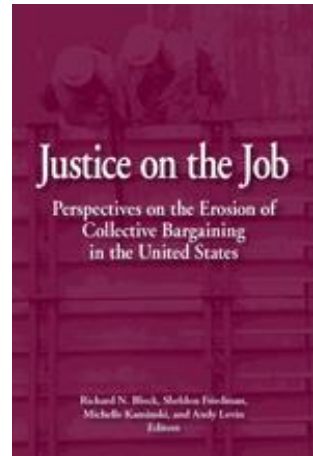

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Bad Service Jobs: Can Unions Save Them? Can They Save Unions?

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Bad Service Jobs

Can Unions Save Them? Can They Save Unions?

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Any serious observer of the U.S. economy will notice the growth of low-wage jobs. Concentrated in the service sector, these jobs are marked not only by low wages but also by fluctuating and low hours, few or no benefits, few opportunities for upward mobility, and little worker voice. Welfare reform and its failure to reduce poverty have increased policy attention to this set of jobs. But solutions that truly address and improve job quality in the service sector are elusive. Minimum wage increases and living-wage campaigns get at part of the problem, but even if fully implemented they simply are not enough—they raise the wage floor but have no direct influence on what happens above it, or on dimensions other than wages. Absent any truly revolutionary changes in the nation's other labor market institutions, unions may be the most promising institution for the improvement of these bad jobs.

At the same time, any serious observer of the U.S. labor movement will notice plummeting membership and declining union density. Typically strong in the manufacturing sector, unions have watched as the economy has literally grown away from them. With private sector union density down to 8.2 percent in 2003, the challenges for labor movement are clear. And while solutions must be developed at a number of levels, the baseline answer of organizing is equally clear, with one principal target: low-wage service jobs.

In this chapter we discuss some of the evidence about low-wage service work, what unions do for these jobs, and whether there is a real

future for the labor movement in these industries. We draw especially on in-depth field work conducted on the hotel industry and the main union representing hotel workers in major metropolitan areas.

THE “BAD JOBS” PROBLEM IN THE SERVICE SECTOR

The deterioration of the U.S. wage structure over the past three decades has been well documented, but it is important to take a closer look at some of the dynamics involved. Figure 6.1 looks at job growth between 1973 and 1999, and documents the clear shift toward service industries that offer both low wages and low union density.

But these industries and the jobs they contain are quite diverse. Table 6.1 lists some of the key service industries that have high concentrations of low-wage jobs, as well as examples of some of the occupations and wages involved. Note the high percentages of low-wage workers, using both a stringent and a more generous definition; the very low rate of unionization, with the exception of grocery stores; and the complete absence of median wages in the double digits.

In the United States, low-wage jobs also generally come with a set of other negative attributes. Especially in the service sector, they tend to be short term and high turnover, meaning that yearly earnings are forced down by both bad pay and insufficient hours (Lane 2000). Moreover, those hours tend to change frequently and include night shifts and other awkward hours. Low-wage jobs are also much less likely to offer health care and pension benefits. In 2000, just 33 percent of the lowest-paid fifth of workers received employer-provided health insurance, and only 18 percent had some form of employer-provided pension; these rates of coverage are less than half those of median workers (Mishel, Bernstein, and Boushey 2003). Training is an additional area where low-wage workers are at a clear disadvantage. In 1995, just 22 percent of workers in the bottom quintile received training from their employers, compared with 40 percent of top quintile workers (Ahlstrand et al. 2001). Similarly, a low-wage worker's chances for upward mobility are severely limited and have become even more so in recent years. Bernhardt et al. (2001) document a substantial increase over the past three decades in the share of white male workers stuck in “low-wage careers”

Figure 6.1 U.S. Job Growth, 1973–2001, and Wages, 2001 (with 2001 union density in parentheses)

