

Human Resource Management

Chapter 13

Working Effectively with Labor

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Learning Objectives

- After reading this chapter you should be able to:
 - Explain how unions and organized labor fit with human resource strategies.
 - Describe the history of organized labor in the United States, and explain how current trends are affecting labor unions.
 - Explain the steps that are involved in organizing a labor union, and describe managerial actions that are appropriate responses to unionization efforts.
 - Describe the collective bargaining process.
 - Explain the employee grievance process.

How Can Good Labor Relations Make an Organization Effective?

What is a labor union?

- A **labor union** is an organization representing the collective interests of workers.
- The interaction between the organization and the labor union is called **labor relations**.

HOW ARE LABOR RELATIONS STRATEGIC?

- Organizations gain from union relations when the overall objective is a long-term relationship with a stable workforce.
- Primary objective of unions is to provide employment security and long-term employment.
- Unions also encourage organizations to provide training and better develop the specific skills of employees.

Figure 13.1 Human Resource Strategy and Labor Unions



Source: Stewart, G.L., & Brown K.G., 2nd Edition (2015). *Human Resource Management Linking Strategy to Practice*. pp – 497

HOW HAS ORGANIZED LABOR EVOLVED OVER TIME?

- Until the early 1900s, the court system generally saw employment relationships as private agreements between an employer and an individual laborer.
- The first federal law related to labor unions is the **Railway Labor Act (RLA)**, passed in 1926.
- The RLA regulated relationships between railroads and unions and still regulates labor relations in the railroad and later the airlines industry.

The United States Labor Code

- The first piece of legislation in the Labor Code is the **Wagner Act**, actually titled the National Labor Relations Act.
- This federal law was passed in 1935 against a background of conflict over union activities that sometimes escalated to physical violence.
- The Wagner Act specifically gives employees the right to form and join unions and to assist unions in recruiting members and is seen primarily as pro-union legislation.

Unfair Labor Practices-Management

- The Wagner Act prohibits management from engaging in a number of specific actions, which were identified as Unfair Labor Practices. Such as:
 - 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

Unfair labor practices-management

Table 13.1

Unfair Labor Practices for Management

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

National Labor Relations Board

- The Wagner Act created the **National Labor Relations Board (NLRB)**, which enforces the Wagner Act.
- The board now consists of five members who are appointed by the president of the United States, subject to Senate approval, to serve five-year terms.
- The president also appoints a General Counsel who serves as a prosecutor, and the NLRB serves as the judge.

NLRB

- Serves two purposes:
 - The first is to organize and oversee employee elections that determine whether a union will be formed in a particular workplace.
 - The second is to investigate allegations of unfair labor practices and to provide remedies, if necessary.
- Currently, 33 regional offices located in major cities across the country carry out the work of the NLRB and the General Counsel.

Taft-Hartley Act

- The **Taft-Hartley Act**, formally known as the Labor-Management Relations Act, was passed in 1947.
- Taft-Hartley shifted power back toward management interests by creating a list of unfair labor practices for unions.
- The act prohibits labor unions from coercing employees to join and requires unions, like management, to bargain in good faith

Unfair Labor Practices-Unions

- The following practices were made illegal by Taft-Hartley:
 - Mass picketing in numbers that physically bar others from entering the plant
 - Threatening bodily injury to other employees
 - Threatening that employees will lose their jobs unless they support the union
 - Entering a contract with an employer when a majority of employees have not chosen the union
 - Fining or expelling members for filing unfair labor charges with the NLRB

Unfair labor practices-unions

Table 13.2

Unfair Labor Practices for Labor Unions

Mass picketing in numbers that physically bar others from entering the plant

Threatening bodily injury to other employees

Threatening that employees will lose their jobs unless they support the union

Entering a contract with an employer when a majority of employees have not chosen the union

Fining or expelling members for filing unfair labor charges with the NLRB

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

Taft-Hartley

- The Taft-Hartley Act makes the following union practices illegal.
 - **Secondary boycott**, which occurs when a labor union pressures other businesses to stop purchasing goods and services from a business with which the union has a dispute.
 - **Featherbedding** – A practice in which a union requires a company to pay employees wages for work that is not performed.

