

# **New Horizons in Simulation Games and Experiential Learning, Volume 4, 1977**

## **AN INTERACTIVE SIMULATION OF PRIVATE SECTOR COLLECTIVE BARGAINING**

Wilbur W. Stanton, Oklahoma State University

Charles R. Greer, Oklahoma State University

### **INTRODUCTION**

Traditional classroom methods of instruction such as lectures, group discussions, case analyses, and major term projects do not provide “hands on experience” with some of the more important topics of collective bargaining. Grievance and arbitration cases provide adequate experience only in limited areas such as administration of the collective bargaining agreement. This simulation game represents an attempt to overcome the major limitations of the more traditional methods. These limitations are overcome through varied exposure to experiential learning by application of a wide selection of collective bargaining topics.

### **WHY GAME?**

“Playing games” has become a major topic at academic conferences during the past decade. The university that does not utilize game playing or simulated environments to supplement other teaching methods is probably a rare exception. The widespread use of games or simulations is not paradoxical. As Anderson and Moore [1] have suggested, humans learn how to respond to “real” world problems by playing games; not only in the games played in the external medium of society, but, with the experiences gleaned from games, people actually “play” society. Game playing provides a frame of reference; a way of looking at life. An individual grows through “experiencing life” by playing games. Games have the unique advantage of assisting the student gain a quality of personal involvement while not inflicting any serious consequences from either “winning” or “losing.”

### **COLBAR**

This simulation involves the player in two experiential learning processes. The first process requires the player to determine his obligation to bargain on various proposed bargaining issues and to determine alternative courses of action within the legal environment of labor relations. The legal environment and alternatives are graphically presented in the form of a flow chart in Appendix 1. Since legal environments are quite complex, only the private sector environment, the National Labor Relations Act, as amended, is considered [3, 4, 5, 6, 7].

The second process requires the player to engage in successive rounds of contract negotiations. A written scenario

### **New Horizons in Simulation Games and Experiential Learning, Volume 4, 1977**

is provided before commencement of the simulation and the player is instructed to base his negotiation tactics upon his particular scenario. The game is played from a management point of view and desired settlement ranges are provided. Incentives for settlement are provided by informing the participant that the current contract has expired and a strike could take place at any time depending upon his union opponent's perceptions of progress toward settlement. Strikes are simulated after a determinant number of successive negotiations during which no agreement has been reached. Management counter proposals are accepted by the simulated union negotiators upon achievement of a designated proportion of the union's initial demand. Future versions of the program will declare strikes on the basis of the management player's refusal to make concessions above a designated proportion of the union's previous proposal. Although such methods of simulating strikes in order to provide negotiating incentives are simplistic and not closely related to actual strike behavior, all bargaining incentives in a simulation are limited by their inability to actually impose real losses on the players.

Cost to management for strikes and lockouts are assigned and accumulate according to the duration of the work stoppage. Future versions of the program will incorporate a scoring system whereby concessions and strike or lockout costs are combined for a total cost performance evaluation of each player.

Players must follow the rules of "good faith" bargaining required by the National Labor Relations Board. In particular, the "auction model" of negotiations must be followed such that exaggerated demands are initially proposed so that sufficient latitude remains for concessions which indicate that each party is actually trying to reach agreement. Such negotiating tactics also serve to obscure negotiating target points of each party. Whenever a player reneges from a previous position a verbal admonition is issued although a system of penalizing the player may be appropriate for future versions of the program. At present the National Labor Relations Board relies upon the imposition of remedial measures in instances of unfair labor practice violations.

Bargaining is confined to a zero sum game or in Walton and McKersie's 18] classification system to distributive bargaining where one party's gain is the other party's loss. Thus simulated negotiations are restricted to quantifiable issues although players are required to determine whether they should bargain on nonquantifiable issues, some of which are illegal.