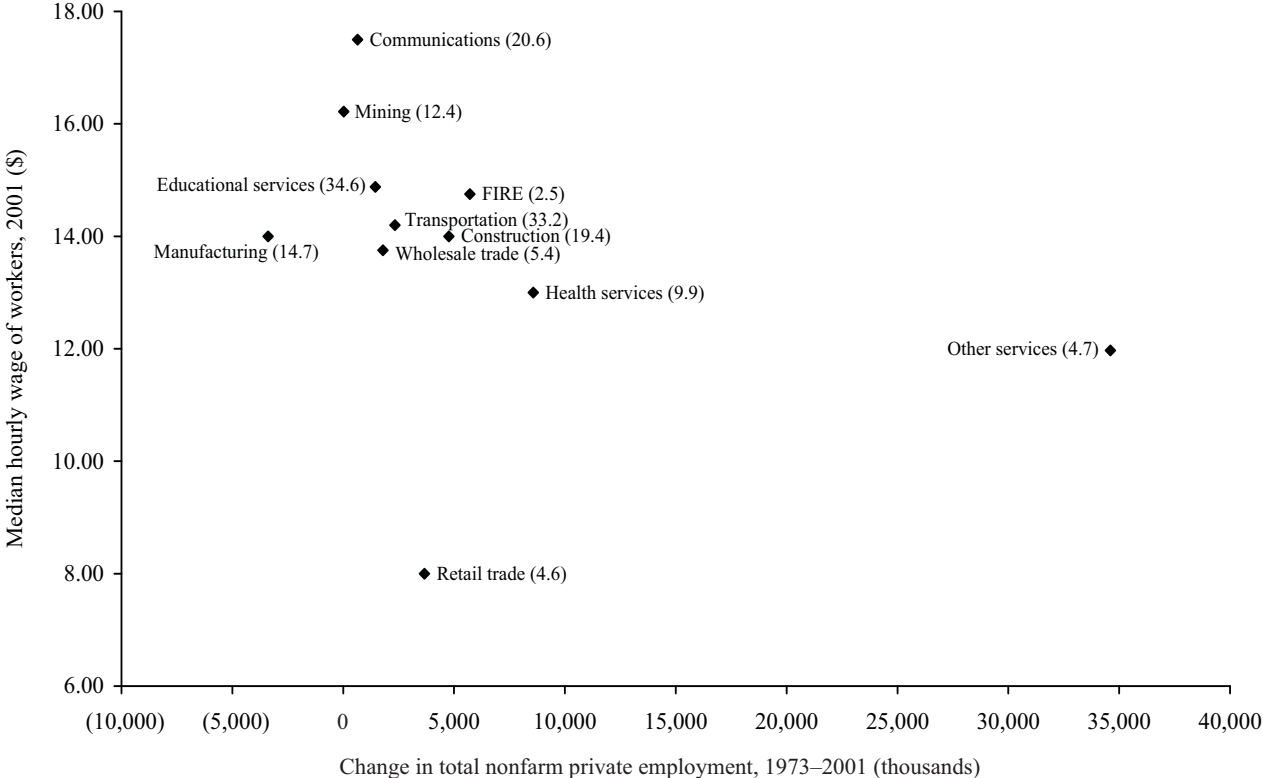


Table 6.1 Examples of Service Industries with High Percentages of Low-Wage Workers, 2001

Industry	Percent below poverty line	Percent below twice the poverty line	Percent frontline workers unionized	Examples of low-wage occupations	Median wage (\$)
Retail food stores	50.0	89.2	19.0	Cashiers	6.97
				Stock clerks and order fillers	7.93
Retail nonfood stores	44.4	85.6	2.1	Retail salespersons	7.56
				Cashiers	6.87
Eating and drinking places	68.5	94.6	1.9	Food preparation and serving workers	6.43
				Waiters and waitresses	6.38
Building services	40.4	86.5	8.5	Janitors and cleaners	7.39
				Maids and housekeeping cleaners	7.29
Personnel supply and other business services	24.3	73.2	14.3	Telemarketers	8.34
				Mail clerks (except postal service)	8.56
Repair services	27.5	79.5	3.8	Parking lot attendants	7.37
				Taxi drivers and chauffeurs	8.17

Hotels, motels, etc.	46.5	88.3	11.7	Maids and housekeeping cleaners	7.09
				Hotel, motel, and resort desk clerks	7.84
Beauty and barber shops	48.7	90.1	1.9	Hairdressers, hairstylists, cosmetologists	8.47
				Receptionists and information clerks	6.91
Entertainment and recreation services	37.9	77.6	10.5	Amusement and recreation attendants	6.63
				Landscaping and groundskeeping workers	8.35
Nursing and personal care facilities	35.5	85.6	12.0	Nursing aides, orderlies, and attendants	8.61
				Maids and housekeeping cleaners	7.43
Social services	37.4	81.1	6.8	Child care workers	7.15
				Personal and home care aides	7.83

NOTE: Poverty line used here is the official federal poverty line for a family of four.

SOURCE: Authors' analysis of Current Population Survey Outgoing Rotation Group files, 2001.

over the long term, rising from 12 percent of the 1960s and 1970s, to close to 30 percent in the 1980s and 1990s. Finally, and perhaps worst of all, low-wage workers usually get very little respect and have no voice in their jobs.

