**UNDERSTANDING UNIONS**

**CHAPTER LEARNING OBJECTIVES**

1. Describe the differing philosophies of unions and management.

2. Discuss significant labor laws.

3. Describe four main types of union organizations.

4. Define collective bargaining.

5. Define strike, slowdown, sit‑down strike, and wildcat strike.

Discuss the future of unions

Union membership, especially as a percentage of the workforce, has been dropping since the mid 1950's. In fact in several recent years, the NLRB has dealt with more decertifications than certifications. Ask your students what they see as causes of this, and whether the trend can be stopped?

Causes include: fewer traditional blue collar jobs, moving of many of these jobs to either overseas operations or to right-to-work states, automation, smaller size of production companies, more women in the workforce (which unions haven't--for the most part--encouraged to join), negative image of unions, federal and state laws which provide much of the security unions grew up providing, and many others.

Actions by unions to combat this trend include: entering new areas, including white--and pink--collar jobs, professions, and other non‑traditional markets; image building efforts; closer work with management, instead of total adversarial approaches; etc.

The UAW was rejected by Nissan workers by about a 7‑3 margin at the US Tennessee operation in the election held in July, 1989. Several news and business magazines had extensive articles regarding that specific election, as well as the future of unions. That could be a good research project for class members.

**LECTURE OUTLINE**

**Supervision Dilemma**

♦ Although he was a union member prior to becoming a supervisor, John does not know much about how the union contract affects his authority. His company is also anticipating a possible strike in the near future.

*Overview: In a unionized organization, the supervisor is the primary link between the organization and the union members. The supervisor must uphold the interests of management, but at the same time fulfill the contractual obligations of management and see that the union fulfills its obligations.*

**I. Differing Philosophies of Unions and Management**

A. Unions generally believe that management exploits labor and is more interested in making a profit than in furthering the welfare of its employees.

B. Management often feels that unions foster inefficiency, reduce profits, and attempt to gain power at the expense of management authority.

**II. Development of Labor Law**

A. The first U.S. unions, as early as 1790, were organizations of skilled workers who sought to eliminate competition by banding together people in the same craft. They were generally held to be illegal.

B. In 1842 Massachusetts ruled that the union was not illegal, but that strikes and boycotts might be.

C. The Sherman Antitrust Act of 1890, which made it illegal to restrain trade, was applied against unions and restricted their growth.

D. The Clayton Act (1914) stated that unions were not to be considered in restraint of trade. However, court interpretations of this law determined that unions on strike or boycotting could be considered in restraint of trade.

E. Yellow-dog contracts, which prohibit an employee from joining a union, and injunctions, which are court orders prohibiting certain actions, were used to restrict unions.

F. During the 1920's and 1930's the increased number of unskilled and semiskilled employees, who lacked job security and were not always treated fairly, caused public sentiment to become more pro‑union.

G. The Norris‑La Guardia Act of 1932 made yellow‑dog contracts illegal and injunctions more difficult to obtain. It also gave workers the right to organize and bargain.

H. The National Labor Relations Act (Wagner Act, 1935) required employers to bargain collectively with the union and established the National Labor Relations Board (NLRB). This lead to the power and growth of unions.

I. The Labor-Management Relations Act (Taft‑Hartley Act, 1947) upheld the right of employees to unionize, broadened management's rights, prohibited unfair labor practices on the part of both unions and management, and prohibited closed shops.

J. The Labor‑Management Reporting and Disclosure Act (Landrum‑Griffin Act, 1959) is primarily concerned with the rights of individual union members.

K. An executive order in 1962 recognized the rights of federal government employees to join unions, but prohibited strikes and making union membership a condition of employment.

L. An executive order in 1968 gave the U.S. secretary of labor the authority to supervise union elections and investigate unfair labor practices in the public sector.

**III.** **Structure of Labor Unions**

There are four main types of union organizations.

A. Federations of local, national, and international unions

The AFL‑CIO represents close to 80% of all union members in the U.S. Its elections and policies are set at a biannual national conference of delegates from the national and international unions and local affiliates.

B. National and international unions

These have periodic national conventions at which each local union is represented in proportion to its membership.

C. City or statewide federations of local unions

These are composed of, and supported by, the local unions to promote the interests of the area they serve.

D. Local unions

These have local elections of officers who generally are not paid for their union activities. Local unions usually depend heavily on the staff of their national or international union for assistance in handling contract negotiations, strikes, and important grievances.

