

TRANSCRIPT

The Work Goes On

Guest: Robert McKersie

Record Date: Dec. 12, 2022

Posting Date: Feb. 6, 2023

LINK to podcast: <https://on.soundcloud.com/mYRYU>

Robert McKersie:

We don't know whether the decline of unions is going to continue or whether we're going to see some upturn in the next decade.

Orley Ashenfelter:

Welcome to [The Work Goes On](#), a podcast from the [Industrial Relations Section at Princeton University](#). I'm your host, [Orley Ashenfelter](#), the Joseph Douglas Green 1895 Professor of Economics at [Princeton University](#). In this podcast series of conversations with leading thinkers and practitioners, we are creating an oral history of an entire generation of industrial relations experts and labor economists, whose contributions to their fields have been absolutely extraordinary. Our guest today is [Robert McKersie](#), who is Professor of Management Emeritus at [MIT's Sloan School of Management](#). He is renowned for his work in industrial relations. He could well be described as the dean of industrial relations, and in fact, he was Dean of the [School of Industrial Labor Relations](#) at [Cornell University](#) before moving to MIT. Bob, welcome to The Work Goes On.

Robert McKersie:

Well, it's good to be here, Orley.

Orley Ashenfelter:

It's our pleasure, indeed. Let's begin the discussion by talking about your background. Where did you grow up, Bob?

Robert McKersie:

Well, I grew up in New Jersey actually, the same state where you are right now, Orley, outside of Paterson. One of the reasons I got into this field is my father had been in that important strike that the IWW led in the textile industry of Paterson back around 1914. Anyway, that's where I grew up, Paterson, New Jersey. From there I went-

Orley Ashenfelter:

Well, wait now just a minute. Wait, I got to hear about that... He was a member of the International Workers of the World?

Robert McKersie:

That's right. It was Elizabeth Gurley Flynn and Big Bill Haywood came to Paterson and tried to organize on an industry-wide basis in Paterson. My father was working in the industry and...how they talked about it. They would come to the door of the factory and say, "Okay, workers, all out to the streets." Well, they had a massive mobilization there in a little town that I grew up in, had a socialist mayor who was willing to let the strike leaders hold their rallies. My father just walked down the street from his home and that building today is labeled the New Jersey Labor Museum. That's a piece of history, Orley.

Orley Ashenfelter:

Were they called the Wobblies then?

Robert McKersie:

Yes, exactly.

Orley Ashenfelter:

You are definitely a piece of history yourself to have a father who was a member of the IWW is very impressive. Did you go to school in Paterson? Where'd you go to school?

Robert McKersie:

After high school in Paterson, I went to Philadelphia to the University of Pennsylvania.

Orley Ashenfelter:

How did you come to go there?

Robert McKersie:

Well, in those days, in the late '40s, right after World War II, there was a naval scholarship program called the [Holloway Plan](#) after Admiral Holloway, where they would give you a really big scholarship, pay all your tuition. You had to go on cruises during the summer. Penn had a program, had a naval ROTC, and I said, "Hey." And my parents thought that was good too, to have a full scholarship. So, I applied to the engineering school at Penn, electrical engineering, and that's where I went.

Orley Ashenfelter:

That's interesting. Then you ended up... Well, where did you go from there?

Robert McKersie:

Well, I had to go into the Navy, although I shouldn't say "had to" because I really loved the three years. It was during the Korean War, and we went all over the world. I joined a ship in the Philadelphia Shipyard. It was coming out of mothballs because of the mobilization of the Korean War and stayed on it from 1951 to 1954.

Orley Ashenfelter:

And then what happened?