Bad jobs are a premier American problem. More than a quarter of workers earn poverty wages, and the U.S. Bureau of Labor Statistics projects substantial growth in service jobs that require at most a high school degree. It is clear that devising strategies around this sector is one of the great challenges of the twenty-first century. Will unions be a significant force in this effort?

THE HOTEL INDUSTRY RESEARCH

For our discussion of what unions can do for low-wage jobs, we rely principally on our own research on the hospitality industry. Bernhardt, Dresser, and Hatton (2003) discuss research methods, general industry trends, and findings in greater detail. Briefly, the core of our research consists of in-depth case studies of eight hotels in four U.S. cities. These cities are major business, convention, and urban tourist markets and rank in the top 30 hospitality markets nationwide. They also are all characterized by strong competition, an expanding hotel sector, a rapidly changing labor pool, and wage trends that mirror national changes over the past several decades. In each city, we selected one union hotel and one nonunion hotel for our case studies, with two of the cities having high union density in the hotel industry, and the other two having low density.¹

Our choice of hotels was restricted to high-end, full-service “Class A” hotels that cater to the business, convention, and tourist markets. Partly, this ensures comparability and simplifies design. Additionally, Class A hotels typically have high profit margins, averaging between 20 and 40 percent in our case studies. If there is any potential for the “high road” in this decidedly low-wage industry, it will be found here.

We focused our field work on those departments where the majority of low-wage and lesser-educated workers are employed: the housekeeping department (responsible for the cleaning of rooms and public areas), and food and beverage services (restaurants, banquets, and room ser-

vice). These jobs embody the archetype of low-wage, dead-end service jobs—room cleaners, dishwashers, bussers, cooks—with the exception that they are more back-breaking than many.

HOTEL INDUSTRY RESTRUCTURING

Hospitality is an \$86.5 billion a year industry that employs roughly 1.9 million workers in over 40,000 establishments nationwide. It is a highly urban industry (metropolitan areas account for about two-thirds of the rooms) and, until recently, a fast-growing one (employment almost tripled between 1970 and 2000). Like almost every sector of the economy, the industry has undergone pronounced changes over the past several decades in terms of competition, industry concentration, market segments, the organization of production, and corporate governance.

And, as is the case with a number of other service industries, these changes have been largely domestic—they cannot be explained by either globalization or technology, perhaps the two most commonly identified reasons for changes in low-wage jobs. Globalization is not the core issue for the obvious reason that much of what hotels do is firmly rooted in time and place: the rooms and casinos themselves aren't movable, and neither are the workers who make the beds and dice the vegetables. To the extent that globalization has had a direct impact, the large influx of less-educated immigrant workers in recent years has clearly enabled some low-wage business strategies (see Cranford 1998). Nor has technology significantly affected frontline work. The bread and butter services of hotels—cleaning rooms, preparing and serving food and beverages—remain, at heart, labor-intensive processes.²

The real change in hospitality has been the increasing emphasis on cost cutting. On the ground, intensifying competition and performance pressures have resulted in organizational restructuring to cut costs and increase revenue flows. Industry analysts explain this effort to “trim the fat” as a response to the overbuilding and overindulgence of the 1980s, when hotels were built without regard to demand and amenities were offered without regard for price (Bernstein 1999). The prevailing dictum in the industry today is “do more with less” (Gillette 1995). Yet at the same time, there has also been a push to provide more and better

quality service (Marinko 1991). This obvious tension is rarely solved successfully. At present, most hotels seem to be focusing on cutting costs first and improving service quality second.

As a result of the drive to reduce costs, the hotel industry has undergone many of the negative trends in job quality and workplace reorganization that have been documented in other service industries: stagnant wages, increased workloads, growing use of subcontracting and outsourcing, lack of voice, and so forth. These trends have been borne largely by frontline workers in the housekeeping and food and beverage departments, in jobs that require at most a high school degree and that have few characteristics, such as “skills,” that can yield leverage in negotiating over job quality and the reorganization of the workplace. Have unions been able to mitigate the effect of firm restructuring on workers, and if so, under what conditions?

