Airline Pilots Unions: Australia, Japan and the U.S. An Empirical Test of Cross-National Convergence

by

Bernard Karsh

Bernard Karsh, University of Illinois, U.S.A
Nicholas Blain, University of Western Australia
Yasumitsu Nihei, Keio University, Tokyo


Theme I: "Industrial Relations in Post Industrial Societies"
The notion that technology represents an imperative in social and economic development has long been associated with Marx and Veblen. Sociologists have devoted considerable attention to this idea which has become popular as "convergence theory." For example, Moore and Feldman were concerned with obstacles workers confront before they become committed to the industrial way of life characteristic of modern societies. Inkeles and Smith sought to show that workers in some Western nations developed many common behavioral and attitudinal characteristics. While economists in general have done little to test these ideas, Nihei and his collaborators have some efforts under way.

However, four labor economists have provided the major statement on the effects of spreading industrial technology. Kerr, Dunlop Harbison and Myers hypothesized that industrialism, not capitalism would dominate the world and shape national institutions into a common mold. Their convergence hypothesis would become a central controversy for scholars studying economic growth and development on a cross-national basis. In a later statement Kerr and his colleagues argued that industrial methods of production and distribution produced similar social structures. They predicted that all industrial countries were confronted with a common set of technical-organizational imperatives which, in the long run, would overwhelm the particularities of history and culture to produce institutions increasingly characterized by their similarities rather than differences cross-nationally. They further argued that the dominating influence of technology created strong similarities in job structure, occupational structure and relative ordering of occupational wages. Such systems move towards "pluralistic industrialism" where the State, the enterprise or association, and the individual all share a substantial degree of power over productive activities. The research reported here is a modest test of the "pluralistic industrialism" hypothesis in a cross-national context. It focuses on airline pilots operating virtually identical technologies in Australia, Japan and the USA.

It is difficult to think of either an industry or an occupational group which involves more uniform complex technologies than those incorporated in the Boeing 747 intercontinental airliner. The paper examines the effects of this uniquely uniform technology upon pilots and their occupations: central issues negotiated and their origins, the negotiating structures and procedures for resolving disputes with employers. It endeavors to explore the proposition that technologically-induced convergence has occurred between Australian, Japanese and United States pilots and their unions in all three of these areas. The paper also seeks to provide insights into the limits of the influence of the "iron hand of technology", and to point to other variables - such as economic, political and cultural variables - which have shaped relevant features of pilot unionism in each country.
The Technology and the Occupation

It is likely that no other occupation is seen as heroic everywhere as piloting airplanes. The image of dashing young men in uniform defying laws of man and nature in flying machines is virtually synonymous with the twentieth century and the idea of modernization and industrialization. Indeed, it is interesting that even the poorest of developing countries seems committed to developing an airline even if it has neither the capital nor human resources to begin to support it. It is virtually everywhere the badge and the mark of progress. And indeed the modern commercial airliner is an enormous tribute to the technical achievements of industrial societies. The pilots and flight engineers who constitute the flight deck crew of the Boeing 747 "jumbojet" are among the most elite of the relative handful of aviators who, as a group, constitute one of the most prestigious occupations. Indeed, the most recent study of occupational prestige available ranks airline pilot above architects, civil engineers, U.S. Supreme Court Justices and priests, just below physicians and surgeons and on a par with college professors and teachers of physics. While the study sampled occupations drawn from U.S. census data, there is no reason to assume that similar rankings would not have been found in other countries, including Australia and Japan.

From the earliest days of the development of commercial airlines, pilots have capitalized on perceptions of their occupation as involving inordinate risks and inordinate skills. Certainly in the 1920s pilots were intrepid men flying aircraft subject to frequent in-flight mechanical failures, with only the most rudimentary instruments and no reliable radios, and weather reports or copilots to help. The first recorded U.S. pilot strike occurred in 1919 when a few pilots flying the U.S. Mail chose to stay on the ground rather than fly in poor weather. They were discharged by the Postal authorities, an action which provoked other pilots to strike in protest and in support of the demand that they alone had the right to decide when it was safe to fly. This attitude has continued to the present day among pilots of all commercial air carriers. Indeed, so far as these authors are aware, civil laws regulating commercial air carrier and prescribing pilot qualifications provide that the pilot in command of an aircraft shall, within the context of over-all regulations, have the ultimate right to determine the safety of his flight and thus to fly or not fly as his judgement dictates.

It is likely that authority to decide when and when not to work is not given to many unionized employees. It is generated by the set of unusual technological constraints which fundamentally affect the character of industrial relations in airline operations. As noted by Baitsell, the constraints are unusual in comparison with unionized production and maintenance workers in manufacturing industry. For example, flight crew members like seamen and railroaders, must frequently eat and sleep long distances from their homes, even
thousands of miles away in the case of airmen. They often work odd and irregular hours at jobs which require lengthy training, a high level of skills, unusually high health standards with forced retirement at age 60. While the hazards to which they are subject are substantially less now than when the industry was created, they are still significant. With the advent of the "jumbo jet" they are responsible for hundreds of lives and property valued in many millions of dollars. Each of these aspects calls for an unusual set of rules.

The Major Negotiated Rules and their Origins

The focus of this paper compares current negotiated major work arrangements between Pan American World Airways in the U.S., Qantas in Australia and Japan Air Lines. While Qantas is the oldest of these firms having originated services in the 1920s, Pan American has had the longest history of pilot unionization extending to the mid-1930s. Many of the basic rules which now define the industrial relations systems of all three cases were first developed in the United States. They deserves special attention here.

The compensation of flight deck crew members, especially pilots, is an interesting industrial relations topic in part because of very high potential earnings and because of the unique way in which they are determined. This is true in all three countries. Indeed, Japanese airline pilots, as we shall see in some detail later, receive pay according to a formula which is far more like their American and Australian counterparts than like any other group of Japanese salaried employees regardless of industry or firm.

Both Qantas and JAL flight deck crews are involved with a compensation system which has been heavily influenced by early American developments. In all three cases the basic wage consists of four separate elements: (a) longevity pay, (b) hourly pay, (c) mileage pay, and; (d) aircraft-type flown-pay which, in turn, consists of two additional elements: speed and design/gross weight of the aircraft. Clearly, elements (b), (c) and (d) are directly related to the technologies incorporated in a specific class and category of aircraft. In fact, the inclusion of mileage and aircraft type, in effect, makes the flight deck crew partners with their employer in the direct profitability of the aircraft flown. It is interesting to trace the historical development of this formula.

The present pay system, at least with the Americans, has its origins with the establishment in 1918 of a "base pay" plus mileage flown formula in the U.S. Post Office. The formula was retained by commercial carriers when air mail was contracted to them in 1925. The starting base pay assumed day-time flight only and increased incrementally with increases in night flight assignments. The mileage pay increased with terrain hazards including typical kind of weather over a particular route, and then doubled for night flying. Each increment, of course, was deemed justified because of increased hazards. Longevity pay, often called base pay in the industry was initially a function of the total number of flight hours a pilot had accumulated during his career and not the number of years he had worked for the same company. This basic
scheme was typical until the onset of the 1929 depression when many operators shifted to a flat salary pay scheme as a cost cutting measure since flight hours were rising as were the number of unemployed pilots competing with each other. Reductions also occurred in the night pay differential as well as in the base pay. These reductions gave rise in 1931 to the formation of the Air Line Pilots Association, which still represents the overwhelming majority of commercial air carrier pilots in the American industry.