Robert McKersie:

Well, I decided with an engineering background, it would be good to put some business training on it because I thought I would probably go into industry. So, I applied to Harvard Business School and went there for the MBA and, I guess, just to complete my education part of the story, I got very interested in the subject of industrial relations. They had a strong faculty in industrial relations at the time. Ben Seligman was very interested in negotiations and power relations, and they had several other people in the faculty like [Bob Livernash](#). So, they got me interested in writing cases. I didn't just do my two years for the MBA, but I stayed on, wrote cases and then he said, "Well, look, maybe just a little bit more coursework and dissertation, you can get your doctorate here." I said, "Well, okay, I still want to go to the industry." I did my doctoral studies there and then Livernash said, "You ought to try your hand at teaching. I've got a good friend at University of Chicago by the name was George Shultz." George and Bob had worked together when George was at MIT and Bob was across the river at Harvard. I started my career in 1959 as an assistant professor in the business school at the University of Chicago.

Orley Ashenfelter:

When George Shultz was there?

Robert McKersie:

Yeah, George Shultz was there and he was building up an industrial relations group. He had Arnie Weber who also had gotten his PhD from MIT. He brought Joel Seidman in from the sociology department, and they connected very strongly with people you know, Al Rees, Gregg Lewis. It was really an amazing time for the whole big subject of labor economics and industrial relations. They had a weekly seminar that everybody went to where they brought in guests. It was really an intoxicating time. That was pretty much from 1959 through the end of the '60s.

Orley Ashenfelter:

Yes, and then George ended up as Secretary of Labor in, I guess, the first Nixon administration.

Robert McKersie:

That's right.

Orley Ashenfelter:

That was a very powerful moment at University of Chicago in industrial relations and labor economics. The list of names you just reeled off was pretty amazing.

Robert McKersie:

Yeah, it was a heady time to be there at the university.

Orley Ashenfelter:

Where'd you go next?

Robert McKersie:

Well, after 12 years at Chicago. I said, "Maybe I'm ready for a change." Here was the school...The place that had the most resources devoted to industrial relations was the New York State School of Industrial Labor Relations, which was part both of Cornell and the state system. It got some significant resources from the state with a commitment to train people, run extension programs. I said, "Gee, this is really...my field is industrial relations. What would be a better place than the ILR school at Cornell?" It also was a good time to go there because it had been founded in the late '40s, and now we're talking about 1971. So, the founding faculty, they were all about ready to retire. So, the provost said, "Look, if you come here, you've got an opportunity to be the second wave, the second generation of faculty." I said, "Well, I like that. I don't necessarily like administration, but I like the subject. If we can bring some talent for the second generation, that's something I want to work on."

Orley Ashenfelter:

You really did too. I think we should start by discussing your very famous book. The first time I knew about your scholarship, you wrote a book about the time that I graduated from college, I think, [*Behavioral Theory of Labor Negotiations*](#). How did that come about? It's a very famous book.

Robert McKersie:

Yeah, it is, I think, the thing that I'm most proud of. Dick Walton and I went through the doctoral program together at Harvard Business School, and as I mentioned a minute ago, Ben Seligman, he really was fascinated by negotiations. In fact, he was an arbitrator, and from that vantage point, he would often talk with the companies and unions and say, "Look, if you've had a negotiation recently and you've been willing to have it recorded, I'd like to have that in my classes. I'd like to really analyze it. Just look at the play-by-play interaction of a negotiation." So, he had this advanced course in negotiations, labor negotiations to be specific, and he had these transcripts, and we would pour over them. Anyway, Dick and I took the course, got very interested in the subject and said, "Look, we think there's a lot here that

can be put together. There's a lot written about the process, but it doesn't pull together all the pieces." Dick went to Purdue University for his first teaching after Harvard and as I just said, went to Chicago and not that too far apart, maybe 100 miles.

So, Dick and I continued to work. The book was published around 1963-64. It took us about five years. We had a lot of case material from Seligman. We did our own field research. Dick also spent a year at the social relations department at Michigan, which gave him some tools. There was a real group there, very interested in conflict management. I benefitted from my colleagues at Chicago. It was a joint partnership between Dick and myself, and we were just really happy the way it turned out.

Orley Ashenfelter:

Well, I hadn't quite understood that you had all of this additional material as background to use. Why don't you describe... There are a lot of times people talk about this book and the four kinds of negotiations that you discuss. Economists are familiar with some of them. We all stumble into all of them at some point. Do you want to mention what they are?