WHAT UNIONS DO FOR WORKERS IN THE HOTEL INDUSTRY

Hospitality offers a perfect industry for studying the potential of unions in the service sector.³ Mirroring the national declines, coverage in the hotel industry has fallen substantially over the last two decades, though at 12 percent it still exceeds the national private sector rate of less than 10 percent. Metropolitan areas in particular have relatively high unionization rates; in 2000, metro-area hotel union membership was 13.8 percent (see Table 6.2) and, in a number of large business and tourist destinations, unionization rates can exceed 50 percent. Yet in other comparable cities, only a small handful of hotels are organized. As described at the outset, we explicitly captured this variation in our research design, studying both union and nonunion hotels, in both high- and low-density cities.⁴

The question, then, is whether unions have been able to mediate the form that hotel restructuring has taken, under which conditions, and along which dimensions. As summarized in Table 6.3, we focus on the following key aspects of industry restructuring: wages, work intensity, hours and scheduling, subcontracting, and career ladders. We examine each in turn and analyze the role that unions have played in negotiat-

**Table 6.2 Unions and Wages in the Hotel Industry,
U.S. Metropolitan Areas**

	1983	1989	1995	2000
Percent union members	14.5	15.0	14.8	13.80
All workers				
Union median hourly wage (\$)	8.87	9.73	9.04	10.50
Nonunion median hourly wage (\$)	7.79	7.65	7.91	9.00
Union/nonunion wage ratio	1.14	1.27	1.14	1.17
Nonmanagerial workers only				
Union median hourly wage (\$)	8.82	9.73	9.04	10.37
Nonunion median hourly wage (\$)	7.09	7.30	7.35	8.00
Union/nonunion wage ratio	1.24	1.33	1.23	1.30

NOTE: All wages in 2000 dollars.

SOURCE: Authors' analysis of Current Population Survey Outgoing Rotation Group files.

ing the issue in the context of high and low union density, as well as union and nonunion hotels. Taken altogether, we find that unions have been able to make significant progress on some but not all fronts, and that very often their success is a function of hotel union density in the region.

Wages

First and foremost, unions matter in this industry because they influence wages. In 2000, overall unionized hotel workers in metropolitan areas earned 17 percent more per hour than nonunionized workers (see Table 6.2). If we narrow the scope to frontline workers (the focus of our study), the union wage effect grows even larger, to 30 percent. For full-time, year-round workers, the union wage advantage provides more than \$4,900 dollars of annual income: at \$10.37 per hour, full-time union hotel workers earn \$21,570, while their nonunion counterparts earning \$8.00 bring in just \$16,640 per year. It is noteworthy that the union's wage effect is strongest for the lowest-paid occupations. Janitors and food preparers stand to gain the most from representation, with a national union wage premium of 39.5 percent and 36.0 percent in 2000, respectively. For bartenders and baggage porters, who earn significantly more, the premium was 19.1 and 19.4 percent, respectively (Hirsch and Macpherson 2001).

Table 6.3 The Effect of Unions on Firm Restructuring in Eight Case Study Hotels

Dimension of restructuring	Union effect?	Degree of effect	Relevant conditions
Wages	Yes	Within markets, union wages higher by \$0.25 to \$1.70 per hour.	Union density matters more than union presence—high-density wages \$3.00 higher than low-density wages.
Work intensity	Some	Work intensity is at the forefront of labor-management relations. Some union hotels have lower workloads (as measured by room quotas). Some hotels make sure that workers get paid for the added work (in the case of cross-training).	Strongest effects are seen in high-density cities, but not always apparent even there.
Hours and scheduling	Some	Hours and scheduling are at the forefront of labor-management relations. Successful protection of full-time jobs seen in some cities.	Strongest effects are seen in high-density cities. Union attention and priority to this area critical.
Subcontracting	Some, but weak	In some cities, subcontracting of restaurants has been resisted and/or effects on workers have been mitigated through negotiations. Most other forms of outsourcing are unchallenged.	Strongest effects are seen in high-density cities, especially where unions are making this a priority.
Career ladders	Little	Not relevant.	Only in germination stage where density is high.

Among our case study hotels, union wages were higher than non-union wages, but just slightly so (the premium within any one city ranged from 25 cents per hour to \$1.70). Far more important was union density. As a vice president of hotel operations for a major hotel observed, “In a union town, you pay if you’re nonunion. In a nonunion town, you pay if you’re union.” The highest-paying hotels in our study, whether unionized or not, were located in high-density cities. In these hotels, housekeepers start at well over \$10.00 per hour (and in one city, both union and nonunion hotels pay over \$13.00). By contrast, the worst-paying hotels in our study were located in a low-density city, where housekeeping wages started between \$6.00 and \$7.00 per hour, regardless of whether the hotel was unionized or not.⁵ Our case study finding on the important wage effect of union density also echoes Waddoup’s (1999) research on the effects of union density on Las Vegas nonunion wages in hotels, and more representative studies across industries (Belman and Voos 1993; Neumark and Wachter 1995).

