CHAPTER 11

Collective Bargaining in the Hospitality Industry in the 1980s

DOROTHY SUE COBBLE AND MICHAEL MERRILL
Rutgers University

Editor's Abstract

The Hotel Employees and Restaurant Employees International Union (HERE) represents individuals in both major parts of the hospitality industry. The union has had considerably more success in hotels than in restaurants, where unionization has virtually disappeared. Cobble and Merrill argue that the rebirth of unionism in the restaurant industry, as a whole, is impossible without a fundamental restructuring of the current legal and institutional framework—one that nurtures occupational as opposed to industrial organization. On the other hand, they predict that the recent decline in hotel unionism will level off and perhaps reverse itself. Hotels are immobile and have large numbers of long-term employees; moreover, especially in large cities and convention centers, they are vulnerable to strikes. Spurred by discontent with low wages, racial and gender discrimination, and deteriorating working conditions, HERE has used creative tactics and militant action to organize new members in some areas.

Cobble and Merrill review the substantial decline of hotel organization over the 1980s, from about 20% to 10%. Levels of unionization are still high in some major metropolitan areas, so the union still has bargaining power in those locales. HERE has generally been able to resist employer demands for reduced contributions to health care, although locals did often agree to change work rules in the 1980s. Employer moves to disband hotel association bargaining apparently backfired in some areas, such as San Francisco.

The union has had problems. Corruption has been an issue, although most locals are not corrupt. Moreover, the international is led primarily by older white men, despite a work force that is heavily female and minority. In recent years, a disproportionate number of Hispanics have entered the hotel and restaurant work force, where they join large concentrations of African Americans, Asians, and recent immigrants. Several important locals have had dynamic and progressive leadership, including ones led by women in San Francisco.
and Los Angeles. Boston's Local 26 has been especially successful in negotiating very innovative clauses in collective bargaining agreements. It has linked hotel occupancy rates with employee bonus payments, negotiated an employer-funded housing trust providing union members with loans and grants, won health benefits for extended family members and gay partners, and gained employer-financed English as a second language/literacy classes.

The hospitality industry has a generally poor record with regard to racial, sexual, and age discrimination. Lighter-skinned employees are more likely to work in the front-of-the-house customer contact positions, such as hotel desk clerks, waiters, or waitresses. Darker-skinned minorities are concentrated in cleaning, food preparation, and other non-contact positions. Younger women are also favored over older women. These discriminatory practices may increasingly be challenged in the hotel industry if the union overcomes its own somewhat uneven record with regard to racial and gender issues.

The prospects for collective bargaining in the hospitality industry are, therefore, mixed. The decline in hotel unionism has leveled off and may be reversed. But the future of unions in the restaurant industry is bleak, absent far-reaching legal and institutional changes that would foster the rebirth of occupational unionism.

For twenty-seven years, the West Hollywood coffee shop enjoyed labor peace and a loyal clientele. Yet when a new owner took over in 1984, he replaced the older unionized waitresses with younger help and ended the longstanding partnership with Local 11 of the Hotel Employees and Restaurant Employees International Union (HERE). The fired union members, ranging in age from fifty to seventy, organized as "the grannys" and refused to go quietly. They picketed; they filed unfair labor practice charges; they reached out to customers and to labor and community organizations for support. Yet the new owner prevailed. The union could neither force the rebirhing of the "grannys" nor organize the younger replacements.

In contrast, the Seoul-based, multinational Koreana Corporation failed in its 1992 bid to sever its Local 11 contract. The corporation had purchased the Hyatt Wilshire Hotel, fired all 125 union employees, and attempted to reopen as the newly refurbished and nonunion Wilshire Koreana. After less than a year of mass demonstrations, political pressure, and public relations efforts coordinated with the assistance of the AFL-CIO's Asian Pacific American Labor Alliance, Local 11 proudly called a press conference and announced the signing of a collective bargaining agreement with the hotel (Rosier 1992; Durazo interview 1993).
How typical are these examples? How representative are they of recent trends in collective bargaining in the hotel and restaurant industries? The union defeat at the West Hollywood coffee shop is certainly the more common story: Union coverage among hotel and restaurant workers dropped by half over the course of the 1980s. By some estimates, between 1980 and 1991 union density rates fell from 19.2% to 10% among hotel and motel employees and from 5% to 2% for restaurant workers (see Graphs 1 and 2). In absolute numbers, union membership also declined throughout the 1980s, hitting a low of 269,000 by 1991, a loss of nearly 100,000 members from 1981 (AFL-CIO 1991; BNA 1988-89).

But the Koreana example represents a crucial subtext to the tale of overall decline. By the end of the 1980s, HERE was experiencing some success in resisting deunionization and by 1993 had even enjoyed a number of signal victories in organizing new establishments. Indeed, the 1992 HERE victory at the Wilshire Koreana may be indicative of a new mood in labor-management relations for the 1990s—a mood that has emerged in other sectors of the economy as well. In the aftermath of the drawn-out bloody confrontations of the 1980s—the most virulent in the industry since the late 1930s and 1940s—both labor and management are rethinking their strategies. HERE has taken steps to stem the hemorrhaging of union membership, becoming more responsive to employer calls for flexibility and creative problem solving, while simultaneously relying on such adversarial tactics as comprehensive or corporate campaigning, consumer boycotts, civil disobedience, mass sit-ins and "sip-ins," "walk and work" picketing, public relations gimmicks, and political leveraging. In response, there is evidence that some employers, primarily those with some degree of unionism (such as the Hilton or Sheraton Corporation), have concluded that the costs of confrontation are too high. Others, however, remain committed to operating nonunion. Employers like McDonald's or the Marriott Corporation view collective bargaining as inimicable and the economic, social, and political consequences of a union-avoidance strategy minimal (Washington Post February 17, 1992; Fielder interview 1993).

The Koreana example also illustrates the current divergent realities for collective bargaining in the hotel and in the restaurant sector. Union density fell earlier in eating and drinking places than in hotels, and the drop was more precipitous. From a highwater mark of 20% to 25% in the 1950s, unionization dropped to 8% by 1970, and then to 5% by 1980. As the 1990s dawn, collective bargaining has virtually disappeared.
GRAPH 1
as % of Total Workforce


GRAPH 2
as % of Total Workforce

in eating and drinking places and is unlikely to return without a fundamental restructuring of the current legal and institutional framework for employee representation. In contrast, the 1970s closed with one-fifth of the hotel industry still unionized. And, despite the steep downward national trends of the 1980s, collective bargaining in the hotel and motel sector continues to have a major, if not decisive, impact in large urban areas such as New York, San Francisco, Chicago, Los Angeles, Boston, and Washington, as well as in gambling and entertainment centers such as Las Vegas, Nevada and Atlantic City, New Jersey (Table 1A and Table 1B). Unions in the hotel and motel industry may have weathered the worst. Certainly, HERE has demonstrated its resilience and may in fact be well positioned for a rebound in the 1990s.

### Table 1A

<table>
<thead>
<tr>
<th></th>
<th>1980</th>
<th>1990</th>
<th>1992</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlantic City, NJ</td>
<td>80</td>
<td>75</td>
<td>82</td>
</tr>
<tr>
<td>Boston</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Chicago</td>
<td>75</td>
<td>70</td>
<td>70</td>
</tr>
<tr>
<td>Las Vegas</td>
<td>80</td>
<td>75</td>
<td>80</td>
</tr>
<tr>
<td>Los Angeles (County)</td>
<td>50</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>New York City</td>
<td>85</td>
<td>80</td>
<td>80</td>
</tr>
<tr>
<td>San Francisco</td>
<td>85</td>
<td>70</td>
<td>75</td>
</tr>
<tr>
<td>Washington, DC</td>
<td>80</td>
<td>50</td>
<td>50</td>
</tr>
</tbody>
</table>