The pay formula changed in 1931, when many of the larger companies eliminated the mileage rate entirely in favor of an hourly rate in anticipation of the soon to be available faster aircraft (the Boeing 247D) with considerable greater productivity than existing aircraft largely derived from WWI technology. The new pay formula would significantly lower pilot costs per flight mile while presumably retaining pilots' incentive to maximize flight hours. Coupled with the reduction in terrain differential by some carriers along with the actual introduction of faster equipment, a major wage controversy was generated with the recently organized Air Line Pilots Association that led to what is viewed as the most important and long-lasting wage decision ever introducing in that or perhaps any other industry, Decision #83 of the National Labor Board established in 1933 as one of the Roosevelt administration's major labor reforms. Decision #83 was the result of the Board's consideration of ALPA's threat to strike the entire industry if the pay formula was not changed again to restore the mileage increment. The major carriers involved agreed to submit the issue to the Board, an action which represented the first use in the American airline industry of voluntary arbitration to decide basic pay terms.10 Baitsell quotes an excerpt from the testimony of an ALPA official before the board and characterizes it as typical of the wage arguments ALPA has been making before government boards ever since.11

The standard rate of pay for pilots today is 4 cents per mile for day flying. This rate was established about three years ago and prior to that it was 5 cents. At that time, companies adopted the hourly rate of $4.00, which, at the speed of 100 mph, which was averaged then, was equivalent to 4 cents per mile.... Where the companies formerly paid $4.00 for 100 they now propose to pay $4.00 for 125 miles, or $3.20 for 100 miles, a 20% cut.... The new pay scales can result in an increase only if some of the present personnel are released and those remaining do proportionately more work.... Each pilot must fly more miles in a month than he does at present in order to earn (his present) pay. This.... means that ... pilot personnel ... must be released in order that those remaining may be enabled to earn their present salary.

Both the hourly pay and mileage arguments were accepted by the Board which also limited pilots to 85 flying hours per month and reinstated the prior hazard differential. These have continued to be the basic pay elements ever since, having been incorporated into every major congressional act involving air line regulations of working condition ever since. The decision established that pilots' pay should be based on the speed of the
aircraft as well as on the number of flight hours flown during the pay period. The resultant base pay was to be augmented by the number of miles flown at specific speeds.

Over the years since Decision #83 the basic pay elements have been refined in one respect or another but have not changed in substance. In fact, the first labor agreement between an airline and ALPA, signed in 1939, contained the substance of Decision #83 with only slight modification and has been incorporated in every ALPA agreement with a major carrier since. Significantly, it has been extended to Japan and become most uncharacteristic of the general and typical "age-grade" (nenko) system of wage payment in that country.

In effect, the decision has resulted in the pilots sharing in the increased productivity of the aircraft they fly and more than anything else accounts for their inordinately high pay in all countries. While it originated with the 125 miles per hour Boeing 247 and the 160 miles per hour Douglas DC-2 it has continued in one form or another to present negotiated "pegged speed" of 572.83 miles per hour for Pan Am pilots flying 747s.

The gross weight element was the last major addition to the pilot's basic wage formula. Adopted in 1947, it has extended to all major carriers in the American industry and is currently computed for Pan Am pilots at three and twenty-four hundredths cents ($.0324) for each one thousand pounds of the maximum certificated gross weight of the aircraft or air craft group for each hour flown (the maximum certificated gross weight the B-747 is approximately 750,000 lbs). It is interesting to note that as part of the "concession bargaining" which has characterized this industry in the context of current U.S. economic difficulties, Pan Am and their pilots in 1982 renegotiated both the "pegged speed" of the B-747 from approximately 580 miles per hour in the 1978 agreement to the present approximately 573 and reduced the gross weight increment from the $.047/per mile of 1978. However, the basic formula was left unchanged while all unionized Pan Am employees, in separate collective bargaining agreements including the pilot's contracts, agreed to accept a flat ten percent reduction in gross pay computed from all elements contributing to the gross.12

In addition to these major elements, a number of supplemental payments are made: vacation, sick leave, training, traveling as a passenger on an airplane (or another form of transportation if necessary) in order to get to another base from which duty time begins, commonly called "deadheading pay" in all three countries, allowances for hotel and meals away from home, moving to a new base, required non-flying duty, severance, and pay for night flying calculated on the basis of local time at the home station. While all of these elements vary among the three airlines as proportions of total pay and conditions of application, the basic elements are common among them.

It is important to note that both Qantas and JAL agreements have been
heavily influenced by preceding American developments. Pan American World Airways is one of the world's oldest international carriers. Its pilots were among the founders of the Airline Pilots Association in the United States in 1931. The firm initiated international service in 1935 but the first collective bargaining agreement with pilots was not negotiated until the conclusion of WWII. While a few major disputes have occurred since then, ALPA spokesmen described their relationship with Pan Am as probably the best with a major carrier. Many of the industries major contract provisions were pioneered with Pan Am in ALPA and many of the basic provisions have been in place for as long or longer than any in the industry anywhere. Thus, much of what follows as descriptive of industrial relations practices, procedures and outcomes has become a standard for the rest of the U.S. airline industry and also for airlines in other countries. As we shall see, this influence has spread to both Japan and Australia in one form or another.

Qantas Pay System

The Queensland and Northern Territory Aerial Services Ltd., now known as Qantas, is older than Pan American World Airway having been formed in 1920 and nationalized (100% government-owned) in 1946. Its first service to Japan commenced in 1947 and its first service to the USA in 1954. However, it was not until 1938 that Australian Pilots first combined to create the Australian Institute for Air Pilots and Navigators. The Institute virtually ceased to function in World War II, and was replaced in 1944 by the Australian Air Pilots Association. In the following year, the fledgling Association applied to become a registered organization under the national Conciliation and Arbitration Act 1904-34. In 1946, registration was granted, thereby enabling the Association to have access to the influential national Court of Conciliation and Arbitration.

The Qantas pilots' union's negotiating experiences can be categorized into a number of phases. In the first phase, 1947-51, the Pilots' Association negotiated it's first Agreement with Qantas. This Agreement was filed under the Conciliation and Arbitration Act. In the second phase, 1952-54, the Association chose to initiate its first major arbitration case on pilots' salaries; dissatisfaction with the ensuing arbitration proceedings led to the first-ever stop-work meeting, prior to the Court's decision being handed-down.

In the third phase, 1955-59, the Qantas pilots utilized a combination of direct negotiation, conciliation and strike action in support of their claims. Their main objectives were improved flight pay, based on comparisons with overseas pilot groups, and the introduction of an American-styled pay contract. However, the Association was forced by the employers to submit to compulsory arbitration on the issue of international salary comparisons. The Court's subsequent decision, which rebuffed the pilots on this crucial issue, contributed to their attempt to escape from the national conciliation and arbitration system.
The pilots, in an unprecedented move in Australian industrial relations, resigned en masse from their Association and then joined a new unregistered organization, the Australian Federation of Air Pilots.

The phase four, 1960 to 1967 - the new Federation sought to exploit its enhanced power position through free collective bargaining outside the constraints of the arbitration system. But, a three-day strike by Qantas pilots in 1964, prompted the Federal Government, one year later, to introduce a new voluntary Procedures Agreement for the settlement of pilots' disputes. One highly novel aspect of the new Agreement was that it was modelled to a considerable extent on the United States Railway Labor Act. However, the Procedures Agreement failed to prevent a bitter 28 days strike by Qantas pilots, in 1966, over several issues, the most important of which was the introduction of a North American type contract. The historic strike paved the way for the adoption of a modified Pan American-styled contract for Qantas pilots. But, in 1967, it also precipitated another unparalleled move in Australian industrial relations - namely Federal Government legislation specifically designed to force the Pilots' Federation back into the conciliation and arbitration system, and to provide special industrial machinery in the form of a Flight Crew Officers Industrial Tribunal.

