

HUMAN RESOURCE MANAGEMENT – LECTURE 13

CHAPTER 13 – WORKING EFFECTIVELY WITH LABOR

LESSON 13

How Can Good Labor Relations Make an Organization Effective?

An individual employee and a huge corporation have the most typical job relationship. Obviously, the vast corporation has significantly more resources and authority than a single employee. This imbalance of power has at times led to abuses throughout history. Sometimes, employees with no other employment options have been compelled to accept dangerous, low-paying labor. Unfairly, abusive managers have reprimanded employees. In order to obtain more influence, workers have frequently formed labor unions.

A labor union is an association of workers who collaborate to improve their employment conditions. The interactions between employers and labor unions are known as labor relations. In the majority of businesses, employees are not organized into labor unions. Nonetheless, the prospect that employees would form unions renders good labor relations an indispensable component of nearly all business operations.

How Are Labor Relations Strategic?

The basic purpose of unions is to provide employment stability and longevity. Most of the time, a strong labor union makes it harder for an organization to fire employees. Unions also encourage employers to give training and enhance employees' specialized skills. When employees leave an organization for a competitor, the investment made in training is lost. Unions typically resist workers taking on more responsibilities if they do not believe that their jobs are secure and long-term. Thus, unions are more suitable with firms seeking to establish long-term connections with employees.

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Another key purpose of unions is to ensure that all workers receive equitable salaries and benefits. This strategy eliminates wage disparities between workers with varying degrees of skill. Thus, the difference between high- and low-performing employees is narrower in unionized businesses than in non-unionized organizations. Additionally, organizations with labor unions typically offer more generous benefits to a larger number of employees. In short, unions have the effect of promoting worker equality. This indicates that labor unions are most compatible with human resource policies that aim to foster worker solidarity and reduce performance disparities.

How Has Organized Labor Evolved over Time?

Similar efforts to collaborate and improve working conditions frequently result in the formation of a labor union in the workplace. The emergence of labor unions in the United States is a recent phenomenon. Until the early 1900s, courts saw employment ties as private contracts between an employer and an individual worker. Unfortunately, many huge businesses took advantage of this relationship by forcing people to work long hours in hazardous conditions for low pay. The federal government responded with legislation and regulations that profoundly influenced the evolution of organized labor in the United States as labor unions gradually established and gained strength.

The Influence of Government Regulations

The Railway Labor Act (RLA), passed in 1926, is an early federal statute concerning labor unions. The RLA governed relations between railroads and labor unions and continues to govern labor relations in the aviation and railroad industries. The RLA was the first in a succession of labor union recognition and regulation laws. The Wagner Act, the Taft-Hartley Act, and the Landrum-Griffin Act are the primary pieces of legislation in this series, which are known by the names of the legislators who sponsored them.

Wagner Act

The Wagner Act, often known as the National Labor Relations Act, is the most important piece of legislation pertaining to unions. This federal statute was enacted in 1935 amidst controversy over union activities that occasionally erupted into physical violence. Union organizers attempted to persuade employees to join unions, but management resisted these efforts vehemently. Congress took an active role in the labor discussion by passing the Wagner Act, whose primary objective is to guarantee that employees have the right to join labor organizations.

Unfair labor practices are prohibited by the Wagner Act. In Table 13.1 are detailed some of the most commonly noticed unfair practices. Employees who participate in union activities cannot be penalized by their employers. Additionally, business groups are forbidden from controlling unions or illegally helping them. This rule forbids management from assisting in the formation of a weak union that may be easily coerced into agreeing with management demands. When the business organization actively participates in creating the union or financially supports the union, dominance is presumed.

Table 13.1	<i>Unfair Labor Practices for Management</i>
Threatening employees with loss of jobs or benefits if they join a union	
Threatening to close a plant if a union is organized	
Questioning employees about union activities or membership	
Spying on union gatherings	
Granting wage increases deliberately timed to discourage employees from forming a union	

Source: Stewart, G.L., & Brown K.G., 2nd Edition (2015). Human Resource Management Linking Strategy to Practice. pp – 501

Taft-Hartley Act

After the Wagner Act was passed into law, labor unions grew rapidly. However, many business organizations believed that the Wagner Act had given unions an excessive amount of power. The Taft-Hartley Act, officially titled the Labor-Management Relations Act, was passed in 1947. By establishing a list of unfair labor practices for unions, Taft-Hartley returned authority to management interests. Table 13.2 contains a sampling of these activities.