**Source:** Union density estimates provided by HERE's Research Department and various local union officials.

### Table 1B

<table>
<thead>
<tr>
<th>Local</th>
<th>Union Membership in Selected HERE Locals, 1993</th>
</tr>
</thead>
<tbody>
<tr>
<td>226</td>
<td>Las Vegas</td>
</tr>
<tr>
<td>6</td>
<td>New York City</td>
</tr>
<tr>
<td>54</td>
<td>Atlantic City</td>
</tr>
<tr>
<td>1</td>
<td>Chicago</td>
</tr>
<tr>
<td>11</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>2</td>
<td>San Francisco</td>
</tr>
<tr>
<td>100</td>
<td>New York City</td>
</tr>
<tr>
<td>24</td>
<td>Detroit</td>
</tr>
<tr>
<td>25</td>
<td>Washington, DC</td>
</tr>
<tr>
<td>26</td>
<td>Boston</td>
</tr>
</tbody>
</table>

**Source:** Union membership estimates provided by HERE's Research Department and various local union officials.
The Hotel and Restaurant Work Force

Who works in the hospitality industry? What jobs do they hold? What are those jobs like? As of June 1992, more than 8.5 million employees depended on the hospitality sector for their livelihood—6,679,000 in eating and drinking places and another 1,679,000 in hotels and motels (USDL 1992:54). Eating and drinking places now employ more workers than any other industry except health services. Moreover, while hotel employment grew steadily over the 1980s, eating and drinking places added more new jobs than any other type of establishment in the 1990s (Graph 3). This industry is now projected to have “the largest numerical job growth of all industries from 1986 to 2000” (Emerson 1991:98; Silvestri and Lukasiewicz 1985:Table 5, 59; Plunkert 1990:12, Table 5; Mencimer 1992; USDL 1988:6).

**GRAPH 3**
Hospitality Employment, 1958-1992


White male workers continue to be a shrinking minority within the hospitality industry. In the first several decades of the twentieth century,
the vast number of new jobs in hotels, motels, and restaurants went primarily to women (Cobble 1991a). But the long-term trend toward feminization in the industry has slowed in the last two decades and appears finally to have halted. The dominance of women in the industry is not likely to be reversed, but neither is their share likely to increase at the rapid rate of past decades. In fact, during the 1980s the employment share of women in both hotels and restaurants fell from earlier in the decade to comprise 56% of all restaurant employees and 52.5% of all hotel employees (USDL 1989:98-9, Table 19, 98-9, 106-7; see Table 2).

**Table 2**

<table>
<thead>
<tr>
<th></th>
<th>Eating and Drinking</th>
<th>Hotels</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>54.7</td>
<td>46.0</td>
</tr>
<tr>
<td>1970</td>
<td>56.4</td>
<td>49.5</td>
</tr>
<tr>
<td>1980</td>
<td>56.3</td>
<td>54.2</td>
</tr>
<tr>
<td>1990</td>
<td>56.0</td>
<td>52.5</td>
</tr>
</tbody>
</table>


The same cannot be said for the employment share of minorities in the hospitality industry. Between 1983 and 1991, overall restaurant employment increased by 8%, while the number of African Americans grew by 50% and the number of Hispanics by 123% (see Graph 4). A similar shift occurred in the hotel and motel sector. Overall, total employment in the industry jumped by 51% between 1983 and 1991, but the number of blacks rose by 63% and the number of Hispanics by 159% (see Graph 5; USDL 1989: Table 19, 98-9, 106-7). As a result, in 1983, minorities comprised 24% of hotel and motel workers and 15% of eating and drinking employees; by 1988 those percentages had risen to 31% and 20%, respectively. Indeed, this sector is now the nation’s number one employer of minorities (USDL 1989:Table 19, 98-9, 106-7; Bernstein 1990:21).

What kinds of jobs do these workers have? Most workers hold non-supervisory, entry-level, service jobs. Ninety percent of all eating and drinking employees are in nonmanagerial occupations. Eighty-two percent are concentrated in food service jobs, working as waiters, cooks, kitchen workers, food counter workers, and bartenders (see
Table 3). Three-quarters of hotel workers also occupy “low level” service occupations such as maid, janitor, food server, or hotel clerk (USDL 1990:56).

The hospitality industry now employs a disproportionate number of part-time and young workers. Over two-fifths of all wage and salary workers in restaurants are part-time, more than double the corresponding figure for private-sector workers (Personick 1991:20). But this pattern is of relatively recent origin. In 1940, only 21% of waitresses and 11% of waiters worked 34 hours or less. By 1980, however, the percentage of part-time food servers had leaped to 66% and 54%, respectively (see Graphs 6 and 7), and only one-fifth worked both year-round and full time (see Cobble 1991a; Job 1980).
A vast army of teenagers and college students in their twenties hold these part-time jobs. Eating and drinking places have a higher proportion of teenagers than any other retail sector. In 1990, 29% of all restaurant employees were between the ages of 16 and 19, compared to one-twentieth of the total private-sector work force (Hecker and Murphy 1985; Personick 1991:20).

Job segregation by race and sex is endemic in the industry. Women made some progress in the 1970s and 1980s, integrating such “non-traditional” areas as bartending, fine-dining food service, food supervision, and restaurant ownership (Cobble 1991a; Detman 1990; Hall 1989; USDL 1989; Wall Street Journal, March 8, 1986). But now, even when men and women have the same job title, women make less in wages and
### TABLE 3
Eating and Drinking Places
Occupational Structure 1988

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers, professionals, and administrators</td>
<td>393,780</td>
<td>6.1</td>
</tr>
<tr>
<td>Salespersons</td>
<td>409,860</td>
<td>6.3</td>
</tr>
<tr>
<td>Cashiers</td>
<td>359,180</td>
<td>5.5</td>
</tr>
<tr>
<td>All others</td>
<td>50,660</td>
<td>0.8</td>
</tr>
<tr>
<td>Clerks and secretaries</td>
<td>126,530</td>
<td>2.0</td>
</tr>
<tr>
<td>Food service</td>
<td>5,312,110</td>
<td>81.7</td>
</tr>
<tr>
<td>Supervisors</td>
<td>226,050</td>
<td>3.5</td>
</tr>
<tr>
<td>Hosts and hostesses</td>
<td>151,390</td>
<td>2.3</td>
</tr>
<tr>
<td>Bartenders</td>
<td>256,810</td>
<td>4.0</td>
</tr>
<tr>
<td>Waiters and waitresses</td>
<td>1,374,820</td>
<td>21.2</td>
</tr>
<tr>
<td>Waiter and waitress assistants</td>
<td>300,930</td>
<td>4.6</td>
</tr>
<tr>
<td>Counter and fountain workers</td>
<td>257,290</td>
<td>4.0</td>
</tr>
<tr>
<td>Cooks, restaurant or cafeteria</td>
<td>495,320</td>
<td>7.6</td>
</tr>
<tr>
<td>Cooks, fast food</td>
<td>532,770</td>
<td>8.2</td>
</tr>
<tr>
<td>Cooks, short order</td>
<td>150,980</td>
<td>2.3</td>
</tr>
<tr>
<td>Kitchen workers</td>
<td>1,505,640</td>
<td>23.2</td>
</tr>
<tr>
<td>Misc. food preparation</td>
<td>60,110</td>
<td>0.9</td>
</tr>
<tr>
<td>All other occupations</td>
<td>256,980</td>
<td>4.0</td>
</tr>
<tr>
<td>Total</td>
<td>6,501,260</td>
<td>100.0</td>
</tr>
</tbody>
</table>


tips (Cobble 1991a; Mellor 1984; Mellor 1985; O’Connor 1971). Moreover, many of the most rapidly feminizing jobs have also been characterized by falling wages (whether as cause or effect is unclear). For example, between 1969 and 1979, as female bartenders became more common, the income of male bartenders declined by 50% and the income of female bartenders by 32% (Detman 1990:Table 12.3, 251). The same trends are evident in managerial positions. In the words of some researchers, middle management has now become a “velvet ghetto.” Of equal importance, many of the lowest-paid jobs are still heavily female dominated. In 1991, women still comprised 82.9% of maids and housemen, 81.6% of waiters, 71% of counter and fountain workers, and 70% of kitchen workers (see Table 4 and Graph 8).

