22	53.5	14	35.6	6	15.2	2	2.7		
Miscellaneous manufacturing industries.....	29	61.5	18	38.0	11	18.8	5	15.0			2	4.2
Nonmanufacturing.....	308	1,692.0	95	354.2	78	287.5	13	56.9	2	5.5	2	4.3
Mining, crude petroleum, and natural gas production.....	15	295.0	9	14.3	8	12.3	1	2.0				
Transportation ²	52	336.9	20	44.6	17	37.6	2	4.2			1	2.8
Communication.....	68	538.5	15	155.7	11	124.6	4	31.1				
Utilities: Electric and gas.....	64	173.2	39	96.2	31	70.9	5	18.3	2	5.5	1	1.5
Wholesale trade.....	11	18.6	1	2.0	1	2.0						
Retail trade.....	48	139.6	6	29.6	6	29.6						
Hotels and restaurants.....	16	102.8										
Services.....	26	74.1	4	10.5	3	9.3	1	1.2				
Construction.....	6	9.6										
Miscellaneous nonmanufacturing.....	2	3.8	1	1.3	1	1.3						

¹ Includes agreements which qualified bumping in relation to type of layoff and/or workers affected.

² Excludes railroads and airlines.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

TABLE 22.—Bumping practices in major collective bargaining agreements, by type of seniority applied in layoff, 1954-55

Bumping practices	Total		Type of seniority applied in layoff					
			Straight seniority		Qualified seniority		Other ¹	
	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)
Total with seniority provisions affecting order of layoff..	1,347	5,815.1	579	2,974.1	749	2,737.5	19	103.5
Without provision for bumping.....	666	3,434.9	258	1,917.8	400	1,454.5	8	62.7
With provision for bumping.....	681	2,380.2	321	1,056.3	349	1,283.0	11	40.8
Without limitations.....	104	416.7	61	145.9	40	267.0	3	3.8
Provided employee is capable of doing work.....	299	965.9	127	385.8	168	564.7	4	15.4
Provided he has minimum service requirement.....	7	17.8	2	3.3	5	14.5	.....	.....
Provided he has specified amount of service above that of employee bumped.....	9	21.8	4	15.4	5	6.4	.....	.....
Provided he has prior service in unit.....	23	38.0	10	16.1	13	21.9	.....	.....
Provided he bumps to former job(s) only.....	30	89.9	14	51.4	16	38.5	.....	.....
Area of bumping geared to service.....	10	29.8	4	12.7	6	17.1	.....	.....
Other provisions ²	199	800.3	99	425.8	96	352.9	4	21.6

¹ Includes 13 agreements specifying straight seniority for certain groups of employees and qualified seniority for others and 6 agreements not specifying which type of seniority would be applied.

² 124 agreements specified various combinations of employee qualifications for bumping rights listed in the table. The remaining 75 included agreements which varied bumping practices for different jobs, restricted bumping rights

to employees of specified length of service, or limited the area of bumping to specified seniority units or only to jobs held by unskilled or short-service employees.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

contained no reference to the length of layoff in establishing bumping rights.

An employee's right to bump was qualified, under most agreements, by consideration of his ability or the nature of his previous experience

TABLE 23.—Duration of short-term or temporary layoffs specified in major collective bargaining agreements, 1954-55.

Duration	Agreements	Workers (thousands)
Total with layoff provisions.....	1,347	5,815.1
With provisions covering short-term layoff.....	400	1,858.4
5 days (or 1 week) or less.....	172	503.5
More than 5 but less than 10 days (or 2 weeks).....	22	83.5
10 days (or 2 weeks).....	63	204.1
More than 10 days, but less than 1 month.....	34	485.8
1 month or more.....	23	105.8
Undefined.....	67	301.9
Other ¹	19	168.9

¹ Includes agreements which limited the number of days of temporary layoffs which may be accumulated in a specified calendar period; varied the duration of the layoff period by the reason for layoff; provided for extension of the temporary layoff by mutual agreement; and agreements which defined temporary layoff as "1 week or more."