Table 13.2	<i>Unfair Labor Practices for Labor Unions</i>
<p>Mass picketing in numbers that physically bar others from entering the plant</p> <p>Threatening bodily injury to other employees</p> <p>Threatening that employees will lose their jobs unless they support the union</p> <p>Entering a contract with an employer when a majority of employees have not chosen the union</p> <p>Fining or expelling members for filing unfair labor charges with the NLRB</p>	

Source: Stewart, G.L., & Brown K.G., 2nd Edition (2015). Human Resource Management Linking Strategy to Practice. pp – 501

As illustrated in Figure 13.2, 22 states currently have right-to-work legislation.³² It goes without saying that unions oppose right-to-work laws. They contend that unions provide several benefits for workers and that nonunion workers who enjoy these benefits without paying are "riding free."

Landrum-Griffin Act

As labor unions continued to expand and acquire influence, certain unions experienced a rise in unscrupulous leadership. Union leaders abused their authority in unethical ways, denying union members fundamental rights such as the opportunity to elect union representatives. 1959 saw the passage of the Landrum-Griffin Act, often known as the Labor-Management Reporting and Disclosure Act. This statute controls the internal operations of unions and safeguards union members from abuse by corrupt officials.

How Do Workers Become Part of a Union?

Union Organizing Campaigns

The Wagner Act created processes for organizing workers into labor unions, and the National Labor Relations Board supervises such activities. This legislation legitimized unions and established a means for the government to monitor the fairness of union organizing efforts. The standard approach for founding a labor union begins with a campaign to ascertain whether enough employees are interested in forming a union. If they do, an election is held to determine if a majority of employees support the union.

Authorization Card Campaign

The initial step in creating a union is to demonstrate that enough employees are interested in joining. Employees sign authorization papers indicating their desire to hold a secret-ballot election to determine whether or not a union will be formed. Signature sheets may be substituted for cards. An employee's signature on an authorization card or sheet does not necessarily indicate support for the union. The employee's signature just indicates support for having an election. Despite this, the significance of the card drive is the primary focus of numerous proposed reforms to the union certification procedure.

Representation Petition

In the majority of instances, union organizers do not file the petition until they have collected signatures from at least fifty percent of eligible workers. They do this in the hopes that a strong showing of support will persuade the business group to recognize the union without holding an election.

What constitutes a bargaining unit is a crucial factor in petitions for representation. A bargaining unit is two or more employees who share a "community of interest" and can be fairly brought together for collective bargaining purposes. Examining job descriptions is a common method for determining the suitability of a bargaining unit.

Certification Election

Typically, elections are place within 50 days of the filing of petitions. Supervisors and managers are ineligible to vote in union elections. Additionally, security guards are not permitted to vote unless the election is for a union that would only represent security guards as a negotiating unit.

Union Certification

Either management or the union can protest to an election within seven days. Objections concern charges of unfair labor practices perpetrated by the opposing party in an attempt to exert undue influence over employees. For instance, a union could be accused of physically harassing voters, whereas management could be accused of threatening to close a plant if the union wins the election.

Decertification Campaigns

The Taft-Hartley Act provides employees with criteria for ending their union membership. A decertification election is a vote to decertify a union. In general, the procedures are comparable to those for union certification. Individuals wishing to dissolve the union must collect signatures from at least 30 percent of bargaining unit employees.

Factors Influencing Union Campaigns

The majority of employers would prefer not to hold elections in the first place. What steps can companies take to reduce the likelihood that employees will support first unionization efforts? Employees are most inclined to favor unionization when they feel powerless due to management's activities. Together with incompetent management, policies that lack respect for employees typically result in union organizing campaigns. Consequently, organizations can lower the likelihood of a union election by implementing human resource procedures that treat employees properly.

What Happens During Labor Negotiations and Collective Bargaining?

Once a union has been recognized to represent a group of employees, the next stage is to negotiate a contract that outlines the terms of the organization's relationship with the workers. Collective bargaining refers to the often-difficult process of negotiating a work contract. Professional sports are among the most prominent examples of collective bargaining failures.

