
Course Learning Outcomes for Unit VI

Upon completion of this unit, students should be able to:

8. Analyze the impact of different collective bargaining strategies on employee morale.

Reading Assignment

In addition to the articles and videos listed directly in the Unit VI Lesson, the following items are also required.

In order to access the following resources, click the links below.

Hurd, R. W. (2013). Moving beyond the critical synthesis: Does the law preclude a future for US unions? *Labor History*, 54(2), 193-200. Retrieved from <https://libraryresources.columbiasouthern.edu/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=87786622&site=ehost-live&scope=site>

Wachter, M. L. (2014). The striking success of the National Labor Relations Act. *Regulation*, 37(1), 20-26. Retrieved from <https://libraryresources.columbiasouthern.edu/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=95528882&site=ehost-live&scope=site>

Unit Lesson

In order to access the following resource, click the link below.

College of Business – CSU. (2016, September 1). *Collective bargaining* [Video file]. Retrieved from <https://youtu.be/KZcuT1oM2GE>

To view the transcripts for this video, click [here](#).

Collective Bargaining and Employee Morale

This unit begins with a rapid look back at the history of American trade unions and how the first friendly societies in the 18th century evolved and later began to tackle important issues such as minimum wage, health and safety conditions, discrimination, benefits, job security, strikes, and even challenges posed by new technologies of the 1980s and 1990s.

As you watch the following archival footage, veterans of the labor struggles along with business and government officials reveal fascinating personal insights into labor's sometimes violent origins and how it has altered the workplace over the past 200 years. This film can be viewed in the Films on Demand database within the CSU Online Library. You are encouraged to watch Segments 2 (Immigrant Labor), 3 (Labor Unions: A.F.L. and the I.W.W.), and 8 (Change in the Labor Market) in the video linked below.

Gardner, E. T. (Producer), Angel, C. (Producer), & Boyd, K. (Director). (1994). *Organizing America: The history of trade unions* [Video file]. Retrieved from <https://libraryresources.columbiasouthern.edu/login?url=http://fod.infobase.com/PortalPlays.aspx?wID=273866&xtid=8049>

To view the transcript of the video above, click [here](#).

Hopefully, after watching the video, you have learned a little more about the beginnings of the labor unions

and have an appreciation for the sacrifices endured by all during those tough economic times.

Today, the American Bar Association (1997) and the Industrial Workers of the World (IWW) (n.d.) remind us that labor law is still linked to three significant federal statutes:

- the 1935 Wagner Act, also known as the National Labor Relations Act (NLRA);
- the 1947 Taft-Hartley Act, also known as the Labor Management Relations Act (LMRA); and
- the 1959 Landrum-Griffin Act, also known as the Labor Management Reporting and Disclosure Act (LMRDA).

The Wagner Act is a federal law that grants employees the right to form and join a union, promote and aid unions, select a union to act for them as their collective bargaining representative, and help them regarding workplace issues. Additionally, employees have a right to not engage in concerted activities under this act. These rights are provided to employees working for employers in the private sector who are covered by the NLRA. This excludes employees of airlines, railways, independent contractors, farmworkers, domestic workers, supervisors, and managers. The National Labor Relations Board administers the Wagner Act and investigates charges of unfair labor practices by employers and unions (American Bar Association, 1997; Industrial Workers of the World, n.d.; Ivancevich, 2010).

Congress amended the NLRA, also known as the Wagner Act, with the Taft-Hartley Act. This act has two purposes: to reduce industrial arguments and to restrict the power of labor unions. It establishes guidelines for employee and employer relationships and protects employees from unfair labor practices by unions (National Labor Relations Board, n.d.).

Congress passed the Landrum-Griffin Act, also known as the LMRDA, to protect individual members from illegal practices by the unions and by employers as well. It gives union members rights such as the right to nominate individuals for union office, vote in the elections, and attend union meetings. It ensures that union accounts and records are available to all union members. In an effort to eliminate what was referred to as sweetheart contracts, where union and management agreed to terms that benefitted their own interests but allowed poor working conditions for the workers, the union must submit an annual financial report to the Secretary of Labor. Additionally, the employer is required to report any payments or loans given to the union, union officials, or employees (American Bar Association, 1997).

Collective Bargaining: What is it?

At the center of the employer-employee relationship is the collective bargaining process. As the exclusive agent for the employees, it is the union's duty to negotiate a collective bargaining agreement with the employer. The employer and union are required by the NLRA to bargain in good faith concerning employee wages, benefits, hours, and terms and conditions of their employment in order to reach an agreement. Refusing to bargain in good faith violates the law. Once the union has been elected, the employer cannot negotiate with anyone else—not directly with employees or with another union (American Bar Association, 1997; Carrell & Heavrin, 2010).