Robert McKersie:

Well, there's the classic one that I think everybody associates with bargaining, a kind of win-lose, and you press for the best outcome. That's what we call distributive bargaining. You have some resources and how they get divided up between the two sides is a form of distribution. Another process, quite different, some people have different labels for it. We call it integrative bargaining. Some people would call it mutual gains, where you look for adding to the pie, not just the first process of distributive bargaining would be slicing up the pie. The second process of integrative bargaining would be the expanding of the pie through problem-solving and what we sometimes call these days, interest-based bargaining, understanding each sides' interests. If you do that, sometimes you can come up with some ideas that no one thought of before, but in the process there's also the relationship or the attitudes.

They can be, in a sense, pretty tense, particularly in distributive bargaining. But with respect to integrated bargaining, they need to be much more problem-solving and collaborative. That's a third process. We had the unfortunate title of calling it attitudinal structuring, but I think it really is talking about the relationship between the two parties. Then the fourth process we added at the end. We were focused for most of our work on the behavior at the table. But we all know that things don't get settled until the people who have, in a sense, most at stake in union/management relations. It would be the membership on the employer side. It would be the management and ultimately the stockholders. We got very interested in what you'd call kind of the second table. The union leaders have to go back and sell it to the membership. The chief guy from the company, he's got to go and make sure management's okay with it. Again, it had an awkward title. It was called intraorganizational bargaining. Today there's a lot of work on agency theory because the lead negotiators are agents and they have to, in a sense, negotiate back with their constituents and principals. Those are the four.

Orley Ashenfelter:

I think that the intraorganizational issue is one that... I think people in industrial relations are more familiar with that than people in labor economics are. And I think actually it's extremely important for many negotiations. In fact, I can't help but ask because you've really led into it from the theory about the recent almost strike of the railway workers. The Railway Labor Act, of course, I think, it might be almost as old as you?

Robert McKersie:

Oh, it's older.

Orley Ashenfelter:

It's pretty old. Of course, it has been rolled out every once in a while. A lot of people don't understand that railway workers operate under a separate national labor relations law than the rest of most workers do. Can you give us a little rundown on what your take is on what happened in that negotiation and why it collapsed in some sense and Congress had to force a resolution?

Robert McKersie:

Well, I'm glad you asked about it because I think it's terrific for scholars to have these kind of events take place. I think some people might say, "Oh, it was unfortunate that it had to happen the way it did." I think for scholars, they say, "Oh boy, what a juicy subject with all the things that you can take away." I guess there are a couple things to be said about it, Orley. Clearly, the union leadership did not know the temper of the membership, particularly around the issue of getting time off for pay time for medical events. They signed onto the agreement. Maybe they knew there would be some trouble. Sometimes you have union leaders who know the membership's going to reject it, and then they say, "Well, then now give us a second bite of the apple. We'll go back with another set of demands."

Whether that was the case or whether they just weren't in tune with the membership, we don't know, but it was unfortunate that it went to the membership. And we had then four major unions who did not get a majority of support for it. Then, of course, where are we? It's gone through the emergency board. The Secretary of Labor was heavily involved in what was then the proposed settlement. Where do we go? I don't know. They could have gone back for some more negotiations, but they were on a timetable. They'd been working at it for a couple years already. So, they decided that they needed to bring Congress in, and it's very a rare thing for Congress to come in. Frankly, I'm very happy that Congress did not try to change the terms that the union leaders and management had agreed to.

That'd be the last thing you would want. You'd have unions lining up for Congress if they're aware that Congress, in a sense, make the deal better for them. The other part of the story, Orley, is why did the companies resist so much pay for medical time off? I haven't talked to any managers, but I've got some hunches there. I think it is because the railroad has downsized to the point where if a person takes off at the last minute, maybe the train doesn't run. When we take vacation time or we take personal time, that's planned and you can, in a sense, fill the crew in with somebody else. But if I wake up in the

morning and I say, "Hey, I don't want to go to work today because I've got a paid medical day." Or, "Well, okay, I won't go to work, but that may stop a train." We're in a situation, I think, where the railroads, they've benefited from the productivity of their members, but I don't think they've, in a sense, handled staffing correctly to put themselves in a position where they have to do something that I don't think is sensible, preventing people from being paid for legitimate medical events.