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

(table 22). Only 15 percent of the bumping provisions did not state specific limitations on the right to bump. Qualified bumping privileges prevailed to a slightly smaller extent among agreements which provided for straight seniority than in those which provided for qualified seniority in establishing the order of layoff.

Short-Term or Temporary Layoffs

References to short-term or temporary layoffs in previous sections of this report may be clarified by contract definitions of these terms. Of the 1,347 agreements with layoff procedures, 400 referred to short-term or temporary layoff. About a sixth of these agreements did not define the terms. More than three-fifths defined the period intended as 10 days (or 2 weeks) or less, with most at 5 days (or 1 week) or less. In some agreements, layoffs as long as a month or more were considered temporary or short termed (table 23).

Recall Procedures; Work-Sharing

Recall Procedures

Just as a layoff procedure in a collective bargaining agreement assures the employed worker that the order of layoff, should the occasion arise, will be equitable, a recall procedure assures the laid-off worker that the order of return to work will be based on similar, if not identical, principles. Although business requirements determine the timing and volume of layoff and recall, relative length of employee service is an important and objective consideration in fixing the order in which workers are affected. The recognition of his equity in the job is an important right retained by the laid-off worker under the agreement, usually for a specified period. During recent years, this right has been supplemented by other rights, through collective bargaining or unilaterally by employers, which also enhance, for a time, the status and security of the laid-off worker. For example, he may be entitled to supplemental unemployment benefits financed by the company; he may be permitted to continue his participation in the company's health and insurance plan; he may preserve his credited service under the company's pension plan, or may even qualify under length of service or minimum age requirements for a deferred pension (vesting) during a layoff period which ultimately becomes a permanent separation.

The basic principle underlying most recall procedures is the return to work in inverse order of layoff, i. e., the last person laid off is the first to be recalled. Application of this principle, however, is complicated by plant requirements; production may not be resumed simultaneously in all units of a plant or in inverse order of curtailment, nor is the return to full production necessarily at the same rate among units. Such situations often result in modification of the recall principle, usually by widening or narrowing the area of job opportunity (seniority unit) or by ascribing more weight to ability and skill than these factors may have had in determining the order of layoff. This may be done by mutual agreement when the exigencies arise or may be provided for in the agreement. Some agreements provide for such contingencies by permitting deviation from the regular recall procedure, as in the following provision:

It is recognized that deviations from the [stipulated] order of recall may be made necessary by the sequence in which plant operations are resumed. For example, in the case where plant equipment must be put back into shape before operations can be started, the appropriate senior mechanical department employees required to do the work may be recalled, even though other employees with greater plant seniority are still laid off until such time as the department is operating normally. Similarly, if a particular operating department is to be started up and operating employees with the necessary qualifications and experience in that department are required, such employees may be

recalled even though employees of other departments with greater plant seniority are still laid off.

Of the 1,743 major agreements studied, layoff procedures were found in 1,347, covering 5.8 million workers. Most of these agreements explicitly set forth a recall procedure; a few, however, contained no reference to the manner in which recall was to proceed. Most agreements also stipulated the length of time that laid-off workers would retain seniority.

Seniority in Recall. As in layoff, qualified seniority, whereby length of service is considered with other factors such as ability, skill, and physical fitness, was the predominant type of seniority applied in recall: 58 percent of the 1,347 agree-

ments in recall and 56 percent in layoff.²¹ Only 28 percent of the agreements specified straight seniority (i. e., length of service is the only factor) in recall, in contrast to 43 percent in layoff. Recall provisions which were not explicit or which provided only for preference over new employees in rehire accounted for 13 percent of the agreements. The remaining 1 percent provided for recall by straight seniority for some groups and qualified seniority for others. (See table 24.)

Qualified seniority was specified more frequently in manufacturing than in nonmanufacturing industries. Such provisions were found in slightly more

²¹ For a discussion of seniority types and their prevalence in layoff procedures, see pages 19-22.