Rather than negotiating each time an issue occurs, the terms and conditions of employment are set down in a collective bargaining agreement (CBA). Ideally, both management and the union agree on the duties, rules, and benefits that will govern the workplace relationship between management and employees for a set period of time (e.g., three years) (American Bar Association, 1997).

Since the agreement will be in use over a period of time, it is imperative that both parties, management and union, bargain in good faith and understand their role in the collective bargaining process. There are several phases of the bargaining process. The first is preparation; it is extremely important that both parties do their homework by analyzing the data for their proposals, anticipating the other's proposals, selecting their bargaining items, and planning their strategy. Next is the actual bargaining stage, where ground rules are established and an exchange of demands, proposals, and counterproposals are made. The resolution stage is where an agreement is reached. The union members ratify the contract, or if the parties find themselves at an impasse over the terms and conditions of employment, then it is often resolved through mediation or arbitration. When these measures fail, a lockout or strike may occur, and even hiring replacement employees may happen until a resolution can be reached. Having a unified strategy and being prepared usually keeps this worst-case scenario from happening (Carrell & Heavrin, 2010).

One industrial relations professional describes collective bargaining as having four phases: planning, face-to-face negotiations, coming to agreement, and implementing the agreement (Queen's IRC, 2014). In the following short video, Ann Grant of Queen's Industrial Relations Centre (IRC) talks about the collective bargaining process, and she describes what parties should expect when trying to reach a collective agreement.

Queen's IRC. (2014, February 25). *What are the four phases of collective bargaining?* [Video file] Retrieved from <https://www.youtube.com/watch?v=F02opoWS6bU&feature=youtu.be>

To view the transcript of the video above, click [here](#).

Collective Bargaining: What's Discussed at the Bargaining Table?

The National Labor Relations Board established mandatory subjects that must be discussed if brought up by either party during collective bargaining. It is the duty of management and the union to negotiate mandatory issues such as wages, hours, benefits, vacations, profit sharing, drug testing, layoffs, transfers, and recalls (American Bar Association, 1997; Carrell & Heavrin, 2010; National Labor Relations Board, n.d.).

Nonmandatory or volunteer subjects can be discussed only if both parties agree to discuss them; there is no duty to negotiate issues such as what products the company will offer, how much will be spent for advertising, or how much will be put into the marketing budget. However, if the company and union enter into a negotiation and agree on a nonmandatory subject under the CBA, they must adhere to the conditions.

The last categories are illegal subjects, and even if both parties agree to discuss them, they cannot be negotiated. These would include topics such as discriminatory treatment, whistleblowing, and closed shop. The CBA includes three provisions: just cause clauses, grievance and arbitration clauses, and union security clauses (American Bar Association, 1997; Carrell & Heavrin, 2010; National Labor Relations Board, n.d.).

Let's hear what Stephen Cabot, a management-labor expert, says about the permissive and mandatory subjects in collective bargaining. As you listen to Cabot's advice, be thinking critically about the approach or type of strategy he is suggesting.

Cabot, S. J. (2009, November 9). *Stephen Cabot's labor strategy survival seminar – Bargaining subjects* [Video file]. Retrieved from <https://www.youtube.com/watch?v=ZCqP0AzAOxk&feature=youtu.be>

To view the transcript of the video above, click [here](#).

Collective Bargaining: Types of Strategies

There are commonly two types of strategies used in collective bargaining: *distributive bargaining* and *interest-based bargaining (IBB)*. When selecting which type of strategy to use, it is most important to review the specific issues to be negotiated, the people involved, and the context of the discussions. If only one issue will be negotiated, then a distributive bargaining process would probably be used. If there are multiple issues and there is a positive bargaining relationship between the parties, a more collaborative approach, such as IBB (also referred to as a win-win approach), would be used.

Distributive bargaining is defined as a negotiation process that has the goal of coming to an agreement over how resources should be allocated. There are three components to this win-lose approach:

- Each party is trying to get as much as they can of a limited resource,
- each party views the other as an opponent in the collective bargaining process, and
- each party is mostly concerned about the immediate interaction and negotiation, with little concern for past or future relationships.

In collective bargaining, the reality is that both parties are fully aware that they may be negotiating in the future and want to accomplish their goals in good faith. They do, however, start the process with different strategies.