Bargaining Topics

Mandatory bargaining topics. Issues that must be covered as part of collective bargaining, such as wages, hours, and working conditions. Hours and working conditions are mandatory topics of bargaining as well. Holidays, vacation time, and shifts are included in the discussion of hours. Conditions of employment include safety regulations, promotions, layoffs, and grievance procedures.

Management and a labor union may elect to address matters unrelated to salary, hours, and working conditions. Permissive bargaining themes are issues that parties may, but are not required to, discuss. Participation of union members in strategic planning, for example, could be a subject of negotiation. Additionally, the union may desire to negotiate the right to have one of its representatives serve on the board of directors of the corporation. The "Technology in HR" section demonstrates how the introduction of computerized systems became a permissible negotiating topic during discussions with the International Longshore and Warehouse Union. Several topics are off-limits throughout the bargaining process. These unlawful bargaining themes include plans to discriminate against employees on the basis of ethnicity and gender, among other criteria. It is also against the law for unions and management to negotiate the formation of a closed shop, which would oblige the company to hire exclusively union members.

Work Stoppages

Usually, inability to achieve an agreement leads to a work halt. Either the employer or the union may call for a work stoppage. In the first scenario, the halt of work is a lockout, whereas in the second, it is a strike.

Lockouts

When an employer suspends operations during a labor dispute, this is known as a lockout. Union members are barred from working and are not compensated. A lockout can be disastrous for a company that is unable to discover and hire non-union staff. Additionally, a lockout causes financial hardship for employees who are not paid.

Strikes

When union members collectively refuse to perform their duties, a strike ensues. Action involving union. As a result of a labor disagreement, members refuse to execute their assigned tasks.

The most disruptive union action to an organization is a strike. Without employees, a business cannot generate goods or services. Obviously, a strike is most effective when the task cannot be performed by managers or replacement workers. A number of extra actions may be taken by striking workers to exert pressure on the corporation to accept their terms. Workers on strike frequently establish picket lines to indicate their discontent with the employer. In rare instances, other union members refuse to cross a picket line. Thus, a company with striking employees may have trouble receiving and shipping goods, as transportation workers may refuse to cross the picket line to pick up goods or make deliveries in support of the striking employees. A boycott occurs when striking employees push consumers or other businesses not to purchase the company's goods or services. A strike can cause challenges for both employees and employers. Workers on strike are not paid, which can obviously cause financial hardships. Most unions therefore set aside a portion of their dues to create a strike fund that may be used to cover the living expenses of striking workers.

Distributive issues include locations where awards and benefits must be shared. For instance, the distribution of current profits between employees and owners is a distributive issue. Distributional challenges in labor negotiations entail competing interests. Typically, one party's gains come at the price of the other.

Integrative issues, on the other hand, can result in mutual advantages, thereby raising the total level of rewards and benefits for all parties involved. Improving employee safety, for example, can result in greater advantages for management and employees alike. Adopting new methods of work to boost efficiency might also increase the total amount various benefits, which benefit both management and employees. Clearly distinguishing distributive issues from integrative issues enables negotiators to tailor their negotiation tactics to the nature of the issue, which can lessen friction and stress.

What Is the Grievance Process?

Employees can register a grievance if they believe they have been disciplined unfairly or if they believe management has violated another term of the labor contract. A grievance is a disagreement between an employer and employee regarding the terms of the employment contract. Grievance processes are clearly outlined in the written contract that is negotiated and ratified during collective bargaining when workers are represented by a union.

Grievance Procedures

Typically, grievance procedures involve multiple steps. The number of steps and tasks associated with each step varies from organization to organization. In general, though, informal consultations are followed by official mediation. Typically, the grievance procedure begins when an employee who believes he or she has been treated unfairly complains to a supervisor. In some instances, the initial complaint is submitted in writing, but in most cases, the supervisor is informed of the issue through a vocal remark. The majority of complaints are resolved at this level.

If the grievance is not resolved at the initial level, the employee proceeds to a further step involving more individuals. The employee frequently receives assistance at this stage from the union steward, a representative of the union that advocates for employees. Many unions also have a grievance committee and national representatives who intervene in problematic situations. On the management side of the grievance procedure, further procedures typically include higher-level

organizational executives. Managers of departments or divisions listen to appeals, and human resource representatives frequently provide support.