TABLE 24.—Recall provisions in major collective bargaining agreements, by industry, 1954-55

Industry	Number with layoff provisions		Laid-off employees recalled on the basis of—									
			Straight seniority		Qualified seniority		Straight seniority for some, qualified seniority for others ¹		Preference over new employees, seniority not a factor		Recall procedure not explicit	
			Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)	Agreements	Workers (thousands)
All industries.....	1,347	5,815.1	373	1,665.1	786	3,136.5	12	296.1	43	155.0	133	562.5
Manufacturing.....	1,039	4,123.1	298	1,255.0	642	2,517.2	10	27.6	28	93.9	61	229.4
Food and kindred products.....	96	320.3	30	66.8	55	232.9	2	4.8	2	4.8	9	15.8
Tobacco manufactures.....	10	29.5	6	17.8	2	4.7	1	4.5	1	4.5	1	2.5
Textile-mill products.....	55	118.5	25	65.8	27	46.1	1	1.0	1	1.0	2	5.6
Apparel and other finished textile products.....	3	4.1	2	3.1	1	1.0	1	1.0	1	1.0	1	1.0
Lumber and wood products (except furniture).....	17	39.2	4	9.0	8	17.1	1	3.1	2	5.5	3	7.6
Furniture and fixtures.....	16	29.2	4	6.8	10	17.9	1	3.1	1	3.1	1	1.4
Paper and allied products.....	53	119.5	16	28.6	32	80.9	1	3.1	1	3.1	5	10.0
Printing, publishing, and allied industries.....	14	28.1	9	14.8	5	13.3	1	1.8	1	1.8	4	11.5
Chemicals and allied products.....	61	132.6	14	24.0	40	97.6	1	4.9	4	4.9	3	6.1
Products of petroleum and coal.....	26	71.7	4	8.8	17	36.3	1	3.2	1	3.2	4	23.4
Rubber products.....	21	128.8	8	34.3	9	19.5	1	3.2	1	3.2	4	75.0
Leather and leather products.....	14	41.7	6	15.7	6	15.1	1	9.5	1	9.5	1	1.4
Stone, clay, and glass products.....	32	102.6	6	21.7	23	62.4	1	3.2	1	3.2	3	18.6
Primary metal industries.....	117	662.5	22	70.2	90	583.5	2	4.7	1	1.1	2	3.0
Fabricated metal products.....	63	169.2	16	28.3	40	114.7	1	1.5	1	1.5	6	24.8
Machinery (except electrical).....	142	369.8	33	121.9	100	232.7	1	3.5	2	2.7	6	9.0
Electrical machinery.....	102	424.0	32	79.5	56	286.7	2	3.3	10	50.4	2	4.1
Transportation equipment.....	139	1,205.4	50	615.2	85	572.8	1	9.4	1	2.1	2	5.9
Instruments and related products.....	29	64.8	6	10.1	20	49.4	1	1.2	1	2.4	1	1.7
Miscellaneous manufacturing industries.....	29	61.5	5	12.4	22	46.9	1	1.0	1	1.0	1	1.2
Nonmanufacturing.....	308	1,692.0	75	410.1	144	619.2	2	268.5	15	61.0	72	333.2
Mining, crude petroleum, and natural gas production.....	15	295.0	3	3.1	8	19.4	2	268.5	1	2.8	2	4.0
Transportation ²	52	336.9	23	238.0	11	24.4	1	3.0	1	3.0	17	71.7
Communications.....	68	538.5	10	73.6	47	375.3	1	3.0	6	11.9	10	86.5
Utilities: Electric and gas.....	64	173.2	13	28.3	34	70.5	1	3.0	6	11.9	11	62.4
Wholesale trade.....	11	18.6	4	8.5	6	8.6	1	1.5	3	13.8	1	1.5
Retail trade.....	48	139.6	6	18.1	22	57.4	1	1.5	4	29.5	17	50.3
Hotels and restaurants.....	16	102.8	5	16.8	5	44.3	1	1.2	1	1.2	2	12.3
Services.....	26	74.1	9	19.8	8	14.4	1	1.2	1	1.2	9	40.0
Construction.....	6	9.6	2	3.9	1	1.2	1	1.2	1	1.2	3	4.5
Miscellaneous nonmanufacturing.....	2	3.8	1	1.2	2	3.8	1	1.2	1	1.2	1	1.2