In the fifth phase, from 1968 to 1980, the Qantas pilots pragmatically used the conciliation and arbitration facilities of the Tribunal when they believed it was in their interest to do so. However, collective negotiations were also extensively used, especially on non-salary issues; on average, agreements were re-negotiated every two years or so.

A sixth phase commenced as recently as 1981. In that year, a major development occurred when the five hundred or so Qantas pilots broke away from the two thousand five-hundred or so strong Federation to form their own completely-autonomous new union, the Australian International Pilots Association (AIPA), which subsequently was registered under New South Wales industrial legislation and was also officially recognized by the Federal Minister for Industrial Relations. The split was triggered by major policy differences between domestic and overseas pilots. But the Qantas pilots' leader, Captain G. Westwood, also pointed to other underlying influences: these included the fact that Qantas pilots flew larger aircraft (Boeing 747 B's versus Boeing 727's), earned more money, flew international routes, were represented in negotiations by different full-time union officers, and were employed under separate employment contracts.

In describing how negotiations have been conducted by AIPA, it must be emphasized that the new Association has no written, formal procedures governing the contract-making process. In late 1981, AIPA negotiated its first contract with Qantas. The Association's Committee of Management (comprised by forty elected Qantas pilots) elected a six man negotiating team, led by the Association's President, a Qantas line (flying) Captain. The Association's only full-time industrial specialist, the Industrial
Relations manager, was a member of the team. The remaining members were: The Association's three Vice-Presidents, two of whom were Captains and the third a First Officer; and another Qantas Captain, a former Committee of Management member, elected to the negotiating team. Since the formation of the breakaway AIPA, the Federation has had no involvement whatsoever in negotiations or any other of the Qantas pilots' activities.

The 1981 negotiations lasted for twelve negotiating days which occurred over a period of approximately six months. They resulted in a twelve-month contract, running from August 1981 to August 1982, which provided for an 8% pay increase in return for "temporary cost offsets", which took the form of greater scheduling flexibility for pilots undergoing promotional training. The 1981 contract-renewal negotiations were unaccompanied by any form of industrial action. They were described by IAPA's President as "tough" with the outcome reflecting Qantas' "worst cash position ever" and the "under utilization of pilots." 

As noted earlier, in the early post WWII years, Qantas pilots were paid a basic salary supplemented by flight pay (additional pay for overseas flying duty) and an overseas daily travelling allowance. The amount of flight pay varied in accordance with the aircraft type flown which, in turn, reflected the speed and gross weight of that aircraft though not stated explicitly as in the Pan Am contract. Like the American situation, maximum flying and duty hours were prescribed by the Federal Government's Air Navigation Rules. Within this framework, the airline was able to hire and schedule pilots as it wished.

In 1957, the Qantas pilots engaged in a major ten-day strike in support of their claims for substantial flight pay increases. The pilots' demands were heavily based on comparisons with the relative pay position of pilots in fourteen leading aviation nations, including the USA. In 1959, with the introduction of the Boeing 707 into Qantas, the Pilots Association successfully negotiated the introduction of an important new "aircraft type" allowance into the pay structure.

A monumental change in pay and scheduling rules occurred in 1967 when, after ten years of struggle, the Qantas pilots finally achieved a USA-type pay contract. The basic form of the 1967 contract has not been altered in subsequent contracts. However, in 1971, with the introduction of the Boeing 747B (in Qantas, flown by three pilots and a flight engineer), the airline and the Federation negotiated a 27% differential, above pay rates on the Boeing 707-338C, for pilots flying the new jumbo-jets, an increase approximately the same as the Pan Am-ALPA at the time.

The 1979 Qantas Pilots' Agreement details pay and scheduling provisions for its Boeing 747 pilots; since 1979, when the Boeing 707-338C was phased out, the Boeing 747 has been the only aircraft operated by Qantas while JAL and Pan Am still operate four types. Upon completion of his first eighteen months service as a Second officer, a pilot is guaranteed a minimum salary equivalent to 132 credited hours, paid at his appropriate hourly rate, for every 56 day working period.
However, if the number of credited hours he accrues exceeds 132, he is paid for the actual number of credited hours worked. The hourly rates vary in accordance with a pilot's rank - captain, first officer or second officer - and his years of service, which are categorized within a range extending from 1 to 12 years for each rank. The total hourly pay per credited hour worked by each pilot is calculated by summing various components of pay as set out in the following examples:

### BOEING 747B HOURLY PAY RATES: EFFECTIVE 28/1/80

<table>
<thead>
<tr>
<th>Aspects of Structure</th>
<th>Second Officer&lt;sup&gt;a&lt;/sup&gt;</th>
<th>First Officer Captain</th>
<th>12th Year</th>
<th>12th Year</th>
<th>12th Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ per Credited Hour</td>
<td>$ per Credited Hour</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Base Pay</td>
<td>5.17</td>
<td>9.09</td>
<td>9.09</td>
<td>9.09</td>
<td>9.09</td>
</tr>
<tr>
<td>Type Pay</td>
<td>19.70</td>
<td>33.61</td>
<td>56.07</td>
<td>56.07</td>
<td>56.07</td>
</tr>
<tr>
<td>Overseas Pay</td>
<td>1.28</td>
<td>2.24</td>
<td>3.27</td>
<td>3.27</td>
<td>3.27</td>
</tr>
<tr>
<td>Total Hourly Pay</td>
<td>26.15</td>
<td>44.94</td>
<td>68.43</td>
<td>68.43</td>
<td>68.43</td>
</tr>
<tr>
<td>as a % of Captain</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12th Year Total Hour</td>
<td>38.21</td>
<td>65.67</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Airline Pilots' (Qantas) Agreement, 1979.

<sup>a</sup>Second officers in their first eighteen months of service are paid a flat sum for every 56-day period; Second officers allocated to the 747B were paid $2499 per period in the first year, and $2678 per period in the succeeding six months. Pilots under initial training were paid only $1697 per 56-day period.

Additional pay is earned by supervisory captains. A Check Captain is paid a minimum of an extra 7% of his total hourly pay rate per credited flight hour while on checking and training duties. A Senior Check Captain is paid a salary equivalent to 1040 credited hours at his appropriate rate, per 364 days; he is paid a further allowance equal to 8% of the sum of Base Pay and Type Pay, but excluding Overseas Pay, at the rate of 1040 credited hours per 364 days.