In contrast with the limited but perceptible entrance of women into some of the traditionally male jobs, job segregation by race has changed
little in the last decade. Historically, white workers occupied the visible or "front-of-the-house" positions such as maitre d', waiter, bartender, or hostess; African American and other non-European minorities were kept out of sight, working in "back-of-the-house" jobs cleaning and preparing food. These historic patterns have persisted into the 1980s (Mencimer 1992; Bailey 1985; Graphs 9 and 10). African Americans are overrepresented in the lowest-paid, non-direct service jobs. In 1991, they constituted 27.2% of maids and housemen, 23.3% of short-order cooks, 18.3% of other cooks, and 16.6% of kitchen workers. And, significantly, with the exception of maids and housemen, their representation

in these jobs had increased since the early 1950s. In contrast, African Americans lost ground or made no perceptible gains in some of the better-paying, more prestigious, direct service jobs such as bartending (falling from 2.7% to 2.0%) supervisory work, and table service (from 4.1% to 4.2%), despite their growing presence in the industry. The one exception appears to be “hotel clerk” where African Americans moved from 6.7% to 12.8% of the occupation (see Table 4 and Graph 9).

The picture for Hispanic workers, the second largest minority group in the hospitality industry, is more mixed. Although they too are disproportionately represented in “back-of-the-house” work (such as food
preparation and house cleaning), they have a slightly greater range of occupational choice than do African Americans. The numbers of Hispanics in supervisory positions has increased in the last few years, for example, as has their representation in some of the direct public service jobs such as waiter, waiter assistant, and hotel clerk (see Table 4 and Graph 10).

Finally, the wages for jobs in the hospitality industry remain among the lowest paid anywhere in the economy (Henderson 1965; Hecker and Murphy 1985). Eating and drinking employees in fact are paid considerably less than are employees in any other nonagricultural industry (Emerson 1991:99, Table 4.15). According to the National Restaurant Association’s 1992 survey of wages for hourly employees, only cooks and bakers earned over six dollars an hour. The hourly rates for non-tipped employees were shockingly low: $4.68 for fast food workers; $4.85 for dishwashers; and less than $5.35 for drivers, cashiers, cafeteria servers, and food checkers (National Restaurant Association 1992). Overall, eating and drinking employees averaged $5.24 an hour in 1991, hotel and motel $7.23 (USDL 1992:99).

The dismal wage situation shows little sign of brightening in the near future. Real hourly earnings dropped over the course of the 1970s and 1980s, especially in the restaurant sector (Table 5). Real weekly earnings declined as well, spurred in part by the steep downward slide in average weekly hours worked (see Graph 11 and Table 6). In restaurants and

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Hotel clerks</td>
<td>68.6/72.3</td>
<td>6.7/12.8</td>
<td>3.2/6.9</td>
</tr>
<tr>
<td>Maids and housemen</td>
<td>81.2/82.9</td>
<td>32.3/27.2</td>
<td>10.1/12.7</td>
</tr>
<tr>
<td>Bartenders</td>
<td>48.4/54.0</td>
<td>2.0/23.0</td>
<td>4.4/4.7</td>
</tr>
<tr>
<td>Cooks, except short order</td>
<td>50.8/46.9</td>
<td>1.6/18.3</td>
<td>6.8/14.4</td>
</tr>
<tr>
<td>Waiters and waitresses</td>
<td>87.8/81.6</td>
<td>4.1/4.2</td>
<td>3.6/7.7</td>
</tr>
<tr>
<td>Short-order cooks</td>
<td>38.5/28.9</td>
<td>12.9/23.3</td>
<td>2.4/11.7</td>
</tr>
<tr>
<td>Counter/fountain</td>
<td>78.0/71.0</td>
<td>9.1/10.9</td>
<td>6.7/7.9</td>
</tr>
<tr>
<td>Kitchen workers</td>
<td>77.0/70.6</td>
<td>13.7/16.6</td>
<td>8.1/13.8</td>
</tr>
<tr>
<td>Waiter &amp; waitress assts.</td>
<td>38.8/32.5</td>
<td>12.6/15.3</td>
<td>14.2/20.6</td>
</tr>
<tr>
<td>Misc. food preparation</td>
<td>54.0/51.9</td>
<td>15.1/15.1</td>
<td>11.6/19.5</td>
</tr>
</tbody>
</table>

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GRAPH 8
Women Workers

Sources: 1983-1988: Bureau of Labor Statistics, Handbook of Labor Statistics. U.S. Department of Labor, 1989, Table 19; 1989: Employment & Earnings, January 1990, Table 28; 1990: Employment & Earnings, January 1991, Table 28; 1991: Employment & Earnings, January 1992, Table 28. The vertical axis in Graphs 8, 9, & 10 show the degree to which women, African Americans, and Hispanics were under- or over-represented in selected hospitality occupations in 1991. The degree of under- or over-representation is equal to the difference between their actual representation in the occupation and their overall representation in the industry. The horizontal axis shows the amount of change in their position since 1983. Purity increased for groups which became less under- or over-represented; it decreased where a group became more under- or over-represented.

bars, real weekly earnings peaked in 1968, declining sharply from $153 a week in 1968 to $95 in 1991 (see Graph 11). The earnings for hotel and motel employees also fell, although not as precipitously. In 1972, the peak year for real weekly earnings, hotel employees averaged $181 a week; in 1991 they averaged $160 (see Graph 11). Interestingly, however, real
weekly earnings in hotels and motels declined less than in manufacturing, and from 1982 to 1988 real earnings actually rose.

Moreover, few jobs carry a full array of benefits. The National Restaurant Association estimated in 1990 that "91% of eating and drinking place firms provided no health insurance for hourly or salaried employees."
Pensions, paid vacations, job-guaranteed leave, and other kinds of fringe offerings are even rarer (National Restaurant Association 1990:40-41).

The hotel and restaurant industry is diverse, however, and statistics can mask the reality of the lives of individual workers. Tips provide a good income for a small slice of the work force. Others enjoy a living wage, job security, and fringe benefits because they work in the small
TABLE 5
Real Hourly Earnings, 1960-1990
(in 1982-1984 dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>Eating and Drinking</th>
<th>Hotels</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td></td>
<td>3.91</td>
</tr>
<tr>
<td>1965</td>
<td>4.49</td>
<td>4.64</td>
</tr>
<tr>
<td>1970</td>
<td>4.95</td>
<td>5.45</td>
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<tr>
<td>1975</td>
<td>4.83</td>
<td>5.46</td>
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<td>1980</td>
<td>4.24</td>
<td>5.22</td>
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<tr>
<td>1985</td>
<td>3.89</td>
<td>5.43</td>
</tr>
<tr>
<td>1990</td>
<td>[3.80]</td>
<td>[5.26]</td>
</tr>
</tbody>
</table>


unionized segment of these industries. The young, white, a la carte waiter in Washington’s elegant Willard Hotel who earns $40,000 a year in wages and tips for a short work week, and the older black maid in New York who supports her family as a housekeeper at the unionized Ritz-Carlton both belie the statistics (Cobble 1991a; Mencimer 1992).

The Employers

Hotel and restaurant employers range from small independent restaurant entrepreneurs in far off places like Tucumcari, New Mexico to the corporate head of Marriott, who presides over thousands of hotels spread across the globe as well as such megachains as Big Boy and Roy Rogers. Another prominent type is the franchiser, a hybrid who is neither owner nor employee. A successful franchiser might expertly manage several outlets and reap a healthy profit; but like the sharecropper of days past, he must send rent, a guaranteed percent of the gross sales, and substantial user or service fees to the corporate landlord or parent company (Luxenberg 1985:13-50; Food and Allied Service Trades 1985:2-3).

Yet despite the variety among employers, some generalizations do emerge. Ownership in the hospitality industry is highly concentrated. The eating and drinking sector is dominated by a few large corporations. In 1982, the Department of Commerce reported that 14 big franchisers—McDonald’s, Kentucky Fried Chicken, Dairy Queen, et al.—accounted for 53% of all restaurant sales (Food and Allied Service
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GRAPH 11
Real Weekly Earnings, 1960-1961


Trades 1985:10-12). Over the course of the 1980s, large chains and franchises such as Econo Lodge or Burger King have been gobbled up by even larger parent companies, further consolidating the industry. Indeed, the world's largest restaurant company is Pepsi Co. which now owns Pizza Hut, Taco Bell, and Kentucky Fried Chicken (Emerson 1991:25, 66). And, none of the executives interviewed by Hotel and Motel Management in 1990 disagreed with the prediction made by the Choice Hotels International CEO that "less than five global megachains will probably control 90% of the world's hotel market by the year 2000" (Food and Allied Service Trades 1985:13, 17; US Department of Commerce 1991; Geller 1990:22-23; Jesitus 1990:66).