¹ 7 of these agreements combined straight seniority in recall for certain occupational groups or departments with qualified seniority for others; 4 used straight seniority if the employee was recalled to his regular job classification and qualified seniority if recalled to a new job classification; the remaining agreement used straight seniority for employees with 7 years' service and qualified seniority for those with less service.

² Excludes railroads and airlines.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

than 60 percent of both layoff and recall provisions in manufacturing agreements. In nonmanufacturing, the proportion was 47 percent in recall and 37 percent in layoff. Recall based on qualified seniority was provided in over 70 percent of the agreements in the stone, clay, and glass; primary metals; and machinery (except electrical) industries.

Of the 786 agreements providing for qualified seniority in recall, length of service was the primary factor in 56 percent and a secondary factor in 30 percent of the agreements, as indicated in the following tabulation:

	<i>Agreements</i>	<i>Workers (thousands)</i>
Total.....	786	3, 136. 5
Seniority governs, provided senior employee is competent to do available work.....	443	1, 656. 9
Seniority secondary, i. e., governs only if ability equal to competing employee.....	237	1, 023. 3
Consideration given seniority not clear.....	98	425. 1
Consideration given seniority varies by length of service or type of occupation.....	8	31. 2

Where seniority was the primary factor, experience on similar or related work, either with the employer or with other firms, was often accepted as demonstration of ability. In some instances, the employee was to be given a short trial period to prove his ability. Under clauses where seniority was secondary, the first test was that of ability or fitness. As between two competing employees, if ability was equal or relatively equal, length of service was the determining factor.

Straight seniority governed the order of recall in 373 agreements, accounting for 28 percent of manufacturing and 24 percent of nonmanufacturing agreements, in contrast to 37 percent and 62 percent, respectively, in layoff. In each industry except lumber, the number of agreements providing for straight seniority in recall was lower than in layoff; the difference was most marked in the communications industry, with 15 percent providing for straight seniority in recall and 90 percent in layoff.

A combination of both straight and qualified seniority was applied in recall under the terms of 12 agreements. The factors determining the type

of seniority applicable were the occupational groups or departments in seven instances; and the employee's length of service in another. In four such agreements, including the national anthracite and bituminous coal contracts, straight seniority governed recall to the employee's former job, and qualified seniority governed recall to a new job classification.

Relation Between Layoff and Recall Procedures.

In 964 agreements, covering 68 percent of the workers under layoff procedures, the order of recall was determined by the same method applicable to layoff, i. e., type of seniority, weight given to ability, skill, or other factors, and composition of the seniority unit (table 25).²² Such procedures would normally result in recall in inverse order of layoff, if production were resumed in the same order as it was curtailed. In a number of these agreements, workers were given a wider job area for reemployment by a proviso granting preference in rehire to laid-off employees before new workers could be hired. Thus, employees with recall rights in a unit where operations had not yet resumed would have preference in employment in other units of the company which were expanding.

In another group of 133 agreements, the recall procedure was not explicit. However, it is probable that the intent, in many of these agreements, was to follow the same principles in recall as in layoff. This group also included 6 master agreements which provided for negotiation of layoff and recall provisions at the local level.

In the remaining 250 agreements, recall procedure differed from that used in layoff. The major type of difference, found in 140 agreements, was in the use of qualified seniority for recall as against straight seniority for layoff. In general, such procedure modifications are designed to facilitate recall of workers to jobs that they can perform, without the cost of extensive retraining, if their regular work is not available. Some of these clauses were found in agreements which contained specific provision for broadening the seniority unit or granted laid-off employees preference in reemployment over new hires in other units. It is probable that where clauses specifying qualified seniority occurred in the absence of provisions for broadening the seniority unit, they were designed to implement informal arrangements to this effect. In a relatively small propor-

²² For a discussion of seniority units, see tables 18, 19, and 20 (pp. 25-26).

tion of the 140 agreements, the employee's physical fitness at the time of recall was the only factor qualifying length of service. Usually such clauses merely required that the employee be physically fit or physically able to do the job. Less frequently, the agreement specified that the employee was required to pass a physical examination before reemployment.