IBB is a mutual gains or win-win approach that looks for logical trade-offs and is referred to as an *expanded-pie approach*, whereas the distributive bargaining is a *fixed-pie approach*. IBB, also called *integrative*

bargaining, strives to create value for both sides and claim as much value as possible for personal interests. IBB pursues principled negotiation and strives to separate the people from the problem, focuses on interests rather than positions, and creates options for mutual gain. For examples of this and other differences between distributive and IBB, view the following video:

Professional Development Training. (2013, September 24). *Negotiation-2 strategies* [Video file]. Retrieved from <https://youtu.be/PO3Mv8dGbJM>

To view the transcript of the video above, click [here](#).

Most collective bargaining has elements of both types of bargaining. It is important to stay focused and not become too greedy; those who are negotiating for the employees or the company have reputations to uphold. Here is some good advice from a veteran negotiator; watch the short video indicated below.

101therealest. (2015, December 3). *7.Distributive bargaining and the dangers of being greedy* [Video file]. Retrieved from <https://youtu.be/b3XpVITQ1Xo>

To view the transcript of the video above, click [here](#).

Collective Bargaining: The Opening Session and Recognizing Bargaining Tactics

The opening session of collective bargaining establishes the details of the process, and if the parties have not bargained before, more time is spent introducing members, designating leaders, and setting the ground rules. If the parties have negotiated formerly, a general conversation and introductions take place, and each party states their intention to use a traditional or collaborative process (Carrell & Heavrin, 2010).

The following brief article, which you can access by clicking the link in the reference below, provides a glimpse into tactics used by members of management who are intending to use the traditional process of collective bargaining:

Outsmarting the "stealth" union organizer. (2010). *Management Report for Nonunion Organizations (Wiley)*, 33(8), 5. Retrieved from <https://libraryresources.columbiasouthern.edu/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=52427363&site=ehost-live&scope=site>

The importance of an opening statement when preparing an interest-based strategy should not be underestimated. Both parties need to paint the big picture of the negotiation, the past relationship, current issues, intentions, and ground rules, and parties should exchange the key economic and non-economic issues that must be resolved to reach a settlement (Queen's IRC, 2013). To see how understanding the dynamics and skills for negotiating a collective agreement can impact the outcome of the collective bargaining process, watch Queen's IRC facilitator Gary Furlong discuss this issue.

Queens IRC. (2013, August 12). *How can the dynamics of collective bargaining impact the outcome of your negotiations?* [Video file]. Retrieved from <https://youtu.be/hOBORmAETxk>

To view the transcript of the video above, click [here](#).

Unfortunately, if distributive bargaining is used by one party, the other party must follow suit, or they stand to lose it all. If distributive bargaining is used, the other party should anticipate some bargaining tactics in case conflict arises. It is good to show patience and to remember that goals are interdependent, and neither side can be successful without a future healthy relationship. Another tactic is the packaging of issues to be negotiated, and this tactic can establish trust and will allow for gains on both sides. The same is true of throwaway items; some may have value to one side but may not have value to the other side. Caucusing, flexibility, compromise, and saving face are all important as well; however, they can take up valuable time and must be carefully executed (Carrell & Heavrin, 2010).

To be better prepared for any traditional bargaining you may find yourself in, watch the quick video indicated below.

Arden, D. (2013, August 11). *The 7 mistakes people make when they negotiate* [Video file]. Retrieved from

<https://youtu.be/BldEUM1Ha94>

To view the transcript of the video above, click [here](#).

Sometimes, tactics reach the general population and have lasting effects on both parties. For an example of this, watch Segments 4 and 5 in the video linked below.

Moyers, B. (Writer), Winship, M. (Writer), & Diego, K (Director). (2009). United Steelworkers' Leo Gerard/earmark abuse [Television series episode]. In T. Casciato (Executive Producer), *Bill Moyers Journal*. Retrieved from <https://libraryresources.columbiasouthern.edu/login?auth=CAS&url=http://fod.infobase.com/PortalPlalists.aspx?wID=273866&xtid=40177>

To view the transcript of the video above, click [here](#).

For an appreciation of what slows down negotiations and to learn how each party can more effectively negotiate by understanding the way the opposing party thinks at the bargaining table, watch the following video.

Candian HR Reporter. (2012, April 16). *Overcoming mental barriers in collective bargaining* [Video file]. Retrieved from <https://youtu.be/688KDSeQHGo>

To view the transcript of the video above, click [here](#).