Arbitration, a sort of judicial proceeding, is the ultimate step in the majority of grievance procedures. Although arbitration is not conducted in a courtroom, the procedure closely resembles court procedures. Management and union representatives give data and arguments to support their respective positions, much like attorneys. An arbitrator, a neutral third party with a role comparable to that of a judge, hears the arguments. After hearing both sides' arguments, the arbitrator typically renders a binding decision. Approximately 2% of all complaints reach the arbitration stage.

Determinants of Grievance Filing

Several factors determine whether or not employees file grievances. The features of the individual employee are a factor. As expected, those who file grievances have greater absence and insurance claim rates. Additionally, younger, male, educated, and skilled workers are more likely to register complaints. Rates of filing grievances are also affected by the characteristics of the work environment. When supervisors stress production rather than friendly relationships, the number of complaints increases. Additionally, supervisors' perceived impartiality has an impact. Organizations with equitable procedures have a lower rate of complaints. Therefore, training that teaches supervisors how to administer discipline fairly and consistently helps reduce grievance rates. Union characteristics are the last factor that affects the filing of grievances. Unions typically initiate grievances that define the duties associated with specific jobs. For instance, an employee may register a grievance if he or she is requested to perform duties outside the scope of his or her employment.

Grievance Mediation

Numerous businesses have incorporated mediation into their grievance procedures. When mediation is included in the process, it precedes arbitration. Mediation is comparable to interest-based negotiating in certain ways. In the majority of organizations, mediation involves a neutral

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third party — a mediator — who assists the parties in reaching a mutually beneficial conclusion. This method is less formal than arbitration. There are no witnesses or cross-examination, and the mediator does not issue a binding ruling. If the parties are unable to resolve the dispute with the mediator's assistance, the matter is referred to arbitration. There is evidence that mediation has lasting advantages. Most organizations view mediation as a successful method for resolving conflicts such as complaints. 86 Mediation often reduces conflict, and managers, union leaders, and employees learn effective strategies for resolving disagreements, making future conflicts simpler to resolve.

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True or False

1. Many non-union workers receive no benefit from union efforts.
2. Additionally, the threat of unionization encourages many employers to treat their employees decently so that they will not vote to join a union.
3. The Wagner Act, which was passed in 1935, granted employees the ability to form unions.
4. Collecting bargaining happens when a union representing employees negotiates with the government the conditions of the labor contract.
5. Collective bargaining is less effective when a climate of trust exists between management and workers plus the union.
6. Workers represented by unions typically earn more than those not represented by unions.
7. Organizations with unionized personnel spend less on equipment and other capital expenditures research.
8. Trends indicate that less and fewer American workers are represented by labor unions.
9. The threat of closing the plant is an effective deterrent against employees voting to join a union.
10. Effective negotiations are those in which the focus of both sides is on cooperation rather than competition only in their own self-interest

Answer Key

1. False
2. True
3. True
4. False
5. False
6. True
7. True
8. True
9. False
10. True

Identification

1. In labor relations, mediation is sometimes available as part of the grievance resolution procedure.
2. Arbitration is a process in which a neutral third-party issues a binding decision to resolve a disagreement; in the context of labor relations, arbitration is typically the final stage in the grievance procedure.
3. A union representative who acts as an advocate for workers.
4. A complaint filed by an employee who believes the organization has treated him or her unfairly.
5. The resolution of issues, such as the distribution of rewards and benefits, that delivers value to one side at the expense of the other.

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6. Concerns, such as the enhancement of safety, whose settlement can increase the value for both parties.
7. The organized refusal of consumers to purchase goods or services from a company; unions participating in labor disputes may promote boycotts of the corporations involved in the disputes.
8. As a result of a labor dispute, an action in which an employer closes a workplace or otherwise stops union members from working.
9. A labor dispute-related action in which union members refuse to perform their work tasks.
10. The procedure whereby labor unions and businesses draft contracts outlining the terms and circumstances of union members' employment.

Answer Key

1. Mediation
2. Arbitration
3. Union Steward
4. Grievances
5. Distributive Issues
6. Integrative Issues
7. Boycott
8. Lockout
9. Strike
10. Collective Bargaining