Historically, hotels and restaurants clustered in urban centers, but that pattern changed dramatically with the rise of auto travel and the
move toward suburbanization in the post-World War II years. The industry thus became increasingly dispersed geographically, at the same time as it became more concentrated. The McDonald's Corporation provides a paradigmatic case of this process, but it is by no means the only instance of it. In 1991, McDonald's alone operated 8,600 separate restaurants in the U.S., spread out over the landscape almost like street lights. It also served clientele in 3,300 foreign outlets (BNA 1991).

A third long-term trend of considerable importance to the hospitality industry is the rise of more simplified, inexpensive service encounters. Restaurant spending, in particular, has shifted from full service to fast food during the last 20 years. The fast food share of industry sales rose from 26% in 1972 to 40% in 1989 (Personick 1991; US Department of Commerce 1991:40-42). Yet a substantial niche for specialized, upscale dining exists along with a large, middle ground of family restaurants. Similarly, although the lodging industry is moving toward more "limited service" hotels, the full-service hotel remains a permanent fixture. Customers continue to demand a variety of eating and lodging experiences (Food and Allied Service Trades 1985:10-12; Silvestri and Lukasiewicz 1985:54; Bailey 1985).

The diverse personnel practices of the industry are in part a response to this differentiated consumer market. Some employers—in particular the fast food operators—emphasize rationalization, predictability, and the substitution of technology for human output in work organization and labor relations. Their orientation is typically "mass market," aimed at turning out homogeneous products at the lowest possible cost to the

<table>
<thead>
<tr>
<th>Year</th>
<th>Eating and Drinking</th>
<th>Hotels</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
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greatest number of customers. Many use convenience and frozen foods prepared centrally in off-premise sites. They are prepackaged and preportioned, then dispersed to satellite operations for “finishing off.” “Cooks” at Burger King do not slice, prepare or even flip their burgers—gas flames below and above sear the precut, uniform patties as the “cooks” place them on the assembly line. Machines add presliced pickles, premeasured condiments, and encase them in the buns. In this food factory, every hamburger theoretically emerges from the line like every other hamburger (Ritzer 1983; Wyckoff and Sasser 1978; Job 1980:41; Luxenberg 1985:83; Food and Allied Service Trades 1985:27-28).

In contrast, a still substantial part of the hospitality business focuses on quality rather than quantity, emphasizing innovation, individualized products and services, and employee skill enhancement. This segment of the industry believes that personal direct service to customers and “treating employees with respect,” are the keys to business success in the 1990s. Experts here speak of “cross-training” employees, “the art of service,” and the need for “batch-cooked” as opposed to mass-produced food. The food service industry may have begun its “belated industrial revolution” in 1954 when Ray Kroc stumbled upon the McDonald brothers’ San Bernardino hamburger stand, but the time-honored crafts of cooking and waiting, as well as the old “artisanal” workshops where the masters of each ply their trades, are not likely to disappear for a long time to come, if ever (Jacobs 1990; Luxenberg 1985:69; Powers 1974:50).

The Unions

A single union, the Hotel Employees and Restaurant Employees International Union (HERE), historically has had jurisdiction over hospitality workers. The International Brotherhood of Teamsters, the International Longshore and Warehouse Union, the Service Employees International Union, and a handful of other unions also represent hotel and restaurant employees, but the vast majority belong to HERE. Established in 1891 as a collection of individual craft locals comprised primarily of male bartenders, cooks, and waiters, HERE succeeded first in organizing skilled workers in elite restaurants (the so-called “tablecloth” end of the trade), and in neighborhood bars and eating places patronized by the working class. Hotel organizing awaited the industrial union boom of the 1930s. Union penetration reached its peak in the 1950s, when collective bargaining covered close to a fourth of the industry, and cities
such as San Francisco, New York, and Detroit boasted unionization rates of 80% or more (Cobble 1991a:Chapters 3 and 4).

Two internal problems currently plague the union, both of which are rooted in its particular history and structure. HERE has been associated with organized crime since Prohibition days. In the 1920s and early 1930s, organized crime controlled the distribution of illegal liquor and often attempted to gain the cooperation of restaurant owners and employees. With repeal in 1932, organized crime shifted even more heavily into the bar and restaurant business in part to compensate for the revenue lost from bootlegging. In addition, certain structural factors heightened HERE’s vulnerability to corruption. Decentralized unions that bargain in local, competitive markets such as the Teamsters, the construction trades, HERE, and others, have often been plagued by corruption.

In the 1930s and 1940s, socialist-influenced leaders such as Hugo Ernst and Jay Rubin successfully fought mob influence, defending the international presidency as well as key locals in New York City (Josephson 1956:216-33; Seidman 1935:199-213; Rubin and Obermeier 1943:225-42). But in the mid-1970s, the corruption issue returned to haunt the union, both at the international and local levels. Since the election of Edward Hanley to the presidency of HERE in 1973, the Labor and Justice Departments have targeted the international and its officers for investigation. In 1984, the Senate’s Permanent Subcommittee on Organized Crime issued a widely publicized report, singling out HERE as among the most corrupt international unions. Nevertheless, none of the top officers have been indicted, much less convicted.

At the local level, the vast majority of HERE’s 151 locals remain relatively free of corruption, having neither warranted governmental suspicion nor surveillance. A few well-publicized cases, however, have shaped public perceptions of the union. For instance, in the early 1980s, the principal officer of Local 28 in Oakland, Ray Lane, was convicted of embezzling funds as well as requiring waitresses to perform sex acts in return for jobs from the union’s hiring hall. In 1990, the Justice Department also used the RICO Act to remove the officers of Local 54 in Atlantic City, New Jersey, charging them, among other things, with unduly influencing certain laundry contracts in the beach-front casinos (Neustadt 1980:67; Wall Street Journal, April 29, 1985; San Francisco Chronicle, April 23, 1985; Swoboda 1990; Los Angeles Times, December 20, 1990; New York Times, December 20, 1990).
A second issue that has troubled HERE throughout its history is the degree to which union leadership has adequately reflected HERE's diverse membership in terms of gender, race, ethnicity, and even craft. Early HERE leadership corresponded to its primarily male, immigrant constituency. The sex and craft-based logic that guided local union structure also ensured representation for women and for minority occupations, both at the international and the local level (Cobble 1991a).

The demise of the craft and sex-based locals in the 1960s and 1970s and the creation of large, industrial-style locals representing all workers in the industry appears to have been a mixed blessing for the union in regard to female leadership. Initially, for example, female representation declined at both the international and local level, despite the continued majority presence of women in the industry (Cobble 1991a; Cobble 1990). By the 1980s, however, a new breed of local women leaders had emerged, elected to head mixed-gender organizations, not all-female divisions. Women now run some of the larger local unions, notably Local 2 in San Francisco and Local 11 in Los Angeles (Cobble 1991a; Hernandez 1989). But at the international level, the degree of female leadership has declined in the last two decades. In 1992, close to half of HERE's members were female, yet only one woman served on a General Executive Board of 28. (For contrasting earlier figures, see Cobble 1991a:184-86.)

Similarly, although minorities can be found at the helm of a number of pivotal locals, few are in elected or appointed positions at the national level. The lack of minority representation on the General Executive Board is particularly glaring in a union in which African Americans, Hispanics, and Asians probably comprise half of the membership or more (Del Vecchio 1988; Hernandez 1989). The unreflective character of HERE's leadership in terms of gender, race, and ethnicity is not only a problem of internal democracy but also is a serious liability for an organization that seeks to represent a work force that is approximately two-thirds female and minority.