Collective Bargaining and Employee Morale

In *Reframing Organizations*, Bolman and Deal (1997) stress the importance of having organizations build a thoughtful human resource (HR) philosophy that clearly explains how to treat people. They provide many examples of successful organizations that diligently enforce their philosophy into the corporate structure, provide incentives, and develop ways to measure the management of HR. This philosophy is achieved by investing in people—hiring the right people; paying the employees well; providing guidance and direction, job security, training, and education; promoting from within; and sharing the wealth through profit or gain (sharing or employee ownership).

These are all necessary elements of an HR philosophy; however, it is the work itself that provides the opportunity for the autonomy, influence, and intrinsic rewards that skyrocket morale. By empowering employees with autonomy and participation and by redesigning their work with a focus on job enrichment and teamwork, equality and self-efficacy is ensured (Bolman & Deal, 1997).

There have been many HR scholars; one such scholar is Frederick Herzberg due to his work on the importance of achievement, responsibility, and recognition. Herzberg (1969) called these factors *motivators*, and his research showed that remarkable results can happen when people are given the authority to influence their working conditions.

Bolman & Deal (1997) relate a classic study captured by Whyte in 1955. In a reengineering process, a group of women who painted toy dolls manually in a toy factory were asked to use a new system where they took a toy from a tray, painted it, and then put it on a passing hook. They were given an hourly rate, a bonus for the group, and a learning bonus. Management had no expectation of a system problem, but the results were disappointing, and the employees' morale was poor. The workers protested that the hooks moved too fast and the environment was too hot. After hiring a consultant, the managers agreed to meet with the women face to face, and as a result of the meeting, management decided to bring in fans. To their surprise, morale improved.

After several meetings, the women made a radical request: They wanted to control the speed of the belt. Against the engineer's objections, management decided to try the women's suggestion. They prepared a production schedule that was logical to their work day. The belt was slow at the start of the shift, and as the employees warmed up, the speed of the belt increased; the speed of the belt slowed again right before lunch and so on and so forth. The results increased production beyond anyone's expectations; the women's bonuses were giving them more income than other employees who were more highly skilled. The women's higher pay and production was disruptive, and other workers protested. To still the waters, management went

back to the engineers' fixed speed; production decreased, morale fell, and most of the women quit. This makes one wonder if the cost of redesigning other positions would have outweighed the benefits they would have gained?

Research that extended Herzberg's ideas on job enrichment was conducted by Hackman & Oldham (1980) and indicates that for redesign to be successful, three factors need to be present. First, people need to identify their work as meaningful and worthwhile, and they must see it as a whole rather than seeing it as a part of something. They also need to be able to use discretion and judgement and be accountable for the results. Finally, they should be given feedback that will allow them to improve.

One popular program of this time period that is still being used today is Total Quality Management (TQM), which combines Eastern and Western philosophies and encourages bottom-up critical thinking.

Another result of research done on job enrichment is that it has a stronger impact on quality than productivity, which makes sense if you think about the satisfaction one gets from a job well done versus just doing more work (Lawler, 1986). Most of the successes with teams come from self-managed, autonomous work groups who are given responsibility for a meaningful whole such as a product or a complete service. This was not always acceptable to management or unions on many levels, mostly because they did not want to lose prerogatives they were currently enjoying, and they believed their involvement was essential to success. However, things are changing; one of the world's first plants was built by Volvo in Kalmar, Sweden, to accommodate self-managing work groups (Bolman & Deal, 1997). When it comes to worker morale, they prefer autonomy and more power to less, and when they are allowed to gain influence, they want more. The question then remains, will management and union leaders bargain for and encourage the environment that provides employees with the highest morale?

Collective Bargaining and its Future

This unit closes with looking at where the union movement is today and the trends in labor laws for tomorrow. Union membership may be down; however, unions have been influential, although not successful, in pushing Congress to pass the Employee Free Choice Act (EFCA), which allows employees to vote using authorization cards to have a union and to bypass formal elections. Speculation as to what would have happened if the EFCA had been passed, as well as other failed efforts for union revitalization, is discussed in the Richard Hurd (2013) article, "Moving Beyond the Critical Synthesis: Does the Law Preclude a Future for US Unions?," which is listed in the required reading section of this unit.

Another trend is creating new strategies for cooperative labor relations. These efforts can lead management to share information with unions, and this encourages unions to be more cooperative with management, which, consequently, ensures a more competitive organization. An excellent example of this can be seen in the following video. You are encouraged to watch Segments 1 and 2 in the video indicated below.

Smith, H. (Producer). (1998). Management combines forces with unions-Northwest Airlines [Television series episode]. In *Surviving the Bottom Line with Hedrick Smith*. Retrieved from <https://libraryresources.columbiasouthern.edu/login?auth=CAS&url=http://fod.infobase.com/PortalPlalists.aspx?wID=273866&xtid=7827>

To view the transcript of the video above, click [here](#).