### **New Horizons in Simulation Games and Experiential Learning, Volume 4, 1977**

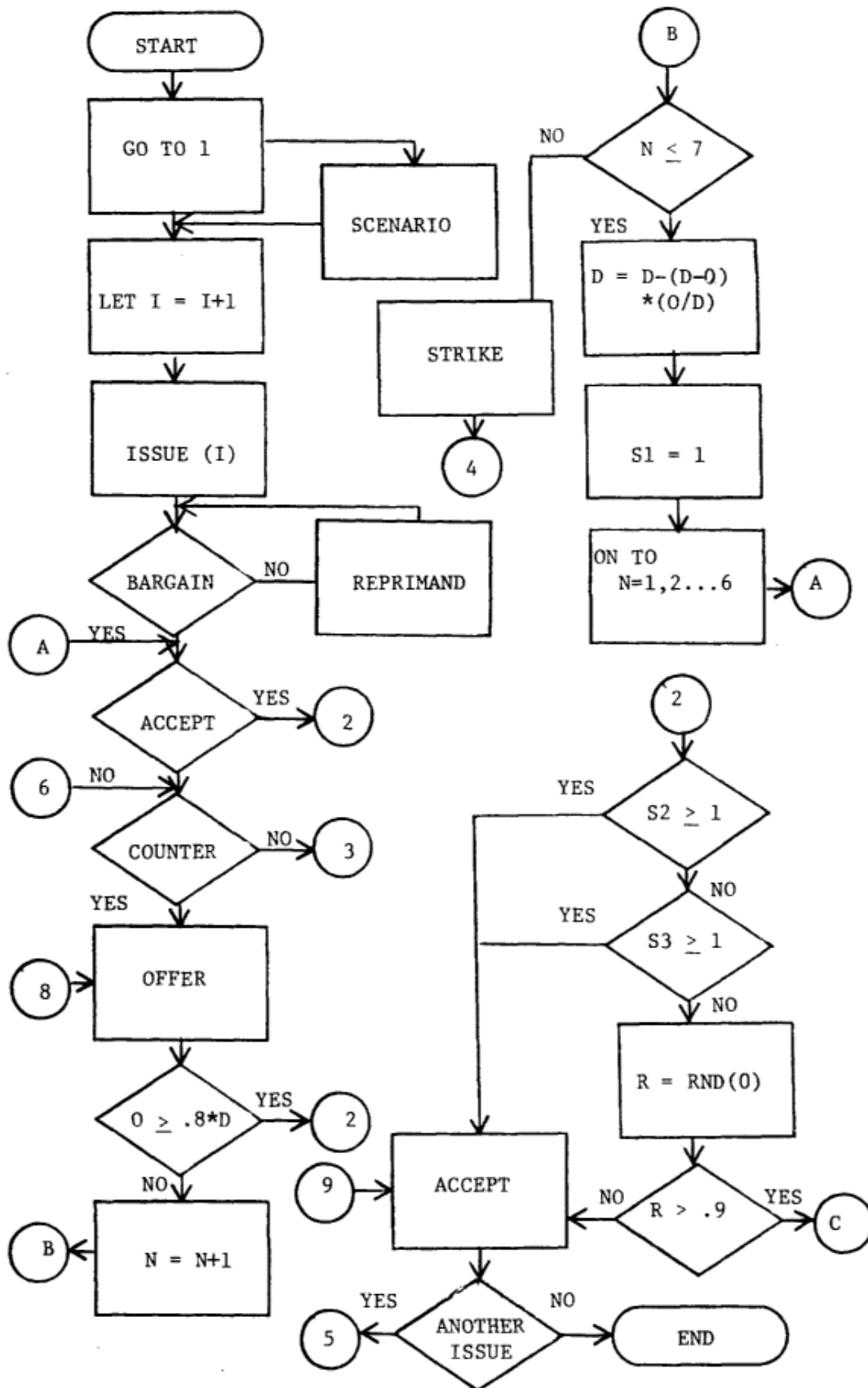
Bargaining is preceded by presentation of a scenario, see Appendix 2, which explains the circumstances surrounding the negotiations. Although the program in its present version utilizes only one scenario, a logical development of the program would be to provide several scenarios and link union negotiating strategies to the scenarios via issue acceptance criteria and strike determinants. Following presentation of the scenario; issues concerning wages, retirement benefits, and union security are presented by the simulated union negotiator. The flow chart, see Appendix 1, describes the sequence of the negotiations as well as the design of the program.

Output of the program which demonstrates an entire simulation of negotiations is provided in Appendix 2. Appendix 2 indicates that varying verbal responses are provided by the union negotiators in order to lend a touch of reality along with other game information.