Only 33 agreements which provided for qualified seniority in layoff based recall on straight seniority. Recall provisions in 43 agreements, contrary to the procedure for layoff, did not specify seniority as a factor, but protected laid-off employees in other ways, either by banning new hires until all laid-off employees were recalled, or by providing for preference in reemployment over new workers.

Other areas of difference in layoff and recall procedures, found in 34 agreements, involved (1) the weight given length of service, which was secondary to ability in layoff but primary in recall; (2) the seniority unit applicable, which was wider for recall than layoff; or (3) the use of straight seniority for some groups and qualified for others

TABLE 25.—*Relation between layoff and recall procedures in major collective bargaining agreements, 1954-55*

Layoff and recall procedures	Agreements	Workers (thousands)
Total with both layoff and recall provisions.....	1,347	5,815.1
Total with straight seniority in layoff.....	579	2,974.1
Recall procedure:		
Same as in layoff—straight seniority.....	336	1,587.5
Differs from layoff procedure.....	169	1,024.1
Qualified seniority.....	140	635.6
Straight seniority for some groups; qualified for others.....	5	280.3
Seniority not a factor, but preference given in rehire.....	24	108.2
Not explicit.....	74	362.5
Total with qualified seniority in layoff.....	749	2,737.5
Recall procedure:		
Same as in layoff—qualified seniority.....	621	2,329.3
Differs from layoff procedure.....	76	278.9
Qualified seniority, but procedure differs ¹	24	160.6
Straight seniority.....	33	71.5
Seniority not a factor, but preference given in rehire.....	19	46.8
Not explicit.....	52	129.3
Total with straight seniority for some groups and qualified seniority for others in layoff.....	13	43.6
Recall procedure:		
Same as in layoff—combination of straight and qualified seniority.....	7	25.4
Differs from layoff procedure.....	5	7.3
Straight seniority.....	4	6.0
Qualified seniority.....	1	1.3
Not explicit.....	1	10.9
Total with type of seniority in layoff and recall not specified (master agreements).....	6	59.9

¹ Most of these clauses differed in that (1) in layoff the weight given length of service was secondary to ability, but in recall it was the major factor if the employee was capable of doing the work; or (2) the seniority unit applicable in layoff was narrower than in recall.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

TABLE 26.—*Preference to laid-off employees in rehire, provided by major collective bargaining agreements, 1954-55*

Types of preference given laid-off employees in rehire	Agreement	Workers (thousands)
Total with layoff provisions.....	1,347	5,815.1
With provisions for preference in rehire.....	440	1,782.5
No new hires until laid-off employees recalled.....	264	783.4
Preference in rehire over new employees.....	142	521.1
Some preference in rehire in other plants of company ¹	11	416.4
Other ²	23	61.6

¹ 4 agreements limited preference to employment in new plants only and in 2 instances, preference was applicable only during the first 6 months of operation of the new plant. The remaining 7 agreements granted preference in other plants of the company, but in 3 instances, this was limited to employees laid off because of plant closing.

² Includes agreements which banned new hires for certain departments only, or where employees with a specified amount of seniority were involved; banned new hires "insofar as practical," or waived the ban where special skill or training was required for new work; or permitted new hires in emergencies until laid-off employees returned to work. Also includes agreements which granted preference to laid-off employees if work of a different nature developed; or granted preference to employees who had lost their seniority combined with a ban on new hires where seniority employees were involved.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

in either layoff or recall, where either straight or qualified seniority was specified in the reverse situation.