Labor-Management Strife and the Breakdown of Multi-employer Bargaining

Throughout the 1980s hospitality management sought not only to deunionize where possible but to unravel many of the multi-employer bargaining associations established in the 1930s and 1940s' (Cobble 1991a). As the earlier Local 11 stories suggested, in the 1980s numerous
union restaurants of long standing refused to sign contracts, managed to decertify the union, or closed down and reopened nonunion. In addition, in the restaurant sector, multi-employer bargaining virtually disappeared in the 1980s, even in such union towns as San Francisco and New York City. In San Francisco, the disastrous 1984 strike against the 200-member Golden Gate Restaurant Association ended with the dissolution of the employer association and the reinstatement, after fifty years, of bargaining between individual restaurants and HERE Local 2. Similarly, in New York, the Restaurant League of New York, which once represented a sizable number of prominent upscale restaurants in the city, ended formal bargaining with Local 100 in the late 1980s (Bureau of National Affairs 1988; Bitterman interview 1993).

Multi-employer bargaining in the hotel sector also fragmented in the 1980s, with individual hotels pulling out of employer associations and demanding their own individually tailored agreement. Yet by the late 1980s, many hotel employers began to reconsider their decision. The “divide and conquer” strategy attempted by the San Francisco hotels in the 1980s “backfired,” according to Doug Cornford, former negotiator for the San Francisco Hotel Employers Association (HEA). The breakup of the HEA in Cornford’s view actually “shifted the balance [of power] toward the union.” Individual bargaining allowed the union to resort to their historically damaging whipsaw techniques, playing one hotel off against another. They could also choose to bargain first with the hotels most likely to accept their proposals, thus increasing pressure on the others to follow the pattern (Bureau of National Affairs [BNA] 1988, 1989).

By the late 1980s, hotel employers also had begun to reconsider the costs of confrontation with the union. Union density in the industry continued to decline in the late 1980s as nonunion competitors proliferated and older union hotels went out of business or downsized. But, unlike restaurants, hotels could not shift ownership so easily and open with a nonunion crew, and few managed successful decertification campaigns (Keller 1984; Atkinson interview 1993). And, of equal importance, despite major strikes in the early and mid-1980s in union strongholds such as San Francisco, New York, and Las Vegas—many of which were the first such strikes since the 1930s and early 1940s—the hotels could not find a way of voiding their collective bargaining obligations.

In New York, for example, the industry weathered its first strike in 46 years. The 26-day walkout, affecting 165 unionized New York City
hotels, ended with sizable wage increases for the 25,000 Hotel and Motel Trades Council (HMTC) members and more flexible work classifications for the employers affiliated with the New York City Hotel Association. The strike also demonstrated the resilience of both foes under fire. The hotels hired some 4,500 temps during the strike and proved they could continue to function, taking the union by surprise. Management misjudged their opponent as well, according to Vito Pitta, president of the HMTC. “They tried to break us, but they miscalculated” (Reid 1985; Smothers 1985; Berger 1985).

Similarly, in Las Vegas, the 67-day strike in 1984 failed for the first time to shut down the casinos, and union membership dropped precipitously as replacement workers decertified the union. Yet by 1992, HERE once again had 80% of the 38 Las Vegas casinos under contract and a membership of 35,000 (Taylor interview 1993; Franklin 1993). The 1980 hotel strike in San Francisco, the first since 1941, also left the labor-management relation deeply wounded but basically intact (Guma 1980; Hotel & Motel Management, September 1980:1, 22).

Bargaining Concerns in the 1980s

Over the course of the 1980s management pursued two primary bargaining goals: increasing worker “flexibility” and containing health care costs. In the early and mid-1980s, “flexibility” appears to have been the principal management bargaining mantra. In particular, they sought to alter the contract language requiring strict job classifications, a change that would allow for “cross-training,” more team work, and labor intensification. They also pushed for the loosening of work rules governing scheduling and shift assignment; the freedom to hire outside the union hiring hall; and the institution of new worktime procedures which in some cases has meant longer work weeks and the elimination of overtime pay.

In large part, the employers prevailed in winning concessions on work rules. In New York’s 1985 hotel strike, the employers won the right to shift employees from one classification to another. They also gained a modified two-tier wage scale in which new employees received 75% of scale for the first year (New York Times, June 28, 1985). The 1984 restaurant strike in San Francisco also revolved around loosening job classifications. In part, Local 2 lost the strike because they misjudged rank-and-file sentiment in the restaurants concerning work rules. Employees wanted the job security and workplace dignity that historically prompted the
negotiation of these work rules. Like the employer, however, they also favored a more fluid definition of job descriptions and a broadening of work responsibilities (Cobble 1991a).

Management triumphed in other situations as well, even where employees strongly favored the retention of the specific work rules in question. HERE Local 28 in Oakland, California, and other HERE locals elsewhere relented in the face of Hyatt's demand for its infamous "Hyatt Work Week" (Hotel and Motel Management, July 10, 1989).

In the late 1980s, however, employers were less able to impose new work rules unilaterally. In some instances, HERE adopted a more pragmatic problem-oriented stance. Rather than simply oppose the dissolution of the old rules across the board, the union demanded to participate in reshaping the rules. In 1989, Local 2 in San Francisco—partially chastened by the 1984 restaurant debacle and desirous of a quick settlement so they could focus on organizing the nonunion hotels—accepted an HEA proposal easing some overtime restrictions and allowing employees to change job classifications for a week without wage or other penalties. The union agreed to these changes in part "to help the city's unionized luxury hotels compete." But they also won the right to monitor the situation and insisted on certain other safeguards (Seal 1989a, 1989b). In other instances, HERE locals effectively resisted work rule changes. HERE Local 11, for example, embarked on a successful campaign of disruptive actions against Hyatt in 1989 and 1990 when the Hotel asked for a change in the work week (Seal 1990).

Soaring health and welfare costs have also concerned hospitality employers. (See HERE 1988 for estimates of costs.) Small restaurant owners felt the pinch most severely, prompting many throughout the 1970s and 1980s to seek relief, even if it meant enduring a strike and decertifying the union. Countless negotiations between individual restaurants and HERE locals broke down over the issue. Lowering benefit costs also was a major sticking point in the 1984 restaurant strike in San Francisco, the subsequent negotiations in 1988 with the remaining union restaurants, and the 1988 negotiations between the Restaurant League of New York and Local 100 (Nation's Restaurant News, September 24, 1984; North California Labor, April 4, 1988; Restaurant Business, December 10, 1988; Durazo and Atkinson interviews 1993; DelVecchio 1988).

Hotel employers also pursued lower benefit costs, but fewer sought deunionization over this issue. It did spark the 1991 strike against the

In general, hotel management made much less progress on gaining relief from soaring health care payments than on easing work rules, in part because both workers and the union viewed the retention of good health insurance as a top priority. In Washington, the union agreed to replace two of the health plans with preferred provider systems, but the hotels continued to shoulder all the costs (Monthly Labor Review, December 1989). In both the New York and Los Angeles negotiations, the hotels ended up promising to increase their financial contributions for health coverage. In Los Angeles, the union preserved the system "intact without worker co-payments" (Hotel and Motel Management, 1990; Rosier 1992). In Boston, where in 1988 Local 26 members had taken on an additional $17 in co-payments for health care, in the next round of negotiations in 1991, the union secured the "right to restructure its health and welfare fund" so it could offer benefits to "gay spouses and extended family members such as grandparents and aging parents" (Boston Globe, October-January 1990-91).

Not surprisingly, the union also sought to uphold living standards by pressing hard on wages. And in many cases, management often relented on this issue. Although national figures detailing the wage settlements among hotel and restaurant workers are not available, many of the most significant individual contracts for hotel workers have contained respectable increases. According to wage settlement data gathered by HERE's research department, the daily wages (in constant 1988 dollars) of unionized hotel workers in major cities rose considerably in the last two decades. To take one representative example, while the CPI rose 118% from 1975 to 1988, wages for room attendants increased by 168% in New York and 182% in San Francisco (HERE 1988). HERE also achieved wage advances after 1988, despite attempts by some hotel employers to seek concessionary relief from the "depressed and overbuilt hotel market" (Stuart 1993). The 1989 Disney World contract, for instance, called for wage increases averaging 7.6%, 6%, and 6% over the three years of the contract (Monthly Labor Review, February 1989:53-54). The most recent hotel pacts in New York City, Los Angeles, and Hawaii also granted substantial wage increases, especially to the non-tipped employees (Hotel

Other wage settlements from the late 1980s were more modest, but they signaled a willingness on the part of employers to allow employees to share in the profits once conditions in the industry picked up again. The 1991 contract negotiated by Local 26 and Boston hotel employers called for a wage freeze in the first year and low increases in ensuing years. In return, however, Local 26 gained employer approval to a provision linking hotel occupancy rates with employee bonus payments. When the hotel market in Boston rebounds, so will the paychecks of Boston’s hotel employees (Boston Globe, October 1, 1991:35).