**IV. Reasons for Joining Unions**

A. There are many reasons why people join unions.

1. Economic reasons, including higher wages, greater job security, better fringe benefits, and more clearly defined procedures for advancement

2. Better working conditions

3. More meaningful work

4. Fairer rules and procedures for determining promotions, discipline, etc.

5. Opportunity to be recognized and heard on issues

6. Opportunity to complain formally

7. The wish to belong

8. It is sometimes a required condition of employment

B. There are also a number of reasons why some people do not want to join a union.

1. They want to progress into management.

2. They feel that the union protects the mediocre worker.

3. They want to avoid loss of income through union dues and strikes.

4. They distrust the union.

**V. Union Organization Drive**

A. A group of employees decide they want a union and invite a representative of a national or international union to visit and solicit members.

B. If 30% of the employees sign authorization cards, an election can be held.

C. If the union receives a simple majority of the votes cast, it becomes the exclusive bargaining representative of the employees within the bargaining unit, whether or not they are union members.

**VI. Collective Bargaining**

This is the process by which a contract is negotiated, written, administered, and interpreted. The contract represents the joint labor‑management understanding as to the terms and conditions of employment.

A. Negotiation of the contract

1. Labor and management each present their initial demands.

2. The parties discuss the individual issues and resolve some of them.

3. Key issues are usually not resolved until near the strike deadline.

4. Over 98% of all negotiations settle without a strike.

5. Sometimes a mediator is used to help the parties reach an agreement.

6. The parties must bargain in good‑faith as judged by the NLRB.

B. Administering the contract

1. The contract is a legal document that can be upheld by a court of law.

2. Most disagreements are resolved through the grievance procedure.

3. Management interprets the contract and settles complaints and grievances.

4. If the union and management cannot reach an agreement, it is usually arbitrated by a neutral person whose decision is final.

**VII. Supervisor's Responsibility to the Employer and the Union**

A. The supervisor's first responsibility is to the employer.

1. Must work toward achieving good productivity.

2. Must help uphold the commitments of management under the contract.

B. There are practices that the supervisor is legally required to avoid.

1. Restraining employees from forming or joining a union.

2. Trying to influence the labor organization.

3. Discriminating against union members.

4. Discriminating against an employee making a charge under the Labor-Management Relations Act.

**VIII. Supervisory Responsibilities and Unions**

A. Union organization

If a union begins an organization drive, a supervisor's actions are restricted by law. The authors give several guidelines.

1. Consult higher management before dealing with officials of the union.

2. Avoid arguing with employees over unionization.

3. Do not threaten or bribe an employee directly or indirectly with regard to joining the union.

4. Be very careful not to discriminate against any employee who is involved in the unionization attempt.

5. Do not change wages or fringe benefits during the unionization attempt.

6. Be on the lookout for unfair labor practices by the union, such as forcing employees to participate.

B. Working with the steward

The steward is both an employee of the organization and a union official. Showing respect for the steward’s position is essential in developing a good working relationship.

1. Keep the steward informed.

2. Show that you understand and appreciate the difficulty of the steward's job.

3. Show the steward that you are willing to compromise, but be careful to compromise only on issues within your authority.

C. During collective bargaining

The supervisor may be consulted for information that affects the negotiation, and should be prepared by keeping careful records over the contract period.

D. Administering the contract

1. The supervisor must equitably interpret the general provisions in the labor contract.

2. The supervisor is responsible for seeing that the entire contract is followed.

E. During a strike

1. Strikes usually occur between contracts when the parties cannot agree. The supervisor can do little to resolve a strike.

2. Slow-downs, sit-down-strikes, or wildcat strikes may occur during the contract period. It is the supervisor's responsibility to determine who the leaders are and to encourage the employees to return to work.

**IX. Solution to the Supervision Dilemma**

**X. Summary**

**Supervision Illustrations**

13‑1: Strike at Colorado Fuel and Iron Company

13‑2: Unions Target Nontraditional Industries

**Skill Building Applications**

Incident 13‑1: Working with Trudy

Incident 13‑2: Wildcat Strike

Exercise 13‑1: What Have You Learned?

Exercise 13‑2: Contract Negotiations

Exercise 13‑3: How Do You Rate as a Business Negotiator?

**SUPERVISION ILLUSTRATIONS**

13‑1 Q: Was this unusual for the era?

13‑1 A: Use of scrip valid only at the company store and many of the other conditions described, including the use of federal troops and violence were far more common than we want to remember, as students of history can verify. Similar conditions today are described in "Slavery", Newsweek, May 4,1992, pp.30‑39.

13‑2 Q: What three nontraditional membership sources are union leaders interested in today?

13‑2 A: Union leaders plan recruitment campaigns with a focus on women, doctors, and immigrant workers today due to the decline in union membership.