A daily travelling allowance is paid to all pilots to compensate them for incidental travelling expenses, such as laundry expenses. As at 25/8/80, the allowance for overseas travel was $13.31 per day for Captains and $8.87 for all other pilots; the Captain's rate is calculated by establishing a 50% differential over the allowance set for other pilots.
It is most important to note that the pilot scheduling provisions of both the Pan American and Qantas agreements are virtually identical in concept and execution but differ only in minor details. By contrast, the JAL pilot scheduling system does not anticipate pilot participation in either. Schedule development or administration. In both Qantas and Pan Am the assignments are called "Bid Lines" and are proffered by the company for a fixed period, 30-days at Pan Am and 56-days at Qantas. The bid lines are company prepared planned itineraries of flying called "patterns" in both cases. The patterns include the dates and time of operation, report time at the base station to commence the pattern, flight number of the flight segment, layover points, arrival time back at the base station at the completion of the pattern and the number of hours contained in the pattern which are "credited" toward the maximum allowable period limited 30 or 56 days respectively. An examination of the allocation of flying time and the bid line, in the case of Pan Am by aircraft category (e.g., all schedules for B-747-type aircraft), for the ensuing bid period is then undertaken by the Base Scheduling Committee. This body consists of up to three company members and up to three company-employed Association members, and is chaired by one of the company representatives. Provision exists for disagreement over company-initiated variations in existing scheduling procedures to be referred to a Master Scheduling Committee; this committee is similarly constituted by six representatives, three from the airline and three chosen from the pilots.

Both Qantas and Pan Am are required to list, on the Bid Line cover sheets, the names of all pilots in strict seniority order, who are eligible to apply for bid lines because they are qualified on specific applicable aircraft. Each pilot must then submit his preferred selections prior to the specific closing date. With one important exception in Qantas, the airline must allocate bid lines to pilots in strict order of seniority. The exception allows the nominee of the President of the Qantas pilots union, the Australian International Pilots Association, to hold the most senior bidding position.

Another important feature of the bidding system is the arrangement whereby Open Time (flying time for a pattern or a segment of a pattern not yet finally allocated or which has become "open" because of an unanticipated unavailability of a "pattern line holder") is finally allocated. A telephone is available 24-hours a day to all pilots at a base station for open time bidding. The system requires that all such open flying time be posted on an "Open Time Board" manned by a member of the company schedule crew. Any pilot who so desires can telephone the open time board for information on temporarily unassigned flights and put in his bid. The award is again made on the basis of "first call-first serve" provided other qualifications are met. Or, in the case an open-time pattern develops which attracts no bidding, the company may assign a "blank line holder" or some other pilot who is not "pattern protected" to the open time flying. Contract language provides rules for making assignments to "Blank Line Holders" only after the "Big Pick" period has concluded. Again, it is interesting to note that the procedures at Qantas and Pan American are virtually identical even to the
point of using identical terms for the same elements.

In both cases the system is designed to permit participation of pilots in the development of scheduling policies which promote the most efficient and economical operation of flights and favorable working conditions for pilots. However, in the event of disagreement within the Master Scheduling Committee over application of the rules in the Scheduling Manual, the dispute may be referred to a neutral mutually agreed upon by the parties at Qantas and if the parties are unable to agree on a neutral, the problem must be submitted to the Flight Crew Officers Tribunal. At Pan Am the issue is processed through the contractual Grievance Procedure and, if not resolved at that level, may be taken to the System Board of Adjustment, a dispute-handling body which will be described below.

By contrast with Qantas and Pan Am, pilots at Japan Airlines do not participate in any formal or direct way in flight scheduling which is managed entirely by the company. Neither do JAL pilots have a formal procedure for expressing dissatisfaction with assigned schedules though the issue may be raised through their joint consultation system. The general policy is that a Base Flight Manager (bases are Tokyo, Anchorage, Athens and Rome) assigns routes and schedules using seniority as a basic criteria but that principle is not strictly applied. Nor do JAL pilots "hold" patterns or lines of flight which have been "awarded" and are thus viewed as a kind of property right as do Qantas and Pan American pilots. The matter however, is not now an item of contention between JAL pilots and their employers.

However, like Qantas and Pan Am pilots, JAL flight crews are paid on essentially the same criteria. They receive a Base Pay determined by their longevity as JAL flight employees, flight per hour pay with a guarantee of 65 hours a month, about the same as Qantas and Pan Am. And, like others, JAL pilots are also limited to approximately 80 hours per month of total flying. This monthly hour flight duty limit of approximately 80 hours has become virtually universal among the world's major carriers. It first appeared in Decision #83 of the National Labor Board in the USA in 1933 and was adopted by the agency which compared the work of airline pilots with railroad engine drivers at the time and concluded that the same monthly work-hour limit should apply to pilots. The Board never explained its reasoning which presumably rested upon notions of fatigue limits experience by railroad locomotive drivers and simply extended to pilots by assuming that they were comparable occupations. The USA pilots in 1933 readily accepted that comparison not only on this issue but on other aspects of their work practices and rewards: the bidding system according to seniority, extra pay for night work because of added hazard and, of course, additional pay and other compensation while away from home. Indeed, it can be fairly said that the major aspects of the work or rules governing work assignment and pay for USA and Australian airline pilots were derived from locomotive drivers in the United States. As we have seen, JAL pilots have also been influenced by this but perhaps not knowingly.

Another major point of similarity between JAL flight deck crew pay and Qantas and Pan Am relates to the category of equipment which they operate. In effect, aircraft speed and gross weight, that is
productivity of the airplane itself, is a major basis for salary payment for JAL pilots and flight engineers. With JAL the so-called "heavys", the B-747 and the DC-10 are grouped in a single category for pay purposes while the DC-8 and the B-727 aircraft are another category whose pilots receive less pay. Pan Am, as is common among all American carriers, as noted earlier, uses the aircraft type gross take-off weight as a payment criterion. Qantas recognized this issue as a pay-discriminating matter when it agreed with the union to include in their labor agreement a provision for renegotiating pay whenever a new aircraft is introduced. Thus, B-747 pilots negotiated a substantial increase in base pay with the introduction of that aircraft.

The JAL practice of rewarding pilots according to the specifics of their daily job routines and job-related qualifications is a gross exception of the age-grade system of wage payment (nenko joretsu seido) which otherwise characterizes Japanese employer-employee relations. The JAL pilots also differ from other kinds of employees in another major respect: they have an occupational union which consists of flight deck crews alone with the exception of JAL captains who have their own organization separate from other crew members. The development of these distinctive characteristics, much more like the American or Australian model than the Japanese, is worth exploring.

Union Structure

The Japan Airline (JAL) Flight Crew Union was organized in 1954 as a craft or occupational union independent of other JAL employees organizations. This occurred only three years after the Company was organized but almost simultaneously with the employment of Japanese nationals as flight crew. The direct reason for the formation of the union was the wide gap in pay and benefits between the Americans who flew JAL aircraft and the flight crews they were training as copilots and flight engineers. In its early years the major preoccupation of the union was to eliminate this gap. Even as late as 1960 American Captains flying JAL international schedules were paid almost five and a half times as much as Japanese nationals doing identical work. In addition, in 1960 JAL initiated jet aircraft service with the DC-8 and in the same year proposed a ten year development plan. In order to realize its goal of expanding its market share in international competition, the company announced "rationalization" programs intended to decrease operation costs. One aspect included measures which would result in the deterioration of working conditions for cockpit crews, including changes in scheduling adversely affecting those crews. In late 1964 the union struck, the first strike by a flight crew union in the Japanese air line industry, in opposition to the company proposal to hire more foreign pilots (mostly American) while cutting back on crew size generally. The strike lasted a few days but it impacted the fledging union very seriously. In April, 1965 the company discharged four top union officials. In May a group of captains withdrew from the union and formed a separate Captains Association. Further, what now remained of the Flight Crew Union was split into two
when a new Operation Crew Union was organized, allegedly under the
guidance of the company and the Captains Association. The shift of
union members from the Flight Crew Union to the Operation Crew Union was
swift and substantial and within two years the Flight Crew Union was
reduced to only eight members, including the four discharged officials.