Local 26 in Boston also provides perhaps the best example of other innovative bargaining proposals used by HERE to maintain the overall living standards of their members. Although it represents only about 5,000 workers at 20 hotels in Boston, after a five-year struggle led by the formidable Domenic Bozzotto, Local 26 won an employer-funded housing trust providing union members with loans and outright grants. To use the fund, however, Local 26 had to secure an amendment to Section 302 (c)(7) of the Taft-Hartley Act, permitting unions to bargain a jointly administered housing trust. President Bush signed the amendment in 1990, and by mid-1991, the union had offered thousands of dollars in housing assistance to its members. The union made the housing fund their top bargaining issue because 98% of the members did not “earn the $60,000 needed to buy a median-priced home” in the Boston area and, according to some observers, because of “Bozzotto’s belief in broadening the range of union activities as a way of empowering the underclass” (Developments in Industrial Relations—1989 and 1990:53; Baker 1991; Canellos 1990).

Other locals have used similar strategies to improve the living standards of those they represent. Local 2, for example, asked the city of San Francisco to impose fees on new hotels and motels to subsidize low-cost housing construction (Catering Industry Employee, July 1991:11).

Issues for the Future: Equity for Minorities?

Throughout the 1970s and 1980s, issues of equity for minorities surfaced sporadically at the bargaining table and bubbled up through the grievance machinery. Yet the problems of minority workers remained largely unresolved. In part because of the success of recent court cases and in part because of the increasingly vociferous nature of employee
complaints, both labor and management will have to pay more attention to these issues in the 1990s.

HERE generally responded sympathetically to the complaints of female HERE members in the 1970s and 1980s. But it has neither positioned itself as an aggressive foe of sexual discrimination in hiring and promotion, nor become the champion of the rights of women in the industry as a whole. In national negotiations and in subsequent arbitration proceedings in the 1970s, for example, HERE and the Playboy Clubs International debated work rules about customer-bunny interaction, just how much of the server's body would be revealed by the bunny costume, and whether or not bunnies could be fired for "loss of bunny image." Some HERE locals also pursued the issue of discriminatory hiring practices, gender-specific uniforms, and other problems raised by female members. Yet most of the groundbreaking court cases of the 1970s and 1980s that challenged sex-segregated hiring and promotion policies and the wearing of sexually provocative uniforms occurred without the support of the union; moreover, in some cases, the plaintiffs named the union along with the employer as a defendant (Cobble 1991a:198-203; Spano 1986).

In the 1990s, HERE continued its generally sympathetic but non-aggressive approach to issues of sex discrimination. In 1991, Local 26 convinced the international to donate $50,000 for the production of a video on sexual harassment, and various other locals attended vigorously to the complaints of their female members in regard to discriminatory weight restrictions and uniform design (Catering Industry Employee, July 1991:27). Atlantic City's Local 34 debated the exact sheerness of pantyhose required by management, threatened a "pantyhose arbitration hearing," and considered a class-action suit against all 12 casinos alleging sexual harassment. Nevertheless, the union has yet to join with the Equal Employment Opportunity Commission in its recent systematic attempt to end Title VII violations in the hotel and restaurant industry or to publicly decry the severity of sexual harassment for hospitality employees.¹⁶ (Batty 1993; Belluck 1992).

HERE has demonstrated a greater commitment to pay equity, however. The most celebrated HERE collective bargaining initiative in this regard involved its Yale University clericals, who staged a series of media-attended strikes in 1984, following years of internal organizing. They won a revised salary structure and wage increases of 35% over three years (Ladd-Taylor 1985:485). Two recent union court victories
upgrading the pay of women cafeteria workers and maids also point to the heightened concern of the union over pay inequality between men and women. In August 1992, a Massachusetts court awarded $1.5 million in back pay to 41 HERE-represented women cafeteria workers to correct the discriminatory pay scales between female cafeteria workers and male custodians. In *Jancey v. Everett School Committee*, the court agreed with the plaintiffs that the 1945 Equal Pay Act barred differential sex-based pay scales between comparable jobs. Three months later, in an out-of-court settlement, 160 New York City hotels agreed to give the 10,000 maids in their employ millions of dollars in backpay and to equalize the wages of maids and housemen. The suit, initiated by Local 6 five years earlier, alleged sex-based wage discrimination under both the Equal Pay Act and Title VII.

The union record in opposing discrimination based on race, ethnicity, and sexual orientation is similarly mixed. A number of HERE locals initiated programs oriented toward minority members in the 1980s, and the international union does pursue minimum wage increases; keeps abreast of Industrial Welfare Commission wage and hour regulations; and publicly favored the Civil Rights Reform Act of 1991. But given the gravity of the problem, HERE needs to pay more attention to equity issues in bargaining and initiate more aggressive legal, community-based, and legislative action.

The efforts of a few HERE locals on behalf of minorities have garnered results, however. A year before the expiration of its 1982 contract, Local 26 in Boston launched an explosive media campaign centered in part on the peculiar kinds of indignities suffered by minority workers. Billboards queried, "Dignity, Justice, and Respect: Too much to ask? Support Local 26, Boston Hotel Workers." When the hotels took the mops from female cleaners and asked them to scrub the floors on their knees the union drew national attention to their plight. The 1982 contract secured better promotion and seniority guarantees and proved to Bozotto that bonds could be formed between "the front of the house and the back; the gratuity and the non-gratuity workers; the English-speaking and the non-English speaking" (Sidel 1983). The Boston local closed the decade in high style, negotiating an employer-financed fund for literacy, English as a second language, and citizenship classes for its largely non-English speaking membership. Moreover, in the 1991 contract, they won the right to restructure the health and welfare fund to extend benefits to gay spouses (*Developments in Industrial Relations*,...

The San Francisco and Los Angeles HERE locals, both under female leadership, also have repeatedly raised issues of workplace dignity for minority workers.14 They have won contract clauses upgrading the low-end jobs into which most minorities find themselves shunted; setting up training programs aimed at promoting minority workers; securing time off for foreign-born workers who need to return home to visit their family or legalize their visas; and winning "protections and opportunities for promotions for illegal aliens." Local 2's Sherri Chiesa began her tenure in the mid-1980s by sponsoring advertisements on city buses showing 72-year-old minority waitress Silvana Osuna with the caption "Twenty years on your feet and they treat you like leftovers." The union's 1989 contract provides for employer contributions of five dollars per employee per month for an AIDS Fund to offset medical expenses for AIDS victims. The fund is expected to reach $3 million by 1994 (Developments in Industrial Relations, April 1989:42; Hernandez 1989; Cobble 1991a:202; Seal 1989b; Wall Street Journal, March 5, 1991).

But what about management attitudes toward the problems of women and minorities in the industry? They certainly are better positioned than the union to correct the problem. Industry journals now evidence a new rhetoric of concern about promotional opportunities for minorities and women and pay increased attention to the problem of sexual harassment. They also regularly devote space to keeping employers informed about changing legal obligations in regard to women and minorities, designed to help their readers avoid discrimination and, hence, litigation. Also, in an effort to diversify their management ranks, Kentucky Fried Chicken, Burger King's "Whopper College," and others now offer training programs for their hourly employees. McDonald's "Hamburger University," opened in 1983 at a cost of $15 million, is dedicated to "promote from within" (BNA 1985:6-18).

Yet the overall industry record, particularly in regard to minorities, is appalling. The startling governmental statistics detailed earlier in this chapter on the concentration of minorities in low-paying, low-status, dead-end jobs, not to mention the host of successful lawsuits against industry employers, suggest that hotel and restaurant management has not yet translated its new rhetoric into reality. Just recently, under pressure from an NAACP-backed lawsuit, Shoney's Big Boy agreed to pay out $105 million to those denied jobs or promotions because of their
race, gaining the honor of having made the largest retribution on record in such cases (BNA 1992a; 1993). Hospitality employers also make up a disproportionate share of those cited for child-wage and wage-law violations—both illegal practices that heavily affect minority youth (Oliver 1982; BNA 1992b; Neustadt 1980-66). Even the editors of Nation’s Restaurant News are beginning to chide their food service operator patrons for the industry’s slowness in providing “better training opportunities for hourly employees” and improved fringe benefits (November 18, 1991). Yet despite these problems, the foremost and certainly the most aggressive lobbying arm of hospitality employers, the National Restaurant Association, has forcefully opposed minimum wage increases, teen employment laws, mandatory parental leave and health care coverage, and the Civil Rights Reform Act of 1990.

