CHAPTER 14

Collective Bargaining and Labor Relations
Figure 14.1: 10 Largest Unions in the United States

- National Education Association
- Service Employees International Union
- American Federation of State, County and Municipal Employees
- International Brotherhood of Teamsters
- United Food and Commercial Workers International Union
- American Federation of Teachers
- United Steel, Paper and Forrestry, Rubber, Manufacturing, Energy, Allied Industrial, and Service Workers International Union
- International Brotherhood of Electrical Workers
- Laborers’ International Union of North America
- International Association of Machinists and Aerospace Workers

Number of Members ( Millions)
Goals of Management

• Management goals are to increase the organization’s profits. Managers tend to prefer options that lower costs and raise output.

• When an employer has recognized a union, management’s goals continue to emphasize restraining costs and improving output.

• Managers prefer to keep their organization’s operations flexible. In their labor relations, managers prefer to:
  – Limit increases in wages and benefits, and
  – Retain as much control
Goals of Labor Unions

- Labor unions have the goals of obtaining pay and working conditions that satisfy their members and of giving members a voice in decisions that affect them.
- They obtain these goals by gaining power in numbers.
- Unions want to influence the way pay and promotions are determined.
Goals of Labor Unions  (continued)

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<tr>
<th>Checkoff Provision</th>
<th>Membership Security</th>
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| • Contract provision under which the employer, on behalf of the union, automatically deducts union dues from the employees’ paychecks. | • Closed shop  
• Union shop  
• Agency shop  
• Maintenance of membership |
Laws Affecting Labor Relations

National Labor Relations Act (NLRA) of 1935

Taft-Hartley Act of 1947

Landrum-Griffin Act of 1959
The Process of Organizing

- Signing authorization cards
- Petition for election
- Election campaign
- Election and certification
# Table 14.1: What Supervisors Should and Should Not Do to Discourage Unions

<table>
<thead>
<tr>
<th>WHAT TO DO:</th>
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<tr>
<td>Report any direct or indirect signs of union activity to a core management group.</td>
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<td>Deal with employees by carefully stating the company's response to pro-union arguments. These responses should be coordinated by the company to maintain consistency and to avoid threats or promises. Take away union issues by following effective management practices all the time:</td>
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<tr>
<td>Deliver recognition and appreciation.</td>
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<td>Solve employee problems.</td>
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<tr>
<td>Protect employees from harassment or humiliation.</td>
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<tr>
<td>Provide business-related information.</td>
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<td>Be consistent in treatment of different employees.</td>
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<td>Accommodate special circumstances where appropriate.</td>
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<tr>
<td>Ensure due process in performance management.</td>
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<td>Treat all employees with dignity and respect.</td>
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<th>WHAT TO AVOID:</th>
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<td>Threatening employees with harsher terms and conditions of employment or employment loss if they engage in union activity.</td>
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<tr>
<td>Interrogating employees about pro-union or anti-union sentiments that they or others may have or reviewing union authorization cards or pro-union petitions.</td>
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<tr>
<td>Promising employees that they will receive favorable terms or conditions of employment if they forgo union activity.</td>
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<tr>
<td>Spying on employees known to be, or suspected of being, engaged in pro-union activities.</td>
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Organizers call or visit employees at home to talk about issues like pay and job security.

Offer workers *associate union membership*.

Conduct *corporate campaigns*.

Negotiate *employer neutrality* and *card-check provisions* into a contract.
Collective Bargaining

• In *collective bargaining* a union negotiates on behalf of its members with management representatives to arrive at a contract defining:
  – Recognition
  – Management Rights
  – Union Security
  – Compensation and Benefits
  – Grievance Procedure
  – Employee Security
Bargaining Over New Contracts

- Distributive Bargaining
- Integrative Bargaining
- Attitudinal Bargaining
- Intraorganizational Bargaining
### When Bargaining Breaks Down

<table>
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<tr>
<th>Strikes</th>
<th>Alternatives to Strikes</th>
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| • **Strike**: a collective decision by union members not to work until certain demands or conditions are met. | • Mediation  
• Fact Finder  
• Arbitration |
Figure 14.7: Steps in an Employee-Initiated Grievance Procedure

- **Step 1**
  - Employee (and union steward) discusses problem with supervisor.
  - Union steward and employee decide whether problem was resolved.
  - Union steward and employee decide whether contract was violated.

- **Step 2**
  - Written grievance is submitted to production superintendent, another line manager, or industrial relations representative.
  - Steward and manager discuss grievance.
  - Management puts response in writing.

- **Step 3**
  - Union appeals grievance to top line management and senior industrial relations staff.
  - Additional local or international union officers may be involved.
  - Decision resulting from appeal is put into writing.

- **Step 4**
  - Union decides whether to appeal unresolved grievance to arbitration.
  - Union appeals grievance to arbitration for binding decision.
Labor-Management Cooperation

- Employee involvement in decision making
- Self-managing employee teams
- Labor-management problem-solving teams
- Broadly defined jobs
- Sharing of financial gains and business information with employees
Summary

- A union is an organization formed for the purpose of representing its members in resolving conflicts with employers.
- Labor relations is the management specialty emphasizing skills that managers and union leaders can use to minimize costly forms of conflict and to seek win-win solutions to disagreements.
- Management goals are to increase the organization’s profits. Managers generally expect that unions will make these goals harder to achieve.