These two unions remained separate until their re-unification in
1973. The turning point was the complete withdrawal of the captains
from the Operation Crew Union which followed the company's 1970 decision
to classify Captains as management personnel since they supervised or
managed the entire aircraft crew while airborne. Today, the Flight Crew
Union is the only-organization of cockpit crews at JAL with the exception
that captains are still considered supervisors and therefore not eligible
for union membership. The captains who enjoy an elite status within the
company apparently are reasonably satisfied with their ability to resolve
problems through joint consultation. However, as discussed subsequently,
the situation may be changing again. It may be assumed that the split
in the cockpit between captains with formal authority as managers and
other crew members as union members contributes to an adversarial relationship
and is not likely to result in good cockpit working relationships. So
far as these authors are aware, this situation is not found on any other
major international air carrier.

We have already noted that pilots are organized apart from other
categories of employees into an occupational or craft union. In fact,
this is a characteristic of other JAL employees who are also organized
separately by major job category. This form of organization is almost
unique in Japan where the enterprise-wide, single or mixed union is
predominant. Indeed, flight deck crews form their own independent
unions in the other two major Japanese airlines as well, the All-Nippon
Airways and the TOA airlines. While there may be several factors which
may be seen as contributing to this uniqueness, two of them may be
regarded as direct causes.

One factor is the particular situation which gave rise to the
Flight Crew Union at the outset, namely, the use of American pilots when
international operation were initiated and the subsequent use of Japanese
pilots, trained by the Americans, having the same qualifications and
performing identical tasks but paid on a Japanese salary standard which
was not more than twenty percent of the American pay for identical work.
"Equal Pay For Equal Work" became an organizing slogan of the Japanese
flight deck crew, a concept foreign to Japanese workers at that time.
It was logical, then, for them to form an occupational union around this
demand which was not shared by other types of JAL employees.
Another factor directly relating to the independence of cockpit crews on the issue of unionization is very likely their own self-concept and self-definition. Airline pilots are probably everywhere treated with difference for reasons already noted. While occupationally derived status is not a distinctive aspect of Japanese culture, as it in Western countries, Japanese pilots, like all others, are specifically trained for periods of many years to do nothing but fly airplanes. In fact, they typically have few skills which are transferable to other industries or occupational categories. Further, their relatively visible high status is undoubtedly a source of personal satisfaction. Thus, unlike the generalized model of a Japanese worker as a "company man" rather than a visible occupant of a high status job in the Western sense, pilots tend to develop an elitist self-definition which separates them from co-employees doing other kinds of work. Typically, in the western world, airline pilots have organized separate occupational unions which are more or less independent of whatever organizational affiliations their unions may have. The JAL Cockpit Crew Union appears to meet the generalized model of the European, Australian and American air line pilots and their unions and to depart significantly from the Japanese enterprise union model.

The main purpose of the Flight Crew Union is to serve the interests of its member in dealing with the company. The basic means to achieve this end are collective bargaining and labor-management consultation. It is common practice in Japan to bargain for salary increases and bonus payments around April of each year and thus to engage in a "Spring Struggle". Since the Flight Crew Union is an independent union, it can decide the timing of negotiations and the content of demands solely on its own discretion. However, in practice it seeks to coordinate its actions with other unions in JAL and with flight crew unions at the other two major Japanese airlines. The JAL Flight Crew Union forms a "Struggle Committee" to formulate strategy and demands for the spring offensive and the "summer struggle" and "year-end struggle" for bonuses. The committee is composed of all Executive Committee members of the union, but in the case of the spring struggle it is expanded to include representatives of the maintenance workers. This expanded committee is called the Struggle Committee-at-Large. For example, in the 1982 spring salary increase campaign, the Struggle Committee-at-Large was composed of 25 Struggle Committee members from the cockpit crew union and 143 at-large members. Nothing of this kind occurs with either Pan Am or Qantas pilots.

The JAL Crew Union is affiliated to (a) the Liaison Committee of the Japanese Flight Crew Unions (which includes pilots from ANA and TOA Domestic), to the Liaison Committee of the Airline Industry Labor Unions which includes unions of all airline workers and to the Liaison Committee for the Promotion of Aviation Safety which has no counterpart in the US or Australia. This organization is the largest body of workers in the Japanese airline industry with 56 affiliates with a total membership of about 31,000 airline employees. It deals with matters relating to the maintenance and promotion of aviation safety. The issues handled by this Committee during the 1980-81 period included the number of cabin
crews to be allocated on the European consortium-built Aerobus A-300 put into service by TOA, the problem of aircraft control in the Okinawa and surrounding areas, the increasing occurrence of "near miss" incidents between Self Defense Force aircraft and other types, particularly commercial carriers, and the problem of cockpit design and crew composition of B-747 aircraft. While both Qantas and Pan Am pilots and their respective unions are intimately concerned with similar and even identical issues, unlike these groups, the Japanese group works to consolidate the opinions of all unions in the industry and transmits its conclusions and requests to both employers and governmental officials. It also conducts various types of publicity campaigns.

In addition to these organizations to which the Cockpit Crew Union is affiliated, most of the members of the cockpit crew at JAL also have joined, as individuals, a relatively new organization called the Air Line Pilots Association-Japan or ALPA-J. As of May, 1982 ALPA-J claimed 1,557 members consisting of 534 captains, 686 first officers (co-pilots) and 337 second officers (flight engineers), all of whom are employed by JAL. Its relationship with the Flight Crew Union is not yet clear but it appears to be developing as an important new cockpit crew union since it includes captains as well as other ranks. At the moment, its most important function is the exchange of information with national unions of air lines pilots over the world which have affiliated with the International Federation of Air Line Pilots Associations headquartered in London. While ALPA-J is not yet a formal affiliate, it sends "observers" to IF-ALPA conferences and conventions and participates in other informal ways as an international clearing-house of information and bargaining problems and strategies for airline pilot organizations world-wide. It is interesting to note that the Qantas pilots association is also, as yet not affiliated with IF-ALPA.

Both Qantas and JAL pilots unions have at least two common organizational characteristics: they are both independent unions formed within a single company and admit only airline pilots to membership. The pilots organization at Pan American differs in only one respect, albeit a major one. While it is formed only of pilots for bargaining purposes, the pilots are organized only within a single company and negotiate agreements applicable only to pilot employees of that company while, at the same time, being members of an all-airline pilots organization admitting to membership pilots of all US certificated commercial air carriers. The difference is due, of course, to the fact that Qantas and JAL are "national instrument" carriers while Pan Am is only one of many US air carriers which compete with each other as well as with foreign carriers. Thus, the Air Line Pilots Association in the US is a craft union which organizes a single occupation within the entire national industry while the other two organize only within a single national company. ALPA has always refused company proposals to bargain industry wide in favor individual company bargaining.