The continuing level of anger among women and minorities makes it clear that neither labor nor management have sufficiently addressed their problems. Why does the industry still favor the “European look” in hiring and promotion? Why does it tolerate the widening income inequities between tipped workers (mainly white) and non-tipped (mainly non-white)? Why should older women be fired or assigned to the breakfast and lunch shifts while younger, more “attractive” women or men work in the lucrative cocktail server and dinner jobs? Why should the majority of supervisory positions go to those outside the industry? Why not create more promotional ladders and training opportunities for the millions of women and minorities stuck in the hourly, entry-level positions that are so characteristic of hospitality employment? Both sides have been blind to an enormous opportunity: whoever takes on these critical concerns and becomes the champion of women and minorities, will have gained a formidable ally for ensuring their future (Mencimer 1992; Bailey 1985; Cobble 1991a; 50 Plus, Feb. 1986:11, and Nov. 1987:16; Coulter 1986).

The Survival of Unionization in the 1990s and Beyond

Unions desire the continuation of collective bargaining in the industry, but it is unclear whether any but a handful of employers see it in their interest. Nevertheless, the collective bargaining system in hotels and motels is adjusting and will survive. There are signs that the trend of the 1970s and 1980s has bottomed out, especially if the union continues its potent mix of pragmatism, militancy, and innovation. In restaurants, however, the decline began much earlier, has been steeper, and is
irreversible without a fundamental restructuring of the current legal and institutional framework for collective bargaining.

Why would the future of collective bargaining be so divergent for these two sectors? Most importantly, as Cobble has argued elsewhere, the nature of the hotel and motel sector—its structure, size, the characteristics of its work force—make it much easier to organize and represent hotel workers under the current legal framework, which favors worksite unionism or the industrial union model. Hotels employ more workers per site; the tenure of their workers is relatively long term compared to restaurants; and their greater capital investment makes it more difficult for them to close down and reopen nonunion. All these factors help to make hotels easier to organize than restaurants using traditional NLRB procedures (Cobble 1992; Henderson 1965:30-42).

After the passage of the Wagner Act, unions penetrated the hotel sector more deeply and retained that momentum longer, than in restaurants. Twenty-five years ago many of the large urban hotel markets remained heavily unionized. Two decades of aggressive antiunionism by employers left them reeling—as it did unions in virtually every other sector of the economy. But by the end of the 1980s, hotel workers’ unions had regained their equilibrium and reemerged, using more aggressive tactics. Relying on sophisticated corporate campaigns coordinated through the international's new research department (begun in 1987), and on civil disobedience, sit-ins, “soup-ins,” vigils, noisy demonstrations at daybreak, round-the-clock “walk and work” picketing, and 400-member negotiation-support committees, the union cost hotels millions of dollars in convention business—and gained the attention and support of politicians, in part because of the potential political clout of a large number of angry urban minority voters (San Francisco Chronicle, September 24, 1992; Catering Industry Employee, July 1991; Hernandez 1989; Seal 1989a, 1989c, 1990; Washington Post, October 1, 1991; Hotel and Motel Management, September 1980:1, 22). These tactics also resonated well with the hotel work force, especially the predominantly back-of-the house minority workers. In contrast to restaurants, the identity between hotel employers and employees is minimal. The larger worksite and the lack of racial, ethnic or cultural identity between owner and worker encourages an adversarial posture.

Only recently, negotiations between Local 11 and the Los Angeles Hotel Employers Council demonstrated the vulnerability of hotel employers to the pressures of their large minority work force. In the
wake of the Rodney King trial and the ensuing riots, a union-produced video ("City on the Edge") linking employer demands for lower wages and benefits with racial discrimination, poverty, urban decay and crime proved both prophetic and highly effective. Snatched up by the media, the video turned the public and the politicians against the hotels, threatened the fickle convention market, and intensified already troubled personnel relations in the hotels. The union soon had a generous contract (Rosier 1992; USDL 1992).

By the early 1990s, the union for the first time was positioned to turn the corner on hotel organizing and use their arsenal of tactics offensively as well as defensively. In 1985, HERE beefed up its organizing program, pumping new resources and staff into organizing campaigns and consolidating its efforts at the international level. In its initial forays, HERE won significant organizing victories at Chicago’s Tremont Hotel and the Manhattan Beach Radisson Hotel in Southern California while suffering defeats at the Willard Hotel in Washington and Back Bay Hilton in Boston. Surprised by the animosity of the employer anti-union campaigns, HERE reassessed its strategy, according to Mark Atkinson, the assistant director of research for HERE. By 1988, HERE had improved its arsenal of weapons, becoming expert not only at communicating with hotel employees but in bringing pressures on hotel owners to behave with more neutrality in organizing. The significant 1993 victory at the PARC 55 in San Francisco, the first of San Francisco’s new nonunion hotels built since 1985 to sign a contract, is one of the best and most recent illustrations of how HERE exerted pressure downward to achieve victory. In addition to marshaling strong local political and community pressure, they dampened consumer demand nationally by influencing travel agents, convention bureaus, and other organizations that structure the hotel business market, and they weakened the credibility of the “owners” in the eyes of potential investors (Atkinson interview 1993).

In contrast, HERE has had much less success in restaurant organizing. Fast food workers, for example, are notoriously difficult to organize. They are a young, part-time, high-turnover, relatively unskilled workforce. They are scattered over countless sites and in many cases employed by multinational megachains (Charner and Fraser 1984; Food and Allied Service Trades 1985; BNA 1985:31; Bracker 1982). Yet outside the U.S., in Denmark, Finland, Australia, Mexico, and other countries, fast food workers at McDonald’s and other chains have organized. And
according to Michael Quinlan, Chair and CEO of McDonald’s, unionization
did not interfere with McDonald’s vaunted service finesse. In fact,
he admitted, morale improved and turnover declined (BNA 1991; Boston
Globe, December 20, 1985:3; Los Angeles Times, December 20, 1985:1;

For fast food workers in the United States to repeat this success will
require sweeping changes in labor law and the way American unions
organize and represent employees. In Denmark, for example, unionized
employees at milk shake supply centers, truckers, and printers all
helped pressure McDonald’s by refusing to produce and deliver goods
for the chain. In the US, of course, such secondary boycotts are re-
strained under Taft-Hartley.16 Streamlined employer recognition pro-
duced would also make it easier to organize fast food workers. The long-
drawn-out balloting procedures under Taft-Hartley penalize workers
employed in establishments—like fast food chains—where employee
turnover is high. Requiring employer recognition when a majority of
current employees have signed union cards requesting representation,
or simply allowing top-down organizing, as historically existed in the
construction industry, would do much to make organizing possible.
Finally, unions need to make a massive commitment to target and orga-
nize an entire chain or corporation rather than one or two units. In the
1930s, General Motors, the world’s largest corporation at the time,
agreed to collective bargaining, in part because auto workers struck
plants across the country. The whole corporation felt the assault.17

The unions also need to rethink their approach to organizing fine-
dining establishments. There have been some victories in elite restaur-
ants: the recent contract at the Rainbow Room, atop the RCA Building
in New York, or the organizing of Washington, D.C.’s Capitol Hill Club,
the official watering hole of the Republican National Committee
(Catering Industry Employee, Sept-Oct, 1992; Washington Post,
January 29, 1991:A-17). But overall, HERE’s restaurant campaigns have
ended in defeat—in part because of the mismatch between the union’s
predominantly industrial-style orientation and the needs, self-percep-
tions, and aspirations of culinary workers in fine-dining establishments.
The union’s attempt to organize Berkeley’s gourmet ghetto in 1985 is
emblematic in this regard. Oakland’s Local 28 anticipated a fairly easy
organizing venture, since many of the owners of Berkeley’s newest and
finest restaurants were veterans of the left-liberal politics of the 1960s;
some were even former union activists and organizers. What the union
did not anticipate was the resistance of the employees. Food service
workers at expensive eateries like Chez Panisse and the Santa Fe Bar
and Grill bristled indignantly at union organizer rhetoric labeling them
“urban farmhands.” Others were simply indifferent to what the union
offered. They already received a full range of benefits (with the excep-
tion of pensions—a benefit irrelevant to most of the younger work
force), and employers provided them with what they most sought:
access to training and exposure to a range of the culinary arts, whether
cooking, knowledge of fine wines, or restaurant management. In fact,
they feared unionization might actually make them worse off—lowering
their tips (the bulk of their income) because incompetent workers
would be retained; reducing craft and teamwork; and threatening the
mutuality they felt with their employer (Weinstein 1985).