Taft-Hartley

- Specifically made closed shops illegal.
 - A **closed shop** hires only individuals who are members of a particular labor union.
- Other important labor distinctions:
 - A **union shop** does not require union membership as a condition of hiring but does require employees to join the union once they are on the job.
 - An **agency shop** does not require employees to join the union but requires them to pay service fees to the union.
 - An **open shop** does not require employees to have any relationship with the union.

Right-To-Work Laws

- Taft-Hartley provided states with the authority to enact **right-to-work laws**.
 - Which allow open-shop arrangements where employees are not required to join or contribute to a union.
- Unions are not in favor of right-to-work laws.
 - They argue that unions provide many benefits for employees and that nonunion employees who receive these benefits without paying are getting a “free ride.”

Landrum-Griffin Act

- The **Landrum-Griffin Act**, formally known as the Labor-Management Reporting and Disclosure Act, was passed in 1959.
- This act regulates the internal workings of unions and protects union members from abuse by corrupt leaders.

Landrum-Griffin Act

- A major part of the Landrum-Griffin Act is a bill of rights for union members. These rights include the following:
 - All members must have equal rights to nominate and vote for union leaders.
 - The union can only impose fees through democratic procedures.
 - All members must have the right to participate in union meetings.
 - Union members who feel that their individual rights are being violated by the union must first try to resolve their complaints by working with the union. However, individuals who are unsatisfied with a union's responses to their claims can eventually bring lawsuits against the union.

Landrum-Griffin Act

- The Landrum-Griffin Act also requires unions to report on several aspects of their inner workings.
 - Unions must file copies of their constitutions and bylaws, for example, and must report their financial activities to the Department of Labor.
 - The act also makes it clear that union funds can be used only for the benefit of the union and not for the benefit of individual leaders.

Union Membership

- Union membership in the United States has been decreasing steadily since the 1950s.
- Currently 12 percent of U.S. workers are currently organized into unions.
- Representation is significantly higher in the public sector, with almost 40 percent of the workforce organized into labor unions.
- The role of unions in some countries is very different from the role of unions in the United States.
 - U.S. unions focus on bread-and-butter issues, such as wages, hours and working conditions.
 - Unions in many European countries focus more on political activism. Union growth is currently highest in countries, such as Sweden, that focus on both economic issues and political activism.

Figure 13.3 Union Membership in the United States 1950-2005.

