FORE—provide Facts, express your Opinions, explain factually correct Rules, and share your Experiences.

15-4 The employer and union hammer out an agreement via the **collective bargaining process.** The heart of collective bargaining is good faith bargaining, which means both parties must make reasonable efforts to arrive at agreement, and proposals are matched with counterproposals. There are mandatory bargaining items such as pay, illegal bargaining items, and voluntary bargaining items such as benefits for retirees. If things don't go smoothly during bargaining, the parties may utilize third-party intermediaries, including mediators, fact finders, and arbitrators. Strikes represent a withdrawal of labor.

15-5. A manager may become involved with **disputes and grievances.** Collective bargaining agreements contain a specific grievance procedure listing the steps in the procedure. The best way to handle a grievance is to create an environment in which grievances don't occur. If one does occur, investigate, handle each case as though it may lead to arbitration, talk with the employee about the grievance, and comply with the contractual grievance-handling time limits.

15-6. Union federations, such as Change to Win, continue to be aggressive about organizing workers, and unions are going global, so **cooperative labor relations** is both possible and a sensible aim.

Discussion Questions

15-1. Why do