Preference in Reemployment. In addition to the 43 agreements which did not specify seniority as a factor, but granted preference in reemployment, 397 agreements with provision for seniority in recall gave further protection to laid-off workers by requiring preference in reemployment (table 26). As stated earlier, this procedure may provide the laid-off employee a wider area of job opportunity for recall than was applicable in layoff.

Three-fifths of the 440 preference clauses banned new hires until laid-off employees were recalled. The bulk of the remaining clauses provided for preference over new workers in rehire. Variations in a limited number of clauses included preference to employees who had lost their seniority combined with a ban on new hires where seniority employees were still laid off; ban on new hires for certain departments only, or where employees with a specified amount of seniority were involved, or "insofar as practical"; or preference to laid-off employees if work of a different nature developed. A few agreements waived the ban on new hires in emergency situations; persons so employed would, however, have temporary status pending the recall of laid-off workers.

Extension of the area of reemployment preference to other plants of the same company was

provided for in 11 agreements. In 4, preference was limited to new plants only; and in 2 of these, in the automotive industry, preference was applicable only during the first 6 months of operation.²³ In 3 agreements, preference was limited to employees laid off because of plant closing. Preference in employment in other plants was not limited in the remaining 4 agreements.

Retention of Seniority. The employee's retention of his seniority status during extended layoffs is a generally accepted practice. Provisions covering seniority retention were found in 975 agreements, covering 75 percent of the workers under agreements with layoff clauses (table 27). Nearly all of these agreements specified a maximum period of retention; only 49 provided that seniority continue indefinitely during layoffs.

Sometimes management and unions hold divergent views on the length of time that seniority should be retained. Unions tend to argue that a short retention period unjustly penalizes the laid-off worker by forfeiture of the rights he has earned by his years of service. Since seniority is a central factor in determining not only eligibility for recall, but also promotions, vacation benefits, pension eligibility, and other benefits during reemployment, the period of retention is of considerable concern to workers in a layoff situation. From a management viewpoint, the retention of employees on a recall list provides a pool of experienced workers to draw on when needed; high seniority employees, even though employed elsewhere, often prefer to return to their jobs when recalled in order to preserve the benefits acquired through length of service. However, some employers object to long-term retention on the grounds that laid-off employees working in other occupations for an extended period may have lost their skill and speed. Another objection is that, after lengthy layoffs, there is a stronger possibility of the employee's rejection of the job offer, with consequent delay before new employees could be hired.

²³ The Executive Board of the United Automobile Workers on September 20, 1956, instructed "all regional directors and department directors to approach employers within their jurisdictions with a view to negotiating supplemental agreements which will include:

"(a) New provisions on the broadening and strengthening of existing contract provisions, requiring corporations, when hiring in any plant, to give preference in order of seniority to workers laid off from their other plants; and

"(b) Provisions to require employers, when hiring, to give preference to laid-off workers in the same area and industry, taking into consideration the seniority of such workers with their former employers."

A uniform period of seniority retention applicable to all employees regardless of differences in length of service was provided by more than half of the agreements with retention clauses. Retention periods of from 1 to 2 years, inclusive, were specified in 460 agreements, covering nearly half of the workers under agreements with retention clauses. One-year periods were most predominant, but agreements providing 2-year periods covered nearly twice as many workers. Seniority was retained for less than 1 year in only 67 agreements, and for more than 2 years in 83.

The period of retention was related to the employee's length of service under 283 agreements. In 126, the period was equal to the employee's length of service. However, this was limited to a maximum number of years, varying from 1 to 7 in 72 agreements, and to 3 years in addition to length of service in 1 agreement. Relatively short-service employees were granted additional protection in 20 of the 126 agreements by provid-

TABLE 27.—Seniority retention period for laid-off employees under major collective bargaining agreements, 1954-55