For a different viewpoint, go to the General OneFile database, and read the article by M. L. Wachter, titled "The Striking Success of the National Labor Relations Act," which is listed in the required reading section for this unit.

Despite a continuing decline of union membership in America, Labor Secretary Thomas Perez remains optimistic about the future of organized labor. Watch as the Labor Secretary reflects on the future of unions in this interview excerpt with PBS News Hour:

PBS News Hour. (2013, September 2). *Labor secretary reflects on the future of unions* [Video file]. Retrieved from https://youtu.be/vq_EB5MxhFo

To view the transcript of the video above, click [here](#).

Another positive but varying perspective comes from Sara Horowitz, an international lawyer and founder of the Working Today & Freelancer's Union, a leading organization of independent workers. This labor expert sees a bold new role for unions in the new economy, and Horowitz shares her outlook by answering two interesting questions: What is the role of unions in the new economy? Does labor hamper industrial growth? Find out the answers in this short video:

Big Think. (2012, April 23). *Sara Horowitz envisions the future of unions* [Video file]. Retrieved from <https://youtu.be/X9rP9aGw4xE>

To view the transcript of the video above, click [here](#).

References

- American Bar Association. (2006). *The American Bar Association guide to workplace law* (2nd ed.). New York, NY: Random House.
- Bolman, L. G., & Deal, T. E. (2013). *Reframing organizations: Artistry, choice, and leadership* (5th ed.). San Francisco, CA: Jossey-Bass.
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- Hackman, J. R., & Oldham, G. R. (1980). *Work redesign*. Reading, MA: Addison-Wesley.
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- Lawler, E. E., III (1986). *High involvement management: Participative strategies for improving organizational performance*. San Francisco, CA: Jossey-Bass.
- National Labor Relations Board. (n.d.). National Labor Relations Act. Retrieved from <https://www.nlr.gov/resources/national-labor-relations-act>
- Queens IRC. (2013, August 12). *How can the dynamics of collective bargaining impact the outcome of your negotiations?* [Video file]. Retrieved from <https://youtu.be/hOBORmAETxk>
- Queen's IRC. (2014, February 25). *What are the four phases of collective bargaining?* [Video file] Retrieved from <https://www.youtube.com/watch?v=F02opoWS6bU&feature=youtu.be>

Suggested Reading

Unions can be a controversial subject. Some people are for them, and some are against them. In this video, economist Paul Krugman explains why he would like to see more people supporting unions.

Big Think. (2012, April 20). *Paul Krugman on unions* [Video file]. Retrieved from <https://www.youtube.com/watch?v=Mms8rYWHw44&feature=youtu.be>

To view the transcript of the video above, click [here](#).

E-commerce is a quickly growing industry. This article looks at the challenges these workers face and the role that unions could play in this market.

Birner, K. (2015). One click to empowerment? Opportunities and challenges for labour in the global value chain of e-commerce. *International Journal of Labour Research*, 7(1/2), 55-74. Retrieved from <https://libraryresources.columbiasouthern.edu/login?url=http://search.proquest.com.libraryresources.columbiasouthern.edu/docview/1774151710?accountid=33337>

To learn more about the advantages and disadvantages of labor unions, watch the video below. Understanding these views can help you form an opinion on this subject.

Mistakes Newbies Make. (2009, December 3). *Advantages and disadvantages of unions* [Video file]. Retrieved from https://www.youtube.com/watch?v=iONLn9i_V0&feature=youtu.be

To view the transcript of the video above, click [here](#).

The article below explores the topic of declining unions. It also looks at factors that may bring unions back to popularity in the near future.

Van Brimmer, A. (2014). State of the unions: As workers' wages fall, organized labor may experience a resurgence. *HRMagazine*, 59(7), 33. Retrieved from <http://go.galegroup.com.libraryresources.columbiasouthern.edu/ps/i.do?p=ITOF&sw=w&u=oran95108&v=2.1&it=r&id=GALE%7CA375218762&asid=77cf382eabb52bc6d8fa864268b3b5c7>

Learning Activities (Nongraded)

Nongraded Learning Activities are provided to aid students in their course of study. You do not have to submit them. If you have questions, contact your instructor for further guidance and information.

Check for Understanding: Word Search Puzzle

Click [here](#) to download a word search puzzle that reinforces the terms covered in this unit. You can print it out or use the highlighting or drawing tools to circle the words directly on the PDF document.