That unions matter for wages may seem a mundane point. But in this low-wage, heavily immigrant service industry, it is clear that many workers still see this as the principal role and benefit of the union. Union leaders themselves consistently pointed to higher wages as their key contribution to the workforce, and they were consistently cited as a top priority in future contract negotiations. In fact, one union leader pointed out that the importance of wage demands in bargaining is increased by the diversity of hotel union membership: only the housekeepers (generally one-half or less of total union membership) care about room quotas, while only food and beverage workers care about restaurant subcontracting, but all workers can rally around wage increases. As a result, for both unions and their members, higher wages remain the central benefit and priority of the union.⁶

Work Intensity

Since restructuring has often resulted in increased workloads for many frontline hotel workers, the issue has become a critical focal point for both unions and their workers. For example, housekeepers have witnessed a bewildering increase in amenities in recent years, from in-room coffee pots to the ever more elaborate bedding and pillow schemes. We found that workers in union hotels had a much higher

sense of awareness about increasing workloads and their rights in this process. Most union workers we interviewed could automatically recite the contract rules on workload, and could remember precisely when certain amenities were added and how conflicts over their addition were resolved. This sense of history and awareness was clearly less present at nonunion hotels.

However, in the end, it is not clear the extent to which unions and/or union density have been able to stop the speed-up of work. For example, all of the hotels we studied required between 14 and 17 rooms per housekeeper per day. Still, 3 rooms a day can make a big difference, and it is no coincidence that the low quota (14 rooms) was posted by a union hotel in a high-density city, and the high quota (17 rooms) was posted by a nonunion hotel in a low-density city. But all the other hotels in our study required 16 rooms per day.

Similarly, the main work intensity issue in kitchens is cross-training, and unions have generally not been able to staunch the inroads of this practice. However, they have been able to ensure that workers get compensated fairly when assigned to another job (that is, get paid a higher rate when working a higher level job), which is often not the case in nonunion hotel kitchens. For example, one worker at a nonunion hotel expressed intense frustration that he, classified as a basic cook, is often required to do the same work as an advanced cook but is paid \$4 less an hour.

Unions have had the most success in bringing issues of workload to the forefront of labor-management relations, ensuring that speed-up is at least negotiated and duly compensated. In a few cases (all in high-density cities), unions have successfully forestalled attempts to increase workload altogether. There are also signs that this issue will gain priority in the future: several hotel locals we interviewed have begun to conduct their own time studies of different housekeeping and food-prep tasks in order to prepare stronger arguments against workload increases.

Hours and Scheduling

For both workers and managers in our hotels, the issues of hours, scheduling, and staffing level are all closely intertwined. A predominant image of the past is that hotels kept staff around even in slack times, assigning busy work and deep cleaning. But as firms have pushed to

cut costs and increase productivity, staffs are kept leaner to begin with, and workers who may have once waited idle during slow times are now sent home without pay. At the same time, firms are searching for ways to increase the efficiency of the staff that remain on site. It is not surprising, then, that scheduling and hours of work are central concerns of all workers in the industry, and ones in which unions have played a critical role.

In general, the scheduling strategy at union hotels has been to assign work hours, shifts, and stations on the basis of seniority. This traditional structure allows the most senior worker to take all the work she is interested in (up to 40 hours), and on down the seniority list until the necessary work for the week is filled. Obviously, this system secures full-time, year-round employment for the most senior workers. By contrast, nonunion hotels employ much looser systems for scheduling. Tenure matters in nonunion hotels, but managers report that they try to get their “best workers” the shifts they need and appreciate the flexibility that their own system allows. At these hotels, workers do not pay as much attention to the rules of shift, hour, and station assignment, as it is simply an area of management prerogative; although a number of workers we interviewed found fault with this system, often claiming favoritism, it had never occurred to them that it could be changed.

The union’s long history of negotiating over scheduling issues has also aided its fight against another recent trend in the hotel industry: the conversion of full-time jobs into part-time jobs. Recent contracts in cities with high union density have begun to shape the definition of “part-time” and the rules for employment of (as well as the numbers of) part-time workers. One contract, for example, required that everyone working two shifts or more a week would qualify for full-time benefits, to a large degree eliminating the advantages of converting full- into part-time jobs. In another city, the union contract contains explicit language about the percentage of the workforce that can be classified as full-time, part-time, and “on call.”