Period of seniority retentions	Agreements	Workers (thousands)
Total with layoff provisions.....	1,347	5,815.1
No reference to retention of seniority after layoff.....	372	1,469.2
With provisions for retention of seniority after layoff.....	975	4,345.9
Period of retention:		
Less than 1 year.....	67	182.8
1 year.....	197	716.8
More than 1, but less than 2 years.....	102	294.2
2 years.....	161	1,145.3
More than 2 years.....	83	261.6
Equal to employee's length of service.....	33	365.8
Equal to employee's length of service up to a maximum number of years ¹	73	356.1
Related in some other ratio to employee's length of service.....	157	435.5
For specified period; then continued for additional period, provided employee requests extension.....	21	110.1
Equal to length of service or specified period, whichever is greater ²	20	242.1
Continues indefinitely.....	18	76.7
Continues indefinitely, provided employee takes prescribed action ³	31	108.8
Other ⁴	12	50.1

¹ Maximum periods specified were: 5 years in 25 agreements, 3 years in 12, 2 years in 16, 1 year in 13, and from 1½ to 7 years in 6 agreements. The remaining agreement provided for retention equal to length of service, plus 3 additional years.

² Seniority was retained for a minimum period of 1 year under 13 of these agreements; for minimum periods of 1½, 2, or 3 years in the remaining 7.

³ In practically all instances, the actions prescribed consisted of periodic notification by the employee of his desire to remain on the recall list—most frequently at semiannual or annual intervals.

⁴ Includes agreements with no limitation on duration of seniority retention for skilled classifications, or for employees with a specified amount of service (5 and 15 years); agreements with a longer retention period for certain skilled classifications; or a shorter period if the employee refused work other than in his regular occupation. Under 1 agreement, the provision was not applicable if 20 percent of the employees were laid off for over a year; one prohibited loss of seniority due to layoff during the 5-year term of the agreement; another agreement limited retention of seniority beyond the termination date of the agreement or any renewal or amendment.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

ing for retention of seniority for minimum periods of 1 to 3 years if these were greater than the employee's length of service. Retention for a period equal to the employee's length of service was not limited in the remaining 33 agreements in this group.

In 157 of the 283 agreements, the period of retention was related to length of service in some other ratio, such as one-half the length of service; 1 month for each year of service; or periods of 2 years for less than 2 years' service and 5 years for 2 years or more. Some of the agreements in this group also set an upper limit on the length of time that seniority could be retained by a laid-off worker.

Another group of 21 agreements specified an initial period of retention, after which seniority could be further retained if the employee took prescribed action—usually notification at stated intervals of his desire to remain on the recall list. Other variations, found in 12 agreements, included provisions with no limitation on duration of seniority retention for skilled classifications, or for employees with a specified amount of service; provisions for a longer retention period for certain skilled classifications; or for a shorter period if the employee refused work other than his regular occupation.

The degree of freedom accorded workers on layoff to accept or reject proffered work varied. In some agreements, rejection of proffered work did not affect the employee's recall status; in others, such action limited his recall rights to his former occupation or job, limited the period during which his seniority was retained, or resulted in loss of seniority rights. Similar penalties were invoked under some agreements if the employee failed to report for work or to reply to the recall notice within a specified time. Exceptions were sometimes permitted if the employee could not report because of illness or for other valid reasons.

The method of recalling workers was specified in a number of agreements. Such provisions required that notice be given by mail, registered mail, telegram, telephone, or some other specified device. Notification to the union was sometimes required at the time recall notices were sent out. Other agreements left the method of recall to the employer's discretion. No attempt was made in this study to determine the prevalence of these phases of recall provisions.

Work-Sharing

Layoff and recall procedures based on seniority favor workers in proportion to their length of service. If layoffs materialize, workers with relatively low seniority may expect to be laid off early and recalled late; the high seniority workers may expect the reverse or that they might not be affected at all. In contrast, a work-sharing procedure implies an equal division of available work among qualified employees, regardless of differences in length of service. Slackening of work would thus affect all employees in the sharing unit in about the same way.