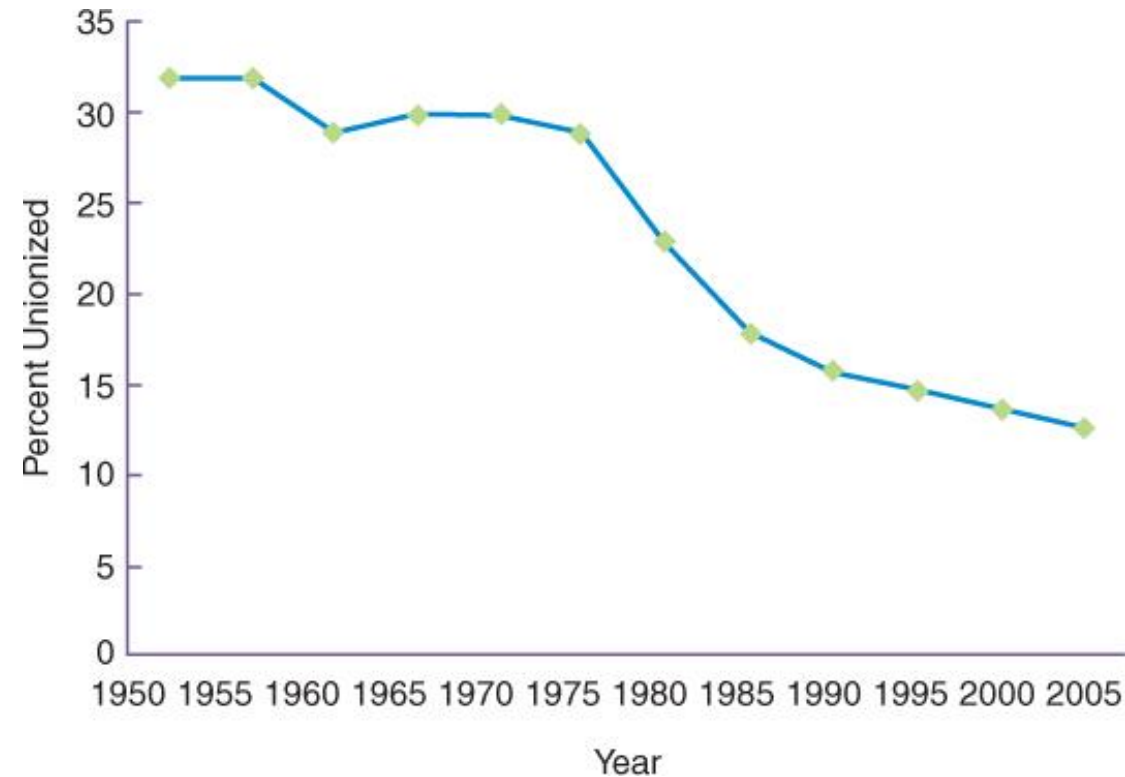


Figure 13.3 Union Membership in the United States 1950–2010. *Sources:* Information from Labor Research Association, accessed online at <http://workinglife.org/wiki/index.php?page=Union+Membership%3A+Overall+%281948-2004%29>; Kris Maher, “U.S. News: Unions See Members Fall by 10%,” *Wall Street Journal*, January 23, 2010, p. A3.

Source: Stewart, G.L., & Brown K.G., 2nd Edition (2015). *Human Resource Management Linking Strategy to Practice*. pp – 504

Figure 13.4 Union Membership in U.S. Public and Private Sectors, 1950-2005.