The base of ALPA's governance structure is at the Local Council which is established at the company level by pilots. In the case of large airlines, more than one Local Council may be established depending upon the geographical extent of the airline, the length of its runs, the airline's base or domicile and the number of members involved. Local
Councils form a Master Executive Council and send Representatives to it. In the case of a single Local Council group, it is also the Master Executive council. Representative to the MEC are selected in proportion to the number of pilots in each rank, (Captain, 1st and 2nd Officers) at the Local Council level. The MEC is the coordinating body for the membership at that airline and is empowered to make final decisions on any problems of members of that airline except that strike votes are taken by the entire membership at the airline. The Master Executive Council Chairmen constitute the association Executive Board. Kahn notes that on paper, ALPA has always appeared to be a highly centralized labor organization. However, he and other observers conclude that ALPA is, in fact, a democratic labor organization under the control of its own membership which elects officers who are highly sensitive and responsive to the pilots needs. The organization is considered to have played a highly creative and responsible role on behalf of its membership. In all respects, pilots at Pan American follow the constitutional organizational provisions and its general structure is not unlike a good many other American unions. The Qantas pilots' union, on the other hand, differs from the usual form of union organization in Australia.

The rules of the Australian International Pilots Association specify that, in order to be eligible for membership a person must be normally employed as a pilot by an Australian airline principally engaged in providing regular international public services. Furthermore, a person convicted by an Australian court of belonging to a treasonable or subversive organization is not permitted to be a member of the Association.

The union has seven classes of members - full members, managerial members, associated members, retired pilots, honorary members, unfinancial members, and agency clients. Firstly, a full member is a member who has paid his dues and levies; the annual dues is a maximum of 1% of a pilot's gross salary as at March 31st.

Secondly, a managerial member includes any pilot, employed in a management capacity, who requests managerial membership status. For subscription purposes, his gross salary includes allowances, which have been negotiated by the Association, for supervisory pilots. Managerial members are not permitted to hold any elective office or to vote on any matters.

Thirdly, an associated member is a person eligible to be a member but who is not presently on active flying duty on Australian international routes. His annual subscription is a maximum of $100 and his privileges of membership are restricted to social activities only. Fourthly, a retired pilot, for a fee of $10.00 can be provided with a membership card, to which no privileges of membership apply. Fifthly, Honorary membership may be granted to any member or other person who has rendered distinguished service to the Association or profession.
Sixthly, an unfinancial member is a person who is in financial arrears for more than two months. An unfinancial member's seniority bid rights can be suspended by the Committee of Management. If, after four months, the outstanding monies have not been paid, his membership lapses with a consequent loss in benefits.

Finally, agency client status may be conferred on a pilot either with conscientious objection to full membership, or who has been rejected for full membership. His dues are equivalent to that paid by a full member. An agency client is represented by the Association in contract negotiations, and is entitled to legal representation in the event of an aircraft accident, he is further entitled to automatic death benefits payable to dependents. However, an agency client cannot vote, attend meetings, hold office or receive Association publications.

While Association's rules permit flight engineers to be accepted as agency clients to date none have been admitted. Qantas flight engineers are represented industrially by the Flight Engineers Association of Australia, which is an industry-wide union comprising a total of some 400 flight engineers from the domestic airlines as well as Qantas. However, the President of the Association has recently mooted the possibility that AIPA's rules could be amended to permit flight engineers to become full members, thus paving the way for an amalgamation of the two organisations.

By contrast both Pan Am and JAL flight engineers are also qualified airline pilots designated as 2nd Officers and thus full members of their respective unions.

AIPA is a completely autonomous organization. It has no formal links with the Australian Federation of Air Pilots or any other union or trade union center in Australia. Nor does it have membership of the International Federation of Air Line Pilots' Associations.

Plowman et al. have noted that the 'classical' union typology - craft, industrial and general unions - oversimplifies the forms of union organization in Australia. Nevertheless, they have suggested that the typology does provide a useful starting-point for classifying the 500 or so Australian trade unions. Only a few Australian unions would qualify as genuine, traditional-type craft unions which, firstly, restrict membership to workers possessing certain trade skills acquired through an apprenticeship and, secondly, recruit members from whatever industry they may be employed in. Moreover, there are no true Australian industrial unions which organize all employees in a particular industry; but some unions, such as the Australian Meat Industry Employees Union, represent most of the employees in their industry. There are, however, a few general unions, such as the Australian Workers' Union, which organize workers regardless of skill, occupation or industry. Single enterprise unions exist in Australia but are rare. The Commonwealth Bank Officers Association is one such example.
The most common form of union in Australia is the occupational union. This type of union covers workers performing tasks in a single generic category, but its members possess varying levels of skill and training. An example of such a union is the Electrical Trades Union, which has widened its membership coverage from skilled tradesmen to semi-skilled and even unskilled workers.

The Qantas pilots union clearly is not an industrial or a general union. On the other hand, it possesses features of both a craft union and a Japanese-style enterprise union. It is therefore distinctly atypical of Australian unions generally. The Association is similar to a craft union in that it implicitly requires its members to have 'trade skills' as evidenced by the possession of a Government-awarded Senior Commercial Pilots License; without such license, a pilot cannot obtain employment with Qantas. Furthermore, the Association, in its first year in existence, has been able to achieve 100% membership.

But AIPA is more restrictive than a genuine craft union. The Association is a closed union in that it limits full membership to airline pilots only, and also excludes appropriately-qualified domestic airline pilots from its membership. AIPA is, on the other hand, a single enterprise-based union because only Qantas pilots are presently eligible to join; however, if another Australian international airline was created at some future time, its pilots would be able to become members of the Association under its current Rules. But, AIPA is not a true enterprise-wide union, because the Association's membership represents only a relatively tiny proportion of Qantas' 13,500 employees. It more nearly resembles the Flight Crew Union at Japan Air Lines than either another Australian union or Pan American - ALPA in the United States.

Dispute Settlement Procedures

While negotiated disputes settlement procedures at both Pan Am and Qantas are rather elaborate, JAL pilots, by contrast have no such "procedure" as such. Joint-consultation, submission of the dispute to the Central Labor Relations Commission or direct action are available.

As has been noted by Plowman et al., until recently there has generally been an absence of grievance machinery under Awards and Agreements in Australia. In contrast, a formal grievance procedure has been incorporated in Qantas pilots' contracts since the early 1950s.

The first Agreement between Qantas and a pilots' association was filed under the Conciliation and Arbitration Act 1904-1949 in early 1950. It made provision for the establishment of a Board of Reference consisting of two Company representatives, two Association representatives (not necessarily Qantas pilots), and an independent Chairman to be elected by the Board. In the event of disagreement on an independent Chairman, provision existed for the Board to be temporarily chaired by a person selected by the Commonwealth Arbitration Court. The Board's functions included: the settlement of disputes arising from the Agreement, the interpretation of the Agreement, and proposals for alterations in its provisions.
In the 1954 arbitration case, the Pilots' Association sought to obtain a new form of grievance procedure which would give a pilot the right of appeal to the General Manager of his airline. The Association also sought the introduction of a seniority system which would govern a pilot's promotion and equipment assignments. The Court refused to make Award provision for these claims. It commented: "The fact that clauses similar to those sought appear in agreements made between airlines in the United States and their pilots is not sufficient for including them in this award, a step which is neither necessary nor in the best interests of the industry".

It was not until 1967, with the introduction of the North American form of contract, that the Qantas pilots achieved major changes in the form and scope of grievance machinery. The 1967 arrangements form the basis of those contained in the present-day contract.

The existing Agreement provides for two main forms of grievance-handling: those relating to promotion and demotion, and those involving disciplinary and other problems, including scheduling problems. Each will be described.

Employment seniority must be used to determine the order of selection of pilots for promotion, transfer to bases and aircraft type, and redundancy. However, Qantas must assess the suitability of each pilot for promotion training or aircraft type transfer training. If the airline decides a pilot is unsuitable for such training, that pilot's case must be referred to a Pilot Assessment Committee. This Committee is comprised by three Company nominated members and three Senior Check Captains nominated by ALPA. Chairmanship of the Committee alternates between Company and Association representatives. In the event that the Committee is equally divided in its assessment, the pilot is considered to be approved for the relevant training program.