Subcontracting

Subcontracting and outsourcing are ubiquitous in the hotel industry, and unions have largely been unable to stop the trends, though in some instances they mitigate the effect of those trends on members. The

hardest subcontracting trend to fight has been the outsourcing of labor-intensive kitchen tasks, such as baking, cleaning and chopping produce, and making stocks and sauces. The purchasing of prepared foods has become such a fundamental business strategy in the industry that it has been almost impossible for unions to stop it. In the end, the economics of using preprepared food are simply too compelling, and because the outsourcing is usually done piecemeal, the union would have to fight over just one or two jobs at a time. However, when the numbers of jobs involved are bigger and the economic advantages are less clear—for example, subcontracting an entire laundry unit—unions have been able to focus their efforts and have had somewhat more success, slowing or limiting the process.

Additionally, unions in high-density cities have largely been able to resist the otherwise prevalent trend of subcontracting hotel restaurants.⁷ And sometimes, even in low-density cities, they have been able to negotiate the terms of the subcontracting. In one such instance, an interesting hybrid emerged: the hotel's restaurant was subcontracted but the staff remained employees of the hotel and members of the union. In another example, a union hotel wanted to reduce staff and operation hours of its upscale restaurant. Union leadership negotiated a transition process, where the number of restaurant staff decreased over time through attrition and reassignment. While restructuring was not stopped in these instances, from the perspective of workers, this type of “managed change” was a vast improvement over the way that subcontracting normally proceeds, most often with the dismissal of large numbers of workers.

Career Ladders

In theory, the dismal working conditions and wages described so far could be tempered by a strong system of internal promotion, so that entry-level workers quickly moved out of these bad jobs to good ones. But upward mobility in the hotel industry has always been, and remains today, severely circumscribed.

The large majority of workers enter hotels via the housekeeping or food and beverage departments, where mobility opportunities are quite slim. Entry-level workers comprised a full 93–96 percent of the housekeeping department's staff. Food and beverage departments are

not quite as heavily weighted toward the bottom but are also quite flat. In both divisions, frontline supervisors comprise only 1–5 percent of the staff, and senior managers only 1–3 percent. Moreover, while the job structure in the hotel industry has always been flat, in recent years there has been a trend toward eliminating many supervisory positions. For example, in seven of our eight hotels, the position of inspectress, a supervisory position, had been eliminated.

This grim lack of mobility opportunity, unfortunately, is characteristic of both union and nonunion hotels; there simply are not many career ladders in this industry, and the mere presence of a union does not create more middle-tier jobs. However, some hotel unions in high-density cities are beginning to focus on, and find ways of chipping away at, structural barriers to mobility. In one innovative program, for example, housekeepers are trained and employed as kitchen workers or servers during the winter season, when room occupancy is low, thus potentially opening up routes to promotion. However, this is in fact quite rare in the industry and is found only in several very high-density cities.

WHAT CAN WE LEARN FROM THE HOTEL EXAMPLE?

Given the pervasive eulogies for the American labor movement, it is important to reiterate several basic lessons. First, in some settings unions have turned bad service jobs into much better jobs, providing better wages and benefits and improving workers' understanding of the rules and power dynamics that affect their workplace. Second, union density matters, especially for establishing higher regional wage floors and improving other basic measures of job quality, such as workload. Third, unions can become a leading voice for immigrants, the fastest-growing constituency of low-wage workers.

In short, unions can play a substantial role in improving bad service jobs. Indeed, in the hotel industry, unions may stand as the single most effective institution for increasing the pay and quality of the jobs. Next we discuss factors that account for this success.

Density is Destiny

Like many service industries, hotels compete in local markets. In such situations, union density is absolutely critical for establishing worker-friendly wage, benefit, and workload norms. Where density is low, it is difficult if not impossible to move the few union hotels toward high wages by themselves. Nonunion hotels set the industry norm, and unions struggle to move much above those norms; the contracts they negotiate are often relatively weak. Where union density is high, a completely different dynamic emerges. Unions define the norm. Nonunion properties come close to (and sometimes even exceed) union contract wages in order to compete for workers and to convince their own staff that a union won't have much effect. As in other sectors where competition is local, high density in the hotel sector takes wages out of competition.

The most successful hotel union locals across the United States have focused relentlessly on gaining and maintaining high density in their regional markets. In fact, both of the low-density cities we studied had actually been high density in the 1970s; but as the cities expanded, industry growth decimated density and unions moved from the center of wage determination to the periphery. But only in the cities where the hotel union maintains high density in the market do those unions set work standards.

Moreover, as we saw above, high union density allows progress on fronts other than simply wages and benefits. Once they have captured significant market share, unions can begin to address issues such as workload, cross-training, subcontracting, and the reorganization of job titles. And thus emerges a reinforcing cycle: density grows, unions become more deeply engaged in the industry's workforce and economic development, which more thoroughly cements labor's role as a permanent actor at the table. In the best cases, the union and union properties become allied in the project of strengthening and unionizing the industry.