**REVIEW QUESTIONS**

1. What are yellow dog contracts? What are injunctions?

A yellow dog contract was an agreement between the company and worker that, as a condition of employment, the worker would not join a union. [p. 225]

An injunction is a court order to prohibit certain actions. [p. 225]

2. Describe four laws that affect the union movement.

The Norris‑LaGuardia Act of 1932 made yellow dog contracts illegal and made it more difficult for employers to obtain an injunction. Workers were given the right to organize, but it neglected to require management to bargain with them, once they did. [p. 225]

The National Labor Relations Act (Wagner Act) of 1935 required employers to bargain collectively with the union. It also set up the NLRB to supervise elections and investigate unfair labor practices. [p. 225]

The Labor-Management Relations Act (Taft‑Hartley Act) was passed in 1947 upholding the right to unionize, but also broadening management's rights. It outlined unfair practices on both sides, forbids closed shops, allows union shops, but permits states to pass laws to prohibit union shops. (Those laws are the "right‑to‑work" laws.) [p. 226]

The Labor Management Reporting and Disclosure Act (Landrum‑Griffin Act) was passed in 1959 to protect the rights of individual union members. [p. 226]

3. What are the four main types of union organizations?

(1) Federations of local, national and international unions;

(2) National and international unions;

(3) City or statewide federations of local unions; and

(4) local unions. [p. 227]

4. Give four reasons for joining the union.

Union shops, higher wages, better security, better fringe benefits, contractual arrangements, better working conditions, more meaningful work, fairer rules, a chance to be heard, ad nauseum. [p. 227-228]

5. What is collective bargaining?

It is the process by which a contract or written agreement is negotiated, written, interpreted and administered. [p. 229]

6. Give at least 10 provisions that a contract might cover.

See Figure 13.6, page 231 in the text.

7. What is the function of a mediator or conciliator? of an arbitrator?

A mediator or conciliator works with both the union and management to try to get them to reach an agreement on a contract. [p. 230-231]

An arbitrator is a neutral person who is asked by the union and management to make a final and binding decision on a grievance which has been filed within the terms of the contract. [p. 231]

8. Give five rules that should be followed by a supervisor faced with a union organizing attempt.

(1) Consult higher management before dealing with officials of the union.

(2) Avoid arguing with employees over unionization.

(3) Do not directly or indirectly threaten or bribe an employee with regard to joining the union.

(4) Be very careful not to discriminate against any employee who is involved in the unionization attempt.

(5) Do not change wages or fringe benefits during the unionization attempt. [p. 232-233]

9. What is a strike? a slowdown? a sit‑down?

Strikes usually occur between contracts and are caused by the inability of the parties to reach an agreement on a contract. Strikes occur when employees leave their jobs and refuse to come back to work until issues are resolved. [p. 234]

A slowdown is when employees continue to work, but reduce their output. [p. 234]

A sit‑down strike is when employees report to work, but refuse to do any. [p. 234]

10. Give some guidelines for handling a wildcat strike.

See Figure 13.8 on page 234 in the text.

**SKILL BUILDING QUESTIONS**

1. The union and management philosophies outlined in this chapter are in conflict. Which philosophy do you agree with, and why?

Students may, of course, agree with either side. As to the “why?” It might be good to have them analyze their motives. They may feel the way they do because their family strongly supports one or the other position. They may presently or previously have been in a union‑management conflict situation where they could see one or the other side as "right". They might be able to say they agree with either side, depending on the circumstances, like the person who says they vote the candidate, not the party. If you use this as a debate point in class, make sure that students realize that valid points of view exist on both sides.

2. Why is it important for the supervisor to be fair in following the contract?

First, it's the legal and moral thing to do. Besides that, if the supervisor plays games with the contract, several things may happen. Grievances will be higher and more costly, employee morale will be lowered, productivity will decrease and turnover will increase, and the next time the contract comes up, there will be demands for much more specific language in the contract.

3. Can the supervisor single out employees who are less active in the union for preferred job assignments? Why or why not?

The Labor‑Management Act of 1947 forbids this practice. Even if it didn't, the answer to question 2, above, applies here.

4. "Stewards are impossible to work with, and communication between the supervisor and the steward should be avoided." Discuss your views on this statement.

Some of them are jerks, but then so are some supervisors. It's to the supervisor's advantage to develop a good working relationship with the steward. The comments in chapter 13 regarding working with the informal group leader apply here. The steward has a difficult job, too, as does the supervisor. He or she must represent both sides to each other, but will, of necessity, side with the union. The supervisor must do the same, but side with management.