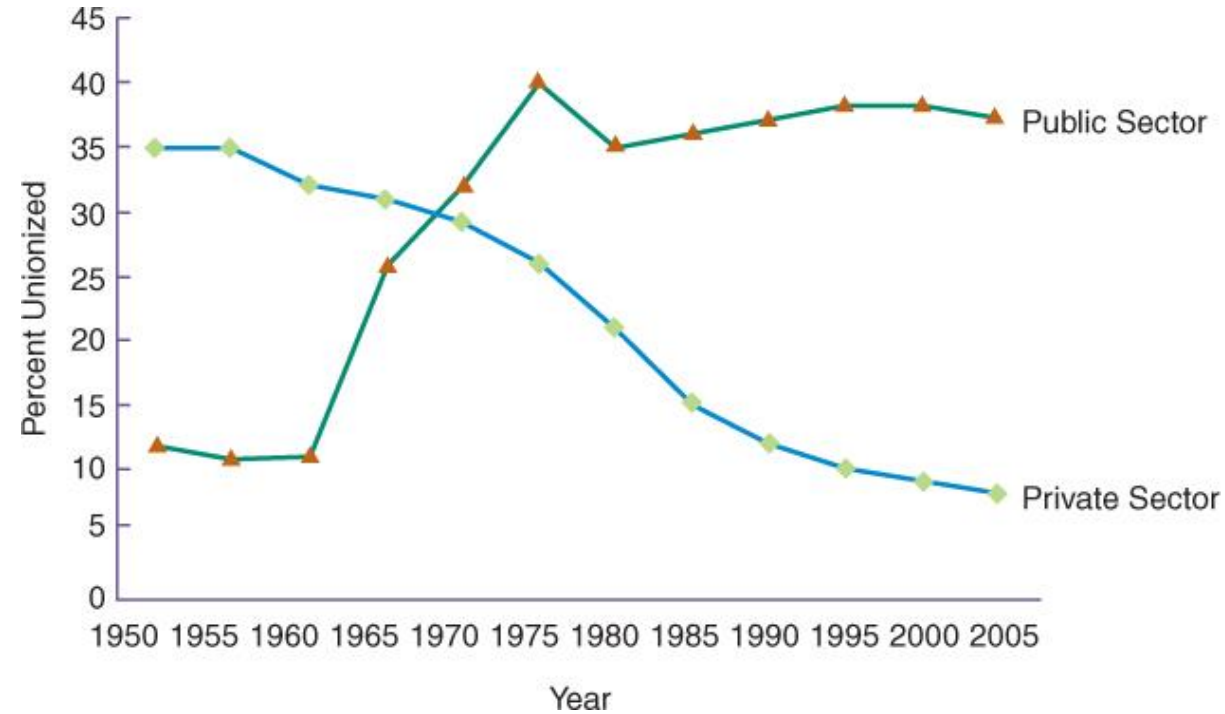


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Work Force in Labor Unions

Table 13.3		<i>Unions Around the World</i>	
Country	Percent Unionized	Percent Change Since 1970	
United States	12	-11	
Canada	28	-7	
Australia	23	-27	
New Zealand	22	-33	
Japan	20	-15	
Korea	11	-2	
Germany	23	-10	
France	8	-13	
Italy	34	-3	
United Kingdom	29	-16	
Ireland	35	-18	
Finland	74	+23	
Sweden	78	+10	
Norway	53	-4	
Denmark	70	+10	
Netherlands	22	-14	
Belgium	55	+13	
Spain	16	+3	
Switzerland	18	-11	
Austria	35	-27	

Source: From Jelle Visser, "Union Membership Statistics in 24 Countries," *Monthly Labor Review*, January 2006.

Source: Stewart, G.L., & Brown K.G., 2nd Edition (2015). *Human Resource Management Linking Strategy to Practice*. pp – 507

Figure 13.5 Points of Emphasis for Unions.