If density really is destiny, then low union representation in most cities and most sectors presents a substantial challenge. The observation should, however, support the idea of moving against multiple targets in a single region at once (a strategy Justice for Janitors among others has pursued), rather than diffuse "hot shop" approaches. Even within

regions, it argues for developing clear focus on the segments of an industry that can really deliver “density,” or the power to reshape the regional labor market. The point is that unions often measure success in membership, but securing the fruits of density requires more careful thinking about who the members and their employers are.

Smart Organizing Strategies

The only way to get density, of course, is to organize. But in the hotel industry, organizing today looks different than it did 30 years ago. To preserve their density and vitality, successful locals have developed innovative strategies for organizing and expansion. The first of these strategies—bargaining to organize—uses leverage provided by existing labor–management relationships to extend union representation to other properties in the corporate chain. Interestingly, this strategy derives power from the increasing concentration of ownership in the hotel industry (a trend often regarded as negative). In fact, some union leaders we interviewed actually expressed a preference for more concentrated ownership because it provides leverage for expanding the union.

A second innovative strategy has been the involvement of hotel unions in the politics of the development of new properties. In fact, hotel unions are getting involved in development decisions as aggressively as construction unions, and they are showing willingness to use labor’s political muscle to help promote organizing. In recent years, unions representing hotel workers have conditioned their political support for a specific development on the basis of guaranteed “card check” rules on organizing the property once it is running. From state federations, central labor councils, and a variety of internationals, the message is clear that union labor must not only build the property, but also work in it when it is complete. In many cities, getting such broad labor movement consensus and support remains difficult, but strong leadership in some cities has made this possible.

A third way that hotel unions, especially the Hotel Employees and Restaurant Employees International Union (HERE), have succeeded in organizing is through their efforts to connect in new ways with their increasingly immigrant members.⁸ One way has been through increasing work with community groups on issues outside the workplace that face the community. The most obvious example is HERE’s early leadership

in encouraging amnesty for Mexican workers. Another example is one of the union contracts we studied, which provides for a set number of paid days off for workers to deal with immigration status problems. But perhaps the best illustration of sustained community involvement is the Los Angeles Alliance for a New Economy, where HERE worked with a number of local groups in passing the city's living-wage law and a community-based development agreement.

Partnerships That Serve Labor and Management Alike

In several cities, successful hotel union locals have used their connections with multiple properties to bring together regional partnerships that take on the key industry problems of recruitment, retention, training, leadership, and communication. For example, the San Francisco Hotels Partnership Project was formed to provide job security and solid compensation to workers, while also allowing for increased competitiveness by the hotels. The Partnership achieves these ends through a "living contract," which establishes an unprecedented structure to facilitate labor-management collaboration. The Partnership provides training and support to labor-management problem solving teams. To date, those teams have developed solutions to work restructuring issues, increased training and skills for frontline workers, founded a pilot project to create career ladders in the industry, and built the communications and leadership skills of workers and managers at member properties.

In Las Vegas, the hotel union local has created the Culinary and Hospitality Academy (CHA) with a group of local hotel casinos. The academy provides skills training for all union workers, as well as classes in ESL, GED, and customer service skills. Since its inception, more than 16,000 workers have graduated from the academy and over 70 percent have been placed in jobs. The training is cost-effective and highly tailored to the industry. Many hotels in Las Vegas treat the training center as their main source of entry-level workers—even nonunion hotels hire the academy trainees. CHA has been able to secure this important role because it solves two critical problems facing the hotel and gaming industry in Las Vegas. First, it has solved severe recruitment and retention problems by providing a steady stream of workers to union hotels. Second, by successfully training recent immigrants and welfare leavers,

CHA has addressed the problems of lack of skills and work experience in the new workforce.

Hotel unions, in both high- and low-density cities, have begun to look to these partnership strategies as another part of the complex package that can make their organizing and member services effective. No union leader hopes that the partnership strategy alone could possibly be enough. However, the opportunity to play a positive role in training and work restructuring is appealing because strength in this area can be leveraged for power in more contentious discussions.

BARRIERS TO EXTENDING THE HOTEL MODEL

It is clear that some hotel union locals have significantly improved the quality of entry-level jobs in their industry. It is equally clear that such cases are the exception, not the rule. Can these model examples be usefully applied to the rest of the hotel industry as well as to other key service industries? To the extent that the successes described earlier are the result of a renewed focus on organizing and density as the driving engines of union power, the answer is yes. At the same time, there are several key barriers to extending the lessons described above to the rest of the service sector.