Orley Ashenfelter:

That's very, very interesting. I had a similar view in a way, basically, that it was about providing employees. In other words, what we used to call "manning" the trains and how difficult that could become when they can't stick to schedules. But it also would mean that in order to actually work with a situation where they had paid leave, they probably would have to hire more people. That would reverse their, as you pointed out, attempt to slim down the number of workers in the railroad. That's quite interesting. Anyway, it is a great story, isn't it? I suppose we'll come back to it at another time. Now, you've been involved, I know in lots of negotiations. In fact, you're still on, I think, the [Harvard Project on Negotiations](#). I imagine you've been involved in arbitration and other matters as well in the labor management area. What's your opinion about how useful that is?

Robert McKersie:

No, I think arbitration, mediation, someone who you know very well, Larry Katz at Harvard. He and I have, over the years, done quite a bit of mediation with... Harvard has quite a few unions. They had a strike a few years ago of their workers, the culinary workers. Larry and I were up at 2 AM one morning on that one. The issue there was, these workers did fine during the nine months of the academic year, but they didn't get much pay or didn't have any work to do if they were working in all of the cafeterias and things during the summer. We worked out a plan where if they were unemployed, that unemployed would be topped up through a special program. Yeah, I think third party help is essential in our field of labor management relations.

Orley Ashenfelter:

I can understand that too. If the president was Larry Summers at the time, he might be difficult to deal with. I don't know. I'm sorry, I couldn't resist. I think we should turn to another area that you've worked in. I know there's [a book](#) that you've written about, I guess, when you were in Chicago, the work that you did in the civil rights area. I don't think very many people know as much about that as they do about your work in what we normally call industrial relations. What was that book about?

Robert McKersie:

Oh, that book was really about the amazing decade of the '60s in Chicago, which is right there in my front yard, the civil rights movement. It was active all over the country, of course, but Chicago had a special role. In fact, Martin Luther King chose it as his first northern city after he had done most of his work in the south. He came to Chicago around 1966 on the theme of open housing. There was just so

much redlining and restriction of housing for the African Americans. I got quite active on the employment front through Tim Black, who was the local chair of the national... It's called the [NALC](#). Anyway, he was working on employment segregation, particularly in the apprenticeship trades. I went to work with Tim Black helping him with some of his campaigns, and there were lots of marches. It was an amazing time.

Also, in the negotiation book we just talked a minute ago, we have a chapter in there using civil rights as an example for negotiations. But I decided, it was quite a few years after the '60s, probably by the time I got here to MIT, that I wanted to try to pull a story together for the whole decade. The campaigns on education, trying to open up schools that were there for the whites with lots of vacancies, and the Black kids were all crowded into their schools. Then I got working with Jesse Jackson, who was expanding business opportunities for African Americans. That was fascinating. He would use patronage campaigns telling people "don't shop at this store until they hire more or put more products made by African Americans." So, I tried to pull the story together for the '60s into this book.

Orley Ashenfelter:

That's fascinating. Now, you were a white guy. How did that work? Did you feel welcome?

Robert McKersie:

It's a good question, Orley. I felt welcome generally, but there were others, maybe some more militant who felt everything should be done by Black leadership. I can remember one moment in a strategy session with Tim Black, he had some of the more militants there, and he was a very shrewd leader. At one point, he said to me, "You know, Bob?" He said, "I understand you're teaching. You must be busy. Maybe you need to get back and get ready for some of your classes. We would understand if you have to go now."

Orley Ashenfelter:

I see. This reminds me... We both knew one of the most interesting people who was Black and in economics, [Phyllis Wallace](#), who was at MIT while you were there too. Unfortunately, she's gone and we can't have her on a podcast. She involved me as a graduate student and I guess she involved you with work at the Equal Employment Opportunity Commission. What can you say about her?