**SKILL BUILDING APPLICATIONS**

Incident 13‑1: Working with Trudy

This case presents an example situation where problems develop between a supervisor and a union steward.

1. Do you feel that this situation is unusual in unionized organizations?

This is completely normal. For Trudy to do otherwise would have been unusual (and inappropriate for her position).

2. If you were Jane, how would you handle the situation?

Jane should not take this personally. She must deal with it professionally, realizing that Trudy has responsibilities to the union and may or may not agree with the grievance. She is merely carrying out the job she was elected to handle.

Incident 13‑2: Wildcat Strike

This case presents a situation involving a wildcat strike, and should prompt a discussion on the supervisor's role.

1. How should Frank handle the situation?

Frank should encourage his people to stay on the job and let his people know he's confident that management will handle the situation properly. He should also follow other guidelines in Figure 13‑4 in the text.

2. What should the company do?

Top management should contact the top local union officials and representatives of the international union. They must be told that the workers must return to work immediately. No discussions will be held until workers are back on the job. Remember, a wildcat strike is not condoned by the union.

Exercise 13‑1: What Have You Learned?

This exercise illustrates how times may not have changed as much as we would think.

(Note: specific questions were omitted from draft from which this was prepared.)

a. Do you think that Taylor's position is equally applicable today?

The quote from Taylor indicates that in 1911, there was tension between workers and management, fear that increased productivity would not result in increased rewards, and a deep concern for job security. These are fairly accurate descriptions of conditions in a large number of organizations today.

b. Looking at Taylor's and Grayson's remarks which were made approximately 63 years apart, one has to wonder what we have learned. Many other similar comparisons could be made. Why do you think that managers don't seem to learn as much as they could from the past?

Managers may very well not learn from the past because so few study the past. Becoming a "manager" doesn't require any specific credentialing, such as a lawyer, teacher, accountant, or other professional must have. Thus, academic study of the subject is often seen as unimportant. People usually convince themselves that their situations are unique and that their problems have not been experienced by someone else. However, the problems experienced by management and labor today are, in many ways, similar to those which have been experienced throughout the century.

c. Are unions and management too adversarial? Are unions needed today?

Unions in the U. S. are more adversarial than ones in Japan or certain European countries; far less so than those in other countries. In general, the conflicts have become more civilized since the days when Federal troops had to be called out and loss of life was common. Are the unions needed today? That's probably a matter of opinion, and students will have different ones depending on their background. Many union functions have been taken over by other agencies, and many things unions used to have to fight for are now based in law. Still, there are some instances where a balancing force against bad management is needed.

Exercise 13‑2: Contract Negotiations

The outcome of this exercise will, of course, depend on the skills and demands of the teams involved. As the instructor, your only roles are to assign the teams and time how long they negotiate, then compute the costs as explained in the text of the exercise. Vary the directions as needed for your students. You may also have to play arbitrator if the teams get stuck. This will take some time to complete, so plan accordingly. You may wish to have the teams meet and decide their respective positions one class, then actually hold the negotiations the following week. Emphasize that it can't all be one sided ‑‑ both sides will have to win some and lose some or the company will go bankrupt and workers will be out of jobs.

Exercise 13‑3: How Do You Rate as a Business Negotiator?

Directions are included in the textbook for this exercise.

**SUPERVISORY ANECDOTES**

Health care unions report heightened interest in organizing among nonunionized workers. The activism is not limited to nurses and hospitals. The managed-care revolution has pushed some physicians to organize. Another factor leading to increased union interest may be that in the past, nurses dissatisfied with working conditions could simply move to another hospital. In these economic times, they no longer have that freedom. To maintain peace with their workers, hospitals are encouraged to work with labor organizations, especially the employees, to help them understand the cost pressures as well as the external pressures.

Source: . "Workers Strike Back. " by J. Duncan Moore, Jr. in **Modern Healthcare** vol. 25 issue 22, May 29, 1995 p. 26‑27+.

Coors Brewing Co. proved to its employees that they did not have to sign union contracts to have their say. In 1975, the brewing company created the Peer Review System, a process that guarantees employees fair treatment by allowing them to bring their grievances in front of a group that includes their co‑workers. An employee who is unsatisfied with the application of a company policy, but not the policy itself, may file an appeal with his employee‑relations representative within 7 working days. The employee‑relations representative then sets up an appeal board by randomly selecting 2 members of management and 3 employees from the same job category as the appellant. A hearing is held, orchestrated by the employee‑relations representative. At the hearing, the supervisor describes the circumstances surrounding the discipline.