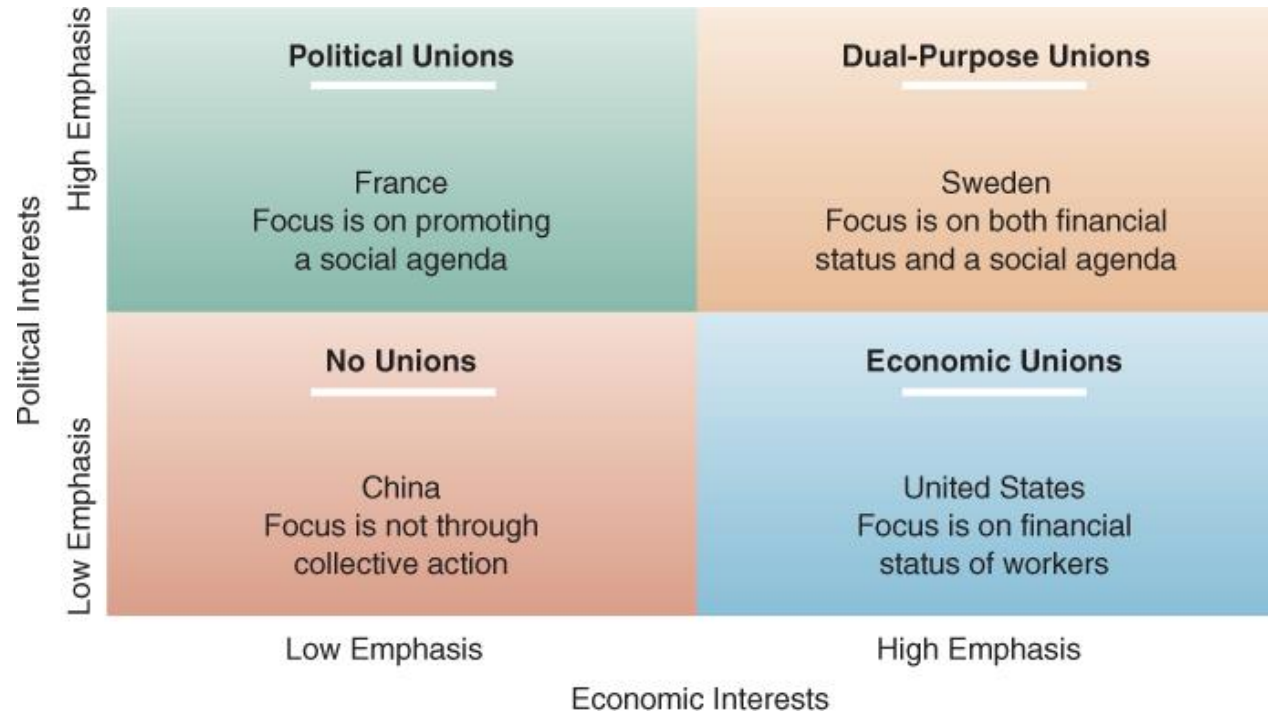


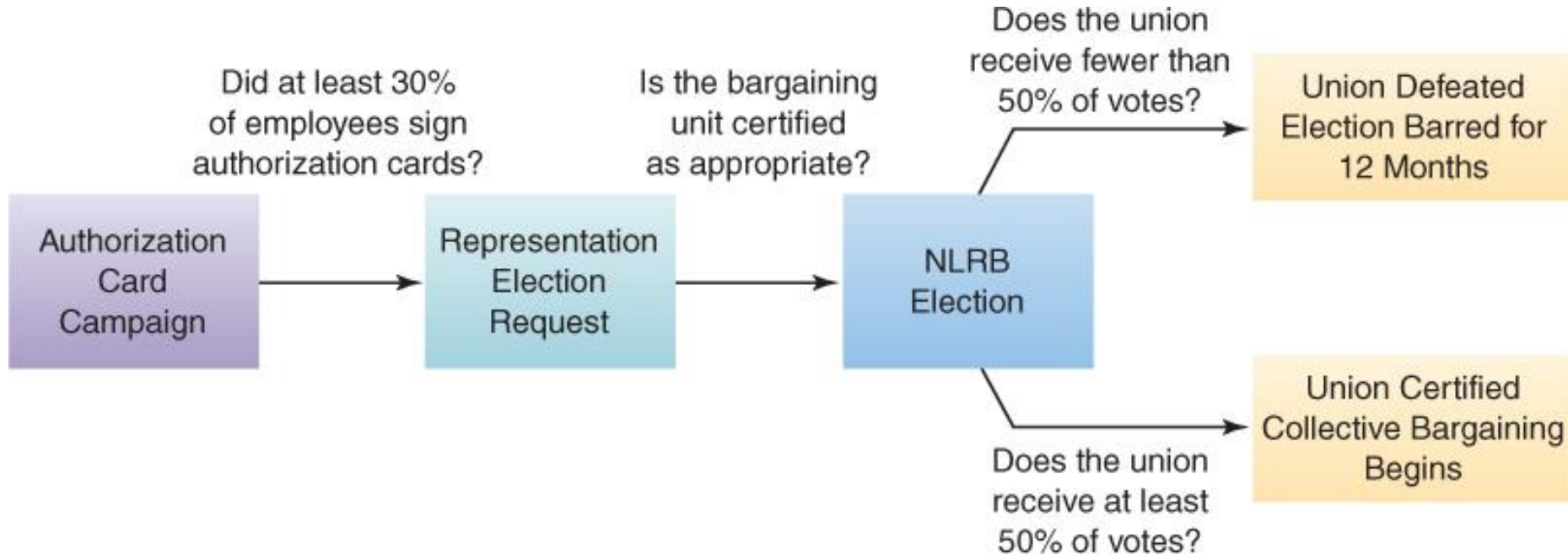
Figure 13.5 Points of Emphasis for Unions. *Source:* Information from Joseph Ofori-Dankwa, "Murray and Reshef Revisited: Toward a Typology/Theory of Paradigms of National Trade Union Movements," *Academy of Management Review* 18 (1993): 269–292.

Source: Stewart, G.L., & Brown K.G., 2nd Edition (2015). *Human Resource Management Linking Strategy to Practice*. pp – 508

HOW DO WORKERS BECOME PART OF A UNION?

- The first step in organizing a union is to demonstrate that a sufficient number of employees are interested in joining.
- This is done through an **authorization card campaign**, in which employees sign cards stating that they wish to hold a secret-ballot election to determine whether a union will be formed.
- Once 30 percent of eligible workers have signed authorization cards, a petition to hold an election can be made to the NLRB.

Figure 13.6 Steps in Organizing a Union



Source: Stewart, G.L., & Brown K.G., 2nd Edition (2015). *Human Resource Management Linking Strategy to Practice*. pp – 510

HOW DO WORKERS BECOME PART OF A UNION?

- After receiving a petition for representation, the NLRB conducts a union certification vote – **Certification Election**.
- This election is usually held within 50 days of the petition filing.
- The NLRB conducts the election to make sure that every employee has the opportunity to cast a secret ballot.
- Union organizers and management are prohibited from campaigning during the election and during the 24-hour period preceding the election.
- NLRB officials normally count votes in the presence of designated observers from both management and the union.