Robert McKersie:

Well, I can say a lot about her. We could do a podcast on Phyllis Wallace. As we were talking before we started the podcast, Phyllis got her PhD, I think she was the first Black... maybe the first woman to get her PhD from Yale. She had a hard time getting a job in the mainstream of the profession. She worked for the government. I think she was doing some very sensitive work that she would never talk about, although it was on Russia. She became an expert on Russia. And then, when the Equal Employment Opportunity Commission was established around 1961-62, in the early '60s, she came over and that's

how both of us met her. They didn't make her research director. Again, I think it's bad history. She was the assistant, but she did all the work. She ran the research department, and when-

Orley Ashenfelter:

This will sound familiar to many women.

Robert McKersie:

Then, when the data became available under the law, that companies had a report their data on race and gender and so on. She had all this data to be analyzed. That's when I first met you, Orley. [Lester Thurow](#) was there. She brought people into Washington, and we talked about how to do some decent research work on this data that was now becoming available. She stayed on at the commission until I was dean at Cornell. I was trying to hire her. She was stepping down from the EEOC, might have been the mid '70s. I tried to hire and she accepted a position at MIT. When I got to MIT a few years later, we laughed. I said, "I had to come to MIT to be with you, Phyllis. I couldn't get you to Cornell." At MIT, she was, in a sense, the mother. She was the confidant of women faculty.

Unfortunately, we did not have too many African Americans, but the women faculty just, in a sense, looked up to her. She was one of the first female full professor and certainly by a long shot, the first African American professor. She did so much work on discrimination, on a woman's issues.

Orley Ashenfelter:

Well, we're getting toward the end of our podcast. There are two more things I want to ask you about. First of all, related to what you just mentioned. I know you've written recently about the Black Lives Matter and negotiations as an issue. What did you have to say, and what do you think about that?

Robert McKersie:

Well, I was fascinated by this latest direct action for change. I was interested to compare it with what was happening back in the '60s and what's going on or what's going on, I think, there's been some loss of momentum. It was much wider scale. Many more people were involved in Black Lives Matter than the civil rights movement. But in some ways it maybe hasn't been quite as instrumental in bringing about change. But of course, the change we're looking today is different. In the '60s, the change was overt discrimination, and you could really target people who were discriminating very explicitly. Today, the issues are much more subtle. It's attitudes. It's what people are talking about in terms of critical race analysis. So, I think the movement is tackling really very difficult territory. I think on balance, it was important to have another movement getting our attention to things that have been with us for so long and need to be addressed.

Orley Ashenfelter:

The last thing I want to ask you about is you've also written a provocative piece called [Industrial Relations in Flux](#). What did you mean by that?

Robert McKersie:

Well, that was the title of what was a memoir about my career at different places we've talked about today. I think it's really reflecting where we are with unionization. Currently some people think we've reached an inflection point where maybe we're going to see much more new unionization, in a sense, a wider play for collective bargaining because we've had a downturn in unions that's been going on now for several decades. I think the flux refers to the fact that on the one hand, we have Kaiser Permanente, a wonderful partnership with a lot of unions there and collective bargaining. And we have some things happening, as we all know, whether it's Amazon or Starbucks or some other places. The flux, I think, just refers to the fact that we are in a period of time where we don't know whether the decline of unions is going to continue or whether we're going to see some upturn in the next decade.

Orley Ashenfelter:

Bob, it's been absolutely delightful to have you. I'm so happy we could get together. Our guest today has been [Robert McKersie](#), Professor of Management Emeritus at [MIT's Sloan School of Management](#). Please join us again for the next episode of [The Work Goes On](#), an Oral History of Industrial Relations and Labor Economics from the [Industrial Relations Section at Princeton University](#), when we will speak with [Richard Freeman](#), the Herbert Ascherman Professor of Economics at Harvard University. I'm your host, Orley Ashenfelter. Thanks for listening.

Announcer:

[The Work Goes On](#) is a production from the [Industrial Relations Section at Princeton University](#). For more information on our people, research, events and programming, visit our website, irs.princeton.edu.