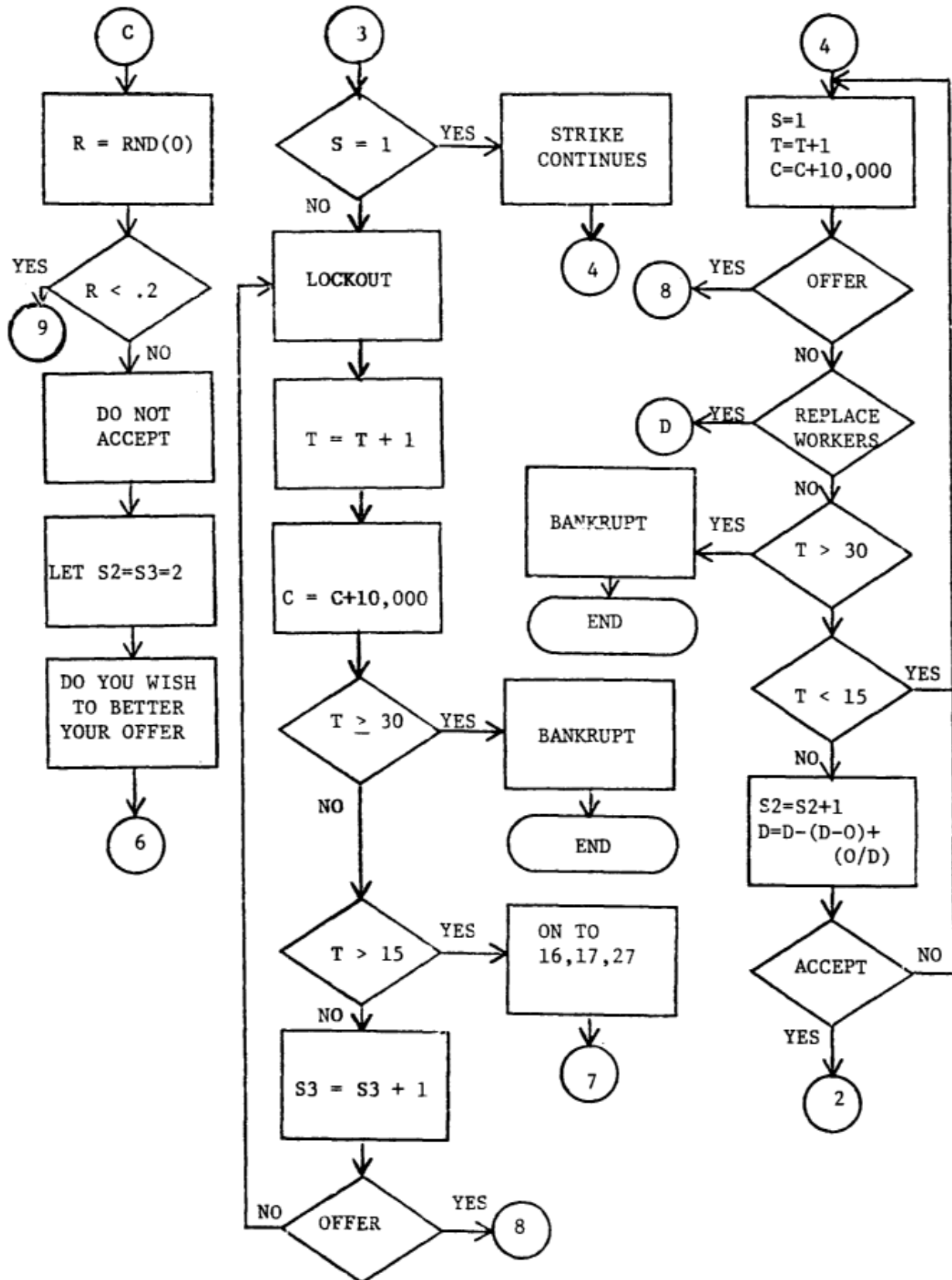
### **SUMMARY**

Although COLBAR represents only an initial attempt at simulating negotiations, modifications which will make the exercise more realistic will be incorporated in future versions. The program should provide some indication to the industrial relations student of the basics of negotiations and the legal environment. In addition the program will provide a useful research vehicle for studying negotiating tactics. Bargaining tactics may be studied in relation to differences in scenarios through use of COLBAR.

APPENDIX 1



## APPENDIX I -- CONTINUED



**APPENDIX 2  
EXAMPLE OF A SAMPLE RUN**

This is an elementary collective bargaining game which has been designed to familiarize the student with the process of contract negotiations. You are the bargaining representative for management. Different scenarios will be presented which describe your firm, management expectations, the union, union negotiators, and other circumstances surrounding the negotiations. Your bargaining strategy should take the circumstances described in scenarios into consideration. Your objective, taking into account other objectives identified in the scenarios, is to achieve the least cost settlement possible. Naturally, strikes, lockouts, and law violations add costs to the settlement. The union may strike if it becomes dissatisfied with the progress of negotiations. The problem you face is one of avoiding a high settlement level without accruing strikes costs. Further instructions will be provided as the game progresses.