The grievance procedures governing disciplinary and non-disciplinary problems cannot be used for matters relating to: operational safety, a pilot's operating proficiency, negotiation of new contract, variation to an existing contract, or superannuation plan benefits. On the other hand, the machinery can be used for disputes arising out of the operation of the Agreement, including disputes over summary dismissal of a pilot; but its utilization is subject to the provisions of the Conciliation and Arbitration Act.

The guidelines relating to disciplinary matters lay down a three-step procedure to be followed. Step one permits the airline to withdraw a pilot from flying pending the outcome of preliminary inquiries into the incident. Step two enables a pilot to appeal against any proposed disciplinary action to the Director of Flight Operation. Step three entitles the pilot to appeal against the decision to a Board of Appeal, constituted by an independent Chairman and two other persons, one nominated by the Company and one by the appellant.
The guidelines governing non-disciplinary matters also outline three stages. The first entitles a pilot to notify his complaint to the relevant Supervisory Captain. Steps two and three are essentially the same as those for disciplinary matters. Decisions of the Board of Appeal are final. The fees and expenses of its Chairman must be met equally by the Company and the appellant.

These grievance procedures have been extensively used. Thus, between 1976 and 1977, twenty-eight grievances were processed; and, between 1978 and 1979, twenty-one were finalised. Issues resolved included; dismissal, sick pay, removal from pattern, personal accident insurance, non-payment of meal allowance, duty travel, and extension of retirement age (the official normal retiring age of Qantas pilots is 55).

In 1978, J. E. Isaac investigated the extent to which worker participation was provided for in awards of the Conciliation and Arbitration Commission. He found that there were few such examples, all of which had resulted from consent by the parties rather than from arbitration. Isaac concluded that airline pilots had penetrated management decisions perhaps further than any other group in Australia. He commented that the pilots had achieved this high level of participation as a result of negotiation inspired by North American practice. He added that the pilots' contracts also went beyond normal awards and registered agreements in Australia in providing a grievance procedure to deal with: dismissal, disciplinary matters, scheduling, denial of command training, change of accommodation, and accident investigation. Isaac also remarked that the pilots' Agreements were registered under the Federal Conciliation and Arbitration Act and were therefore legally enforceable.

Pan American pilots, typical of other US air carriers, have three distinct types of dispute settlement procedures. One deals only with discipline and dismissal cases another with grievances other than discipline or dismissals and the third establishes a System Board of Adjustment in accordance with the provisions of the Railway Labor Act which governs airline industrial relations rather than the National Labor Relations Act which applies to all other industries generally. The history of application of the Railway Labor Act to airline pilots is worthy of some discussion.

Against a backdrop of massive strikes and previous failed federal labor legislation in the railroad industry, in 1926 Congress passed the Railway Labor Act which was the first comprehensive union-management relations enactment covering employees in the private sector. In an effort to deal with strikes by preventing them, the Act was designed to provide a peaceful means by which employees could organize and bargain collectively and to permit a strike only after exhaustive procedures had been followed to attempt to resolve differences. The Act established the National Mediation Board to act largely in a "ministerial" function in overseeing the application of the Act. Generally, its duties were to conduct representation elections, to provide mediation services and mediators in contract negotiation and to decide when mediation will be of no further value.
In the early 1930s when the air line industry was in its infancy, private carriers were contracted by the Post Office to carry mail. No labor laws then covered the industry. The Air Line Pilots Association, then a fledgling organization, lobbied in Congress for coverage under the Railway Labor Act even though the Wagner Act (predecessor to the Labor-Management Relations Act of 1947) was being framed. Despite the passage of the Wagner Act in 1935, pilots continued to seek inclusion of airline employees under the RLA and in 1936 Congress amended the law to cover pilots. In language taken directly from the railroad industry, the law provides that crafts and classes under its coverage are "system" wide with the National Mediation Board determining the appropriate craft or class.

The details of the Act's provisions for determining an appropriate collective bargaining unit and agency are beyond the scope of this discussion. However, the Act also details procedures for mediating disputes whether over rights or interests. It calls for exhaustive, step-by-step procedures for the parties to follow in negotiations. The first step is direct negotiation between the parties and if an agreement is not reached, then the National Mediation Board may be requested by either party to provide a mediator, at which point the Board declares the case to be "in mediation".

If mediation does not produce an agreement, and the Board feels further efforts at mediation will be of no avail, it has the statutory authority to notify both parties that it is closing mediation and offering both parties a proffer of arbitration under Section 7 of the Act to resolve outstanding differences in this final and binding forum. The obligation to accept is optional, and if either side rejects this proffer, the parties are notified by the Board that it is closing its files on the case.

Thirty days thereafter, the parties are, for the first time free to exercise their economic freedom - the union by a strike and management by a lock-out or promulgation of rules it sought to have changed or other reasonable promulgation necessary to keep the airline running. If a dispute threatens to interrupt interstate commerce to a degree such as to deprive any section of the country of essential transportation, in the opinion of the President, the President may appoint an "emergency board" to investigate the dispute. Generally, this action stays the use of economic power by either party for 60 days. The negotiation process is long and drawn out, sometimes lasting for more than a year, and the intent of the statute—to avoid interruptions to interstate commerce—is paramount in this scheme. Also, under the statutory provisions of the RLA, agreements continue in effect in perpetuity, notwithstanding an expiration date, under the status-quo ante, and are changed only when the parties may ultimately agree to changes.
Since it is typical for contracts in the airline industry to remain in effect for three years unless there is mutual agreement to re-open during the interim or to extend, the grievance procedure remains available as is the "System Board of Adjustment" which is provided in the Act and which was adopted in principle and procedure from the railroad industry. These "system boards" have been found by courts to have exclusive jurisdiction over discipline and discharge cases as well as contracts and any courts of any jurisdiction are without statutory authority to consider the merits of such cases. There do exist, however, narrow grounds for review or remand of final decisions of system boards by Federal District Courts, subject to appeal to higher Federal courts. Employees are forbidden by the statute, as interpreted by the courts, from striking over so-called "minor disputes," defined by the courts as a dispute over the meaning, application or interpretation of existing contracts, while a "major dispute" is a dispute over the negotiation of a new contract, working conditions or rates of pay. The only time an employee or employee organization may lawfully strike is when the processes for the settlement of "major disputes" are exhausted without success. Not since 1965 have the pilots at Pan American had a dispute which resulted in a strike impasse and in the past decade they have had not more than a half-dozen referrals to their "System Board of Adjustment", all of which were resolved successfully in arbitration.

The JAL situation stands in sharp contrast to both Pan Am and Qantas on the matter of dispute settlement procedures and processes. "Grievance procedures" as known in the USA or Australia, are unknown in Japan. Instead, some form of labour-management consultation or strike action is used to resolve disputes at the enterprise level. And, contrary to popular belief in the West, the number of man-days lost by strikes is significantly high by international comparisons.