On the whole, the principle of work-sharing appears to be attractive to many companies and unions up to a certain point. For example, management might favor a reduction of scheduled weekly hours for all employees, prior to resorting to layoffs, so as to keep intact the work force and individual work groups, but would not want to carry this procedure beyond the point where plant efficiency is impaired. Unions, on the other hand, might favor the principle of equal treatment for all union members in the establishment, but not to the point where no one earns a living wage. The availability of unemployment compensation and the expansion of the economy over the past two decades have undoubtedly had a profound influence on current attitudes toward work-sharing, tending to restrict its use. Supplementary unemployment benefit plans may also, in time, modify some procedures.

Two basic types of work-sharing appear in agreements: (1) temporary reduction of scheduled weekly hours for all workers in a plant or unit in order to forestall and minimize layoffs, and (2) equal division of work to take the place of layoffs. Approximately 20 percent of the 1,743 major agreements studied required the employer to reduce hours before regular employees were laid off.²⁴ Only 4 percent provided for work-sharing in lieu of layoff, either for as long as work is available or layoff can reasonably be avoided. The following discussion deals with this 4 percent of the agreements which apply the principle of equal division of work.

Seventy-four agreements, covering approximately 525,000 workers, provided for work-

²⁴ See tables 5 and 6 (pp. 8-9).

sharing in lieu of layoff. Such arrangements were scattered through 10 industries, nearly all manufacturing.²⁵ However, 47 of the 74 agreements were in apparel manufacturing, accounting for all but 5 of the major agreements in that industry group. The food, textile, printing, and leather industries accounted for 18 of the remaining 27 agreements.

Almost all of the work-sharing plans, covering 98 percent of the workers under such arrangements, were in agreements negotiated by multi-employer groups.²⁶ Bargaining through employer associations is the general practice in the apparel industry, and is fairly common in most of the other industries with work-sharing plans.

Arrangements for equal division of work involve a determination of who will share the work and the area within which work-sharing will take place. The work-sharing unit may vary according to type of establishment and the complexities of the processes involved. Thus the unit may include all or only portions of the labor force covered by the agreement. If skills are not readily interchangeable, work-sharing may be done on an occupational or craft basis, rather than by department or plant. Departmental units may be specified if skills are interchangeable within departments or the nature of the business is such that curtailment of production does not affect all departments in the plant.

Fifty-four of the 74 work-sharing agreements specified the work-sharing unit. In almost half of these, work was to be shared on the basis of occupation, craft, or classification; in slightly more than a fourth, by plant; and in the remaining agreements, by department.²⁷

In order to increase the work opportunities for regular employees, layoffs of temporary, probational, or short-service employees may be made before work-sharing begins.²⁸ However, 61 of the 74 agreements provided for equal division of work among all employees in the plant or work-sharing unit. It is likely that, in actual practice, work-sharing was limited to regular employees. The remaining 13 agreements specifically provided for sharing work among regular employees. Temporary, probational, "peak force," and, in 2 instances, employees with less than 6 months' service were to be laid off. Further consideration was given length of service in 2 of these agreements: One, in the apparel industry, provided for equal division of work as far as practical among employees who had worked for the employer for 2 consecutive seasons; the other provided for preference in work-sharing, if possible, to employees with the longest service. A few agreements, also in the apparel industry, excluded certain occupations (e. g., workers on sample garments) from the work-sharing plan. Such workers were subject to layoff and recall by seniority.

²⁵ See table 1 (p. 2).

²⁶ See table 2 (p. 3).

²⁷ In the apparel industry, it should be noted, a department or plant unit may roughly coincide with what might be called an occupational or classification unit in a more diversified industry or one comprising larger establishments.

²⁸ See tables 3 and 4 for other devices for increasing work opportunities for regular employees (pp. 4-6). The small number of work-sharing arrangements in major agreements and the concentration of such arrangements in apparel industries would seem to undermine any generalization, based on agreement analysis, relating the practice of work-sharing to the relatively high prevalence of provisions regulating subcontracting, overtime, shift operations, and employment practices, as shown on pages 3-9. In other words, both aspects may be independent characteristics of labor-management relationships in the apparel industries.