You are the Vice President for Industrial Relations for Federated Freight, a small trucking company based in Pueblo, Colorado. Your contract with the International Brotherhood of Teamsters expires on the 30th of next month. Federated Freight has had a contract with the Teamsters for the past 15 years. Relations with the Teamsters have never been amicable although there have never been instances of open industrial warfare. The president of Teamsters Local No. 305 has been in office only 4 months. The previous president, although frequently abrasive and profane had held the position for 10 years and had established a position of trust with you. His tenure came to an end when more militant members dissatisfied with economic gains from previous negotiations forced him out of office.

The President of Federated Freight has indicated that the maximum increase in labor costs which can be tolerated during the next two year contract period is 15 percent. He has been critical of your previous negotiation results and has accused you of going soft on the union. Your most important guidance from the President is that a prolonged strike would be ruinous for the firm because the purchase of 20 new tractor and trailer units will cause serious cash flow problems. You are also without the services of the firm's legal counsel, who has been a valuable asset in past negotiations, because he is taking a cure for his drinking problem.

Welcome to COLLECTIVE BARGAINING

Here is the First Issue.

Our demand is an increase in the annual retirement benefits by \$1 ,000 per year.

Do you want to bargain? (Answer Yes or No. ‘Yes’)

So you want to bargain, well we will see.

Do you wish to accept our proposal? (Answer Yes or No.) ‘No’

Do you wish to make a counter offer? (Answer Yes or No.) ‘Yes’

Ok, what is your offer? --\$300

Come on now, I know you guys can do better than that. Look at all the brass. The president of the company got a \$20,000 raise last year, and the rest of you did about as well. You are trying to get rich off the sweat of the working stiff. Just to show you we are negotiating in the great tradition established by our union with your predecessor who was a man of his word, we will reduce our demand to an increase of \$790.

Well, what do you think?

Do you wish to accept our proposal? (Answer Yes or No.) ‘No’

Do you wish to make a counter offer? (Answer Yes or No.) ‘Yes’

Ok, what is your offer? --\$450

I am really going to take a lot of heat over this and I will guarantee you that we will really hit you hard next time but because we want to keep the people off of the bricks I will give you a break by reducing our proposal to \$600.

Well, what do you think?

Do you wish to accept our proposal? (Answer Yes or No.) ‘No’

Do you wish to make a counter offer? (Answer Yes or No.) ‘Yes’

Ok, what is your offer? -\$550

**APPENDIX 2 -- CONTINUED**

Well I took your package to the hall last night and the vote was to accept your offer. I really had to do a lot of horse trading so you owe me one next time.

Do you want to try another issue? (Answer Yes or No.) ‘Yes’

Our demand is an across the board increase of \$2.00 per hr. over the next two years.

Do you want to bargain (Answer Yes or No.) ‘No’

UNFAIR LABOR PRACTICE! You must bargain on mandatory issues. Now do you want to bargain? (Answer Yes or No.)

‘Yes’

**REFERENCES**

1. Anderson, A. R. and O. K. Moore, “Autotelic Folk Models,” Sociological Quarterly, Vol. 1 (1960), pp. 203-216.
2. BNA’s Collective Bargaining Game, (Washington, D.C.: Bureau of National Affairs, Inc.)
3. Cox, A. and D. C. Bok, Cases and Materials on Labor Law. (Brooklyn: The Foundation Press, Inc., 1965.)
4. Gregory, C. O., Labor and the Law, 2nd. ed., (New York: W. W. Norton and Company, Inc., 1961.)
5. Guidebook to Labor Relations, (Chicago: Commerce Clearing House, 1975.)
6. Meltzer, B. D., Labor Law Cases, Materials, and Problems. (Boston: Little, Brown and Company, 1970.)
7. Taylor, B. J. and F. Witney. Labor Relations Law, 2nd. ed. , (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1975.)
8. Walton, R. E. and R. B. McKersie, A Behavioral Theory of Labor Negotiations, (New York: McGraw-Hill, 1965.)
9. Wheeler, H. N. and R. Hayen, “An Interactive Collective Bargaining Simulation,” University of Wyoming College of Commerce and Industry Research Paper.