The JAL Flight Crew Union participates in the Management-Labour Joint Consultation system according to their collective bargaining contract with the company. The contract provides that meetings shall be held at least once every three months. The meeting is to function as a channel of communication between the company and the union on such matters as (a) the long-range policy for profit distribution, (b) measures that might be taken to increase pilot productivity, (c) improvement of working conditions, (d) safety and hygiene, (3) welfare and other such benefits and (f) any other items which both sides agree to be dealt with by this body. However, as is usually the case with such systems in Japan, there is no clear cut division between joint consultation and collective bargaining. It is especially true in the case of the JAL and the Flight Crew Union where such issues as flight safety and personnel problems are included on meeting agendas, especially during the "struggle seasons" with the right to strike already established.
Issues in dispute during the 1980 "Spring Struggle" included the following: (a) cuts in per diem allowance while away from base, (b) change of definition of duty pay, (c) reduction of routes resulting in cuts in over-night stops which in turn extended night flight duty time, (d) "stand-by" or "duty time" pay, as distinct from "flight pay", entirely eliminated, (d) changes in payment of night allowances, an issue that the union claimed was a violation of the national Labour Standards Law, (f) conflict over membership jurisdiction between the Flight Crew Union and the All-JAL Labour Union (non-pilots) over flight trainees as union members with the company holding that they should not be members of Flight Crew Union, (g) pay for "dead-heading", (h) seat assignment while "deadheading" (i) the quality of ground transportation from Narita International Airport into Tokyo and similar issues. Also, a major and continuing issue brought before the Central Labor Relations Commission was the Flight Crew Union allegation that the company continually discriminates against members of that union on a wide range of working condition matters in favor of the members of the Captains' Association.

A large number of issues involving conditions of employment, including safety, were raised in joint-consultation meetings in 1978, 1979 and 1980 with the vast majority having been either deferred by the company or denied. The result is that the Flight Crew Union often resorts to short strikes, especially during the "struggle periods", to gain its end. These direct actions, mostly lasting hardly more than an hour but some lasting a day or two, are very disruptive since they effect departure times of international flights and as a result disrupt schedules and facilities even thousands of miles away from Japan. The union takes the position that the procedures available at the Central Labour Relations Commission, for mediation, conciliation and even arbitration, can be so drawn-out as to be useless to them (cases may take as long as ten years and even more to resolve as they wend their way through the local Labor Relations Commission to the Central Commission and then even through the courts. Indeed, it can be said that so-called "piston strikes" are the most common means for dispute settlement. Clearly, in this regard, the Japanese situation is very different from either Qantas or Pan Am.

Summary and Conclusions

This paper examined selected basic aspects of industrial relations in the same industry within the cross-national context of three industrial relations systems. Specifically, we sought to test the general proposition that common advanced technologies similarly deployed in countries characterized by differing cultures, histories and industrial relations systems, will tend to generate similar outcomes cross-nationally. The industry studied was commercial airlines operating identical aircraft in Australia, Japan and the United States. We concluded that the evidence displays substantial support for the general proposition and therefore for the "convergence theory" ideas developed by Kerr, Dunlop et al.
While starting from very different vantage points and within very different normative national industrial relations systems, on the issues of pay and other monetary rewards, work requirements and union structures pilots of B-747s in all three countries have fashioned outcomes which are far more alike cross-nationally than pay systems which generally characterize employees in other occupations and industries in the same national context. In all cases, commercial airline pilots have, in effect, become partners with their employers in sharing the benefits of increased productivity of the larger and faster aircraft they fly. In all three cases the basis of wage payment is essentially the same though different from workers employed in other occupations. While the total pay and benefits differ among the three in constant dollars, the relative contribution of each basic element is approximately the same. In all cases, length of employment with the same company rather than longevity in the occupation constitutes a basic pay element. Similarly, distance flown as represented by hours in the air at a fixed speed represents another basic element. A third basic element in all cases is represented by the revenue generating capability of the aircraft in the form of its gross take-off weight. While these elements constitute separate and distinct increments in the Pan American case, they are combined into an "aircraft group" or category in Japan and Australia. But in all cases the scheme rewards pilots directly for the productivity of the airplane. While this system first appeared among pilots in the United States it has been adopted widely elsewhere and specifically in Australia and Japan.

Another major aspect of convergence occurs with the structure or "morphology" of pilots unions. In all cases they are composed of pilots alone to the exclusion of all other types of workers employed by an airline. The occupation of navigator has been eliminated by advanced technology in all B-747 flight crews as has the distinctive occupation of flight engineers who at Pan Am and JAL have been retrained with pilot skills and licenses. And especially in the Japan case is the Flight Crew Union an occupational craft union, an almost singular exception to the enterprise-wide unions characteristic of Japanese industrial relations. Further, whatever may be the affiliations of the pilots unions in all three cases, they bargain with a single employer for terms and conditions of employment for a single occupational group. While in Japan Captains are now separate from other cockpit crew, this has not always been the case and there is strong evidence that they may be again rejoining the others.

There are two significant differences between the JAL pilots union and both Pan Am and Qantas: dispute settlement procedures and pilots participation in the assignment of work schedules. While all three systems emphasize the use of mediation, conciliation and even arbitration, these are required by law in Austria and the USA before direct action is legally available. However, while joint-consultation, and conciliation are the norms in Japan, the JAL Flight Crew Union is legally permitted to strike at any time and frequently does so as a basic aspect of collective bargaining, a practice which almost never occurs at Qantas or Pan Am. Further, both Qantas and Pan Am pilots have a negotiated
"grievance procedure" and/or another mechanism required by law. JAL pilots have neither such legal nor contractual requirement for dispute resolution and strikes are a frequent occurrence.

Finally, while both Pan American pilots and more recently Qantas participate directly in work scheduling and the assignment of flight duties, this is not the case at JAL. In the words of a senior JAL officer, "...in Japan the Company owns the flight time and assigns it to the pilot." However, in the other cases, the pilots come to "own" their flight time through a bidding system derived from practices on American railroads long before the development of the airline industry. A pilot who successfully "bids" for a specific line or pattern of flight comes to "hold" that pattern until he voluntary relinquishes it or is found to be disqualified by virtue of incompetence, technical or medical. The line or pattern of flight becomes, in a real sense, the "property" of the "pattern holder". While this question has from time to time been raised among members of the JAL Flight Crew Union, they have not pushed for this system. Nor have the JAL captains in their own Captains Association. It may be assumed that this organizational split has not contributed to unified action on the part of the JAL pilots and that this may be altered with the re-unification of all JAL flight crew members into a single pilots union.

It is our conclusion that common technology has had a very significant effect in producing similar institutional forms and union-management relationships which, in turn have yielded substantial commonalities across national boundaries and different national industrial relations systems. Indeed, it may be said that pilots flying modern "jumbo jets" along international routes may constitute a prototype wherever workers in different countries with identical occupations employed in industries characterized by the same technologies may be found and where they come into regular and frequent contact with each other.
FOOTNOTES


6. These ideas are also associated with "post-industrial society" theorists who argue that modern automated technologies revolutionize the nature of work in industrial society and erode traditional class structures based on occupational distinctions. One result would be the homogenization of social classes and the "embourgeoisement" of the new working class. While the research reported here does not at all test this theory, it is related to the same central theme - the overwhelming influence of technology. For a critical summary of "post-industrial society" thought, see Paul Blumberg, Inequality in An Age of Decline (New York: Oxford University Press, 1980).


10. Detailed accounts of these events are given by Baitsell, op. cit., pp. 57-110, and by Mark L. Kahn in H. Levinson, et. al., Collective Bargaining and Technological Change in American Transportation, (Evanston, IL., The Transportation Center at Northwestern University), 1971.
11. Baitsell, ibid, p. 79.