Removing a Union

- The Taft-Hartley Act provides guidelines for employees to end their affiliation with the union.
- A vote to remove a union is known as a **decertification election**.
- The procedures are similar to the procedures for certifying a union.
 - Individuals seeking to get rid of the union must obtain signatures of support from at least 30 percent of employees in the bargaining unit.
 - Once enough signatures have been obtained, a petition is filed with the NLRB.
 - The NLRB then holds a secret-ballot election to determine if a majority of bargaining unit employees agree that they should no longer be represented by the labor union

WHAT HAPPENS DURING LABOR NEGOTIATIONS AND COLLECTIVE BARGAINING?

- The process of agreeing on a labor contract is known as **collective bargaining**.
- Mandatory Bargaining Topics
 - **Wages** include things such as minimum salary, bonus payments, and benefits.
 - **Hours** focuses on work scheduling and includes holidays, vacation time, and shifts.
 - **Working conditions** encompass safety rules, promotions, layoffs, and grievance procedures.

Collective Bargaining Actions

- Failure to reach agreement results in a **work stoppage**.
- A work stoppage can be initiated by either the employer or the union. Types of work stoppages:
 - **lockout** occurs when an employer shuts down operations during a labor dispute. Members of the union are prohibited from working and are not paid.
 - **strike** occurs when union members collectively refuse to perform their jobs.
 - Striking employees may also encourage consumers or other companies not to purchase the company's goods or services, which is known as a **boycott**.

The Bargaining Atmosphere

Table 13.4

Conditions Influencing Cooperation in Negotiations

Degree of Trust Developed During Previous Negotiations

- Are intentions honest and moral?
- Have there been instances of past unfairness?

Expertise and Style of Negotiators

- Is there an expectation of a win-win relationship?
- Are noncompeting interests acknowledged?

Clarity of Bargaining Issues

- Which issues are distributive in nature?
- Which issues are integrative?

Ability to Use Problem-Solving Techniques

- Are both sides motivated to find a solution?
- Is there social support?

Source: Information from Natasha Caverley, Bart Cunningham, and Lari Mitchell, "Reflections on Public Sector-Based Integrative Collective Bargaining," *Employee Relations* 28 (2006): 62–75.

Source: Stewart, G.L., & Brown K.G., 2nd Edition (2015). *Human Resource Management Linking Strategy to Practice*. pp – 517

Interest-Based Negotiation

Table 13.5

Approaches to Collective Bargaining

Traditional Negotiation

Discredit and attack opponent
Present and support a position

Pursue a specific bargaining position

Use power and pressure to obtain a desired solution

Interest-Based Negotiation

Address mutual concerns; focus on issues not past conflicts

Explore interests of joint concern

Remain open-minded to possibilities
Define solutions acceptable to both parties

Source: Information from Federal Mediation and Conciliation Service, *Interest-Based Negotiation: Participants' Guidebook*.

Source: Stewart, G.L., & Brown K.G., 2nd Edition (2015). *Human Resource Management Linking Strategy to Practice*. pp – 518

Figure 13.7 Interest-Based Negotiation Process



Source: Stewart, G.L., & Brown K.G., 2nd Edition (2015). *Human Resource Management Linking Strategy to Practice*. pp – 519

WHAT IS THE GRIEVANCE PROCESS?

- Grievance procedures generally follow a multi-step process.
- The number of steps, and the actions associated with each step, vary across organizations.
- In general, however, the steps move from informal discussions to formal mediation.
- The grievance process normally begins when an employee feels that he or she has been treated unfairly and goes a supervisor with this complaint.
- In some cases, the initial complaint is made in writing, but in many instances the first step is simply a verbal statement that informs the supervisor of the concern. A majority of grievances are resolved at this first stage.

The Grievance Process

- The employee often obtains help at this point from the **union steward**, who is a representative of the union that advocates for employees.
- From the management's side, additional steps in the grievance process usually involve leaders higher in the organizational hierarchy.
- Department or division managers listen to appeals, and human resource representatives often play a supporting role.

Arbitration

- The final step in most grievance procedures is **arbitration**, which is a type of judicial process.
- Management and union representatives act much like attorneys to present facts and arguments supporting their side of the disagreement.
- The arguments are heard by an arbitrator, a neutral third party who has a role similar to that of a judge.
- After hearing the arguments, the arbitrator makes a ruling, which is usually binding on both parties.

Thank You