

Bargained Work Rules Can Increase Food Costs

(Continued From Page 26)

decrease or limit labor productivity in the distribution of milk to stores would have a double-edged effect on the objective of preserving the number of jobs. First of all, it would require more men to deliver a given quantity of milk to supermarkets. Secondly, it would keep distribution costs to the supermarkets up, and consequently, cost differences between supermarket delivery and other wholesale deliveries or home delivery would be lessened. If prices reflect these differences in costs, fewer people would be induced to shift to supermarket purchase and would continue to buy at those outlets requiring relatively high levels of labor input. More union jobs could be preserved as a result.

The Chicago-Detroit case

In the fall of 1968 the fluid milk industries of Chicago and Detroit were studied to determine whether or not a relationship between bargaining and milk costs existed in those two markets. +

Labor unions have represented dairy firm employees in Chicago and Detroit for several decades. In fact, the industries have long been considered fully organized. (All of the larger firms in the Chicago and Detroit fluid milk markets were unionized.)

The larger dairy firms in Chicago and Detroit have a number of specialized routes to serve supermarkets. Characteristics of these routes are shown in the accompanying table.

The 62 routes in Detroit delivered more milk during the study week than the 97 specialized routes in Chicago. Average daily route volume was more than twice as great in Detroit as in Chicago. Drivers in Chicago averaged a little under a 7-hour work day (6.96 hours) while those in Detroit worked nearly 8½ hours. In both cases time included a half-hour-on-

route lunch break.

Management of one firm in Detroit placed a helper on each of their large-volume supermarket routes, though the union didn't insist on this practice. They realized that such a practice reduced productivity since the helper was essentially non-productive during the driving periods. It was also questionable whether or not a helper was essentially non-productive during the driving periods. It was also questionable whether or not a helper improved at-stop productivity. The firm was contemplating elimination of helpers at the time of the survey. The firm's use of helpers did, however, tend to reduce the quantity of milk delivered per labor hour on supermarket routes in Detroit. Still, units of products delivered per hour of labor were more than 33 percent greater in Detroit than in Chicago.

Detroit drivers worked longer hours. Fewer at-stop services were performed at wholesale outlets in Detroit. As a consequence Detroit routes delivered more product each day and had substantially higher output per man-day than in Chicago.

A careful examination of the labor agreements and negotiated settlements of disputed work rules provides some insight into the differences between the two otherwise similar markets.

By limiting the time trucks were permitted on the street, the hours available for delivery in Chicago were restricted, and much of the productivity difference between these two markets could be explained by that fact alone. Productivity per on-route hour was more nearly similar in the two markets than productivity based on total hours worked. Conceptually that is difficult to understand but it is easier perhaps when one considers the fact that the difference between on-route time and total time is that spent at the plant or

eating lunch along the route. The amount of this time was the same in both markets and amounted to about three hours per day. The longer a routeman worked, the more time he had available to deliver product, and the less effect non-delivery time had on average productivity. Detroit drivers worked longer, had more time to distributed product, and thus a higher productivity resulted.

The difference in hourly labor productivity in these two markets for that time actually spent on the routes was not very great. Detroit productivity was higher, but it would have been much greater if helpers had not been used on some Detroit routes. The potential difference can be explained by the provisions requiring certain at-stop services in Chicago which were neither required nor performed extensively in Detroit and by average volume per delivery. Some wholesale customers in Detroit wanted services similar to those which Chicago dairies were required to provide. When a comparison was made of Detroit routes providing those services with comparable Chicago routes, it was found that labor productivity per on-route hour in each market was almost identical. Thus the intermarket difference in productivity could probably be attributed to the amount of work required from the average routeman and would not necessarily reflect how ambitiously he performed that work. Not all routes in Detroit were required to provide these additional services and did so only if the services were performed less frequently in Detroit and the average route's productivity per on-route hour was higher.

The average volume delivered per stop was much higher in Detroit than in Chicago. Though the weekly volumes per customer were very similar in the two markets, the volumes delivered

(Continued On Page 28)

AGWAY

FALL SALE



ON
FLY CONTROL PRODUCTS





15% and 50% OFF

SELECTED ITEMS

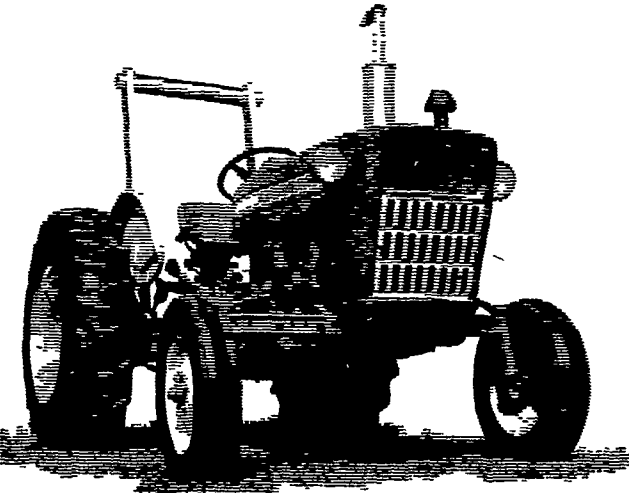
LANCASTER STORE ONLY

WHILE SUPPLY LASTS

LANCASTER AGWAY

394-0541

LOOKING FOR WORK... ALL KINDS.

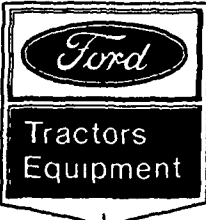


FORD ALL-PURPOSE TRACTORS

Ready for plowing, cultivating,
mowing, haying, hauling...you
name it, these Fords will do it!

See All The Blue at
Ag-Progress Days

See the tractors that
WORK for a living...at



ALLEN H. MATZ, INC.

505 E. Main St.
New Holland, Pa.
Ph. 354-2214



Now That You Are Going Bulk Let's Put in The Best Put in a Girton





Ambassador

Girton with many outstanding features. Come in and leave us tell you about them. Reliability - Dependability.

We Will Not Be Under Sold.
Sales & Service - Call Collect

HALLER ELECTRIC, INC.

R.D.2, Denver, Pa. 17517 24 Hour Service
Ph. 215-267-7610 OR 215-267-7514
Serving all of Lancaster and Lebanon County