First, many service industries are distinguished by small firms and small units, unlike the core of the hotel industry, where large properties and large chains dominate. In big cities, organizing 20 major hotels can get you substantial density; organizing 20 restaurants is a drop in the bucket. In recognition of this problem, The Service Employees International Union (SEIU) got to critical density in LA's home health care market by forcing the public sector, which funded home health services, to admit to and act as the employer of record in the sector. So it is clear that there are some solutions to the problem; but the route to high density in many sectors remains mired with the problem of so many small units.

Second, workforce turnover is a substantial service sector problem and one that makes organizing notoriously difficult. While hotels complain about having 30 percent turnover, the turnover rates in retail, restaurants, and health care (specifically certified nursing assistants) of-

ten exceed 100 and even 200 percent. In these sectors, high turnover reduces the solidarity of staff, impedes the development of frontline union advocates, and makes getting to a vote, or predicting the result of that vote, difficult. Unions are challenged to find ways to break into the dynamic before they can even get the firm organized.

Third, hotel unions have focused on the high end of the market, where profit margins can run 20–40 percent and can therefore sustain wage increases. But in a number of key service industries, margins are much smaller. The margin problem is most acute in caregiving sectors. Consider child care, an industry with very low profit margins, where many businesses already commit more than 70 percent of gross revenues to wages, and where customers (parents) are unlikely to be able to afford higher costs. Or take health care, where the flow of funds for home health and nursing home work is constrained by the government, which pays for the services through Medicare and Medicaid. In both of these cases, the service being provided is qualitatively different from hotels: it is a high-cost public good, and resolving the chronic problems in job and care quality will ultimately require increased (perhaps even comprehensive) public funding and will not be solved by organizing alone.

These problems for union organizing in the service sector are often observed. But the fact that some union locals in hotels, health care, building services, and telecommunications have found a way around these problems should inspire confidence that innovative forms of organizing can be developed throughout the service sector. For example, public money is central to child care and health care, and quality care is clearly linked to the quality of jobs. Leveraging public money and public interest could potentially replicate SEIU's success in Los Angeles across the country. Large corporate chains are found not only in hotels but in other service industries as well, and are often the drivers of industry standards. But it is clear that one size of organizing won't fit all service industries and all regions. Unions will have to come up with a variety of strategies if they hope to get membership and density to levels that will allow them to influence the quality of jobs in the service sector.

CONCLUSION

There is clear potential to build a mutually beneficial relationship between service workers (in what are usually bad jobs) and the labor movement (which can improve those jobs). Under a regime of firm restructuring that is systematically undermining job quality at the front line, unions are one of the few institutions that actually make real contributions in terms of wages and work organization. It is also the case that unions have little choice in the matter: the U.S. labor movement is dead unless it aggressively pursues and succeeds in organizing bad service jobs. The good news is that there are plenty of jobs to work with, and that some strategies seem to be bearing fruit in terms of organizing success. A dismal legal and legislative climate notwithstanding, the ball is firmly in the organizing court.

Notes

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1. Specifically, hotels with unions representing the frontline workforce were identified as “union hotels.” In each of the four towns, the Hotel Employees and Restaurant Employees International Union (HERE) represented the workers at the union hotels.
2. The only place where technology appears to have had a substantial labor effect is in recent advances in the packaging, refrigeration, and delivery of precut foods (Baumann 1997). These new systems have enabled a rather pronounced shift in the hotel industry to buying prepared foods (e.g., diced onions, soup stock, sliced meats), rather than making them from scratch in house. This shift has clearly moved frontline jobs to subcontractors.
3. This section draws heavily on Bernhardt, Dresser, and Hatton (2003, pp. 57–63).
4. In each city, we worked with union leadership to identify geographic boundaries, the numbers of workers, hotels, and rooms in each market segment, and finally,

the union/nonunion breakdown on each count. We do not here present the exact density estimates (again to protect the anonymity of the cities and their hotels), but on all measures, two of the cities have high hotel union density and two have low hotel union density.

5. Authors' analysis of these data shows that wages do not simply reflect differences in the cost of living in these cities.
6. Furthermore, these higher wages may also indirectly benefit the hotels themselves by reducing turnover rates (which some industry insiders estimate costs the hotel \$5,000 per employee [see Worcester 1999]). As the president of a large hotel corporation observed: "Unions buy long-term commitment. Once they're in, [the employees] generally stick around."
7. Both of our unionized hotels in high-density cities had no subcontracted restaurants.
8. When we did this research, HERE was a distinct union. In July 2004, HERE and The Union of Needletrades, Textiles and Industrial Employees (UNITE) merged to form UNITE HERE.

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