Ironically, returning to some of the “occupational” or craft practices
that were once central to HERE’s philosophy would make the union
more appealing not only in Berkeley but elsewhere. The early culinary
locals set standards for the occupation through apprenticeship and other
training programs, through work rules specifying job performance cri-
teria, and through enforcement of those standards at the worksite. The
union in essence took over certain personnel functions such as hiring,
training, discharge, and discipline. Locals served as semiprofessional asso-
ciations intended to upgrade the status, prestige, and skill of the occu-
pation as well as to maintain wages and good working conditions. The
union also recognized a certain mutuality of interest between employer
and employee: many employers had been former employees and would
return to that status; the success of individual restaurants meant not only
profits for the owner but directly impacted upon the level of tips for
servers. Culinary workers have a direct financial relation to the customer
and more customers can benefit everyone (Cobble 1991a; 1991b; 1991c).

For collective bargaining to revitalize in the hotel and restaurant
industry—and if it is to expand into other service sectors—the system
must recover some of its older diversity and flexibility. People have long
done many different kinds of work; and the environment in which that
work has taken place has also been diverse. In the past, unions have
proved able to accommodate that diversity as the divergent practices of
organizing and representation among construction workers, screen
actors, janitors, teachers, and truckers attest. The test of unionism in the
twenty-first century will be whether it can recover and extend its tradi-
tional flexibility.
Endnotes

1 In this chapter, we will be relying primarily on data gathered by the Census Bureau’s decennial census as well as its Current Population Survey reports. In referring to the hotel industry, we will be using Standard Industrial Classification (SIC) Code 701, which includes virtually all hotel and lodging establishments. The term “hotels” will often be used to refer to all lodging accommodations. Generalizations about the restaurant sector rely on SIC code 581 which includes all eating and drinking firms engaged in the sale of prepared foods and drinks for consumption, with the exception of those in hotels and department stores. The terms “eating and drinking places” and “restaurants” will be used interchangeably.

2 Some of these adversarial tactics are borrowed from the 1900s. “Sip-ins” refers to the union strategy of crowding a non-compliant restaurant with union sympathizers who only order coffee or soda and keep out better-paying customers. The “walk and work” picketing tactic involves “striking” employees picketing their own worksite during non-work hours, lunch and break times, but remaining on the job to prevent strikebreakers from being hired.

3 One notable exception to this pattern was the disproportionate numbers of black waiters in the late nineteenth and early twentieth century. See Dorothy Sue Cobble, *Dishing It Out: Waitresses and Their Unions in the Twentieth Century* (Urbana: University of Illinois Press, 1991).

4 Even in those occupations in which tipping is most common—food server, bartender, maid—many workers receive minimal tips, no tips, or must divide their tips with others (Cobble 1991a:40-44; O’Connor 1971).


6 The IRT, for example, has hotel clerks and other “front-end” workers in Las Vegas and other entertainment centers. The ILWU’s catering industry membership is almost solely in Hawaii, where under Lou Goldblatt they organized the entire Hawaiian work force, including agricultural labor. The largest block of SEIU food industry workers are at Disney World. Electricians and other skilled workers in hotels and motels often belong to their respective international craft organizations. The world-wide federation representing workers in this sector is the International Union of Food and Allied Workers’ Associations.

7 Almost all hotel and restaurant bargaining occurs at the local level, with most contracts negotiated by a single local union. In a few instances, however, local unions from HERE and other internationals have organized multi-union bargaining councils. The leading examples are the Hotel Trades Council in New York City, which includes representatives from the electricians, plumbers, and stationary engineers; and the Service Trade Council, which negotiates for the 11,400 employees at Disney World and includes HERE plus locals of the International Brotherhood of Teamsters, Service Employees International Union, United Food and Commercial Workers, the Theatrical Unions, among others. The “management” sitting across the table
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can be a single independent owner with one or more worksites or a multi-employer bargaining council representing multi-national corporations as well as independent hotel owners.

Indeed, in the hotels a revival of multi-employer bargaining may be in store, in part because the union managed to manipulate the new, more chaotic bargaining system in its favor. In the restaurant sector, however, multi-employer bargaining appears unlikely to return until a substantial portion of restaurants are once again unionized.

Under Hyatt's definition of work week, many employees lost the right to overtime pay and to refuse additional work after five consecutive work days; and Saturday and Sunday work no longer required extra compensations.

Replicating Barbara Gutek's 1985 national study on sexual harassment, Eller (1990) found that a "higher proportion of hotel employees experience sexually harassing behavior in their workplace than do workers in society-at-large" (p. 85).

Cobble was an expert witness on behalf of the plaintiffs in this case. The discussion here is based on files in her possession. See also CLUW News November-December 1992, announcing the settlement.

Under the leadership of Jay Rubin, the New York Hotel Trades Council pioneered programs for upgrading minority workers in the 1950s and 1960s. They set up a payroll tax on the employer specifically allocated for training "Negro and Puerto Rican employees for more skilled jobs." See for example, New York Times, September 3, 1968. Training funds have also been won in Las Vegas and recently proposed by New York City's Local 100 (Atkinson interview 1993).

In another example, the U.S. Court of Appeals cited Olsen's Dairy Queens Inc. in Houston for discriminatory hiring practices ignoring management's defense that "customers prefer to be served by persons of their own culture" (DLR April 29, 1993).

In 1992, the Labor Department, for example, reached a $500,000 settlement of longstanding child labor law violations against Burger King Corporation, covering the company's approximately 800 restaurants (BNA 1992b).

A distinct political agenda was not evident for unionized employers, but certainly there is some controversy over the conservative and aggressive employer lobbying that has burgeoned in the industry in the 1980s. For a view of the extensive grass-roots mobilizing of food-service and hotel proprietors, consult industry periodicals such as Restaurants USA (November 1980:11); Hotel and Motel Management, January 1980:12; Restaurant Business, December 10, 1988; and Nation's Restaurant News (January 1, 1990:20; September 3, 1990:21). Their agenda, according to the periodicals: repeal of the Civil Rights Act of 1990, blockage of family and medical leave and mandatory health care, preserving business meal deductions, sub-minimum and a training wage for teenagers, exemption from minimum wage for small companies, defining tips as wages for minimum wage purposes but repealing FICA taxes on tips.

Some HERE locals are now attempting to use a form of secondary leverage in organizing, similar to that used by SEIU in the Justice for Janitors campaign. In-house cafeterias in downtown office buildings might be organized through union
pressure on the building owners who contract with individual cateries (Durazo interview 1993).

17 As Cobble has argued elsewhere, greater commitment to providing worker training would also help unions win the loyalty of and maintain control over the young, transient fast food work force. And union hiring halls would not only offer locals a mechanism for regular, positive contact with transient members but they can perform an important service for small franchisees who desire a steady supply of competent, reliable labor.

18 Unfortunately, since the 1950s collective bargaining has moved toward a single model of employee representation: more and more unions have come under Taft-Hartley; the exceptions to Taft-Hartley practices granted the construction trades and other sectors have been lost. NLRB rulings have encouraged uniformity and hence homogenization; and unions themselves, especially in the private sector, have moved toward an "industrial model" for all workers. Ironically, this industrial paradigm has spread even as the number of workers for whom it is appropriate has declined. Public policy is, in this regard, badly out of step with the needs and aspirations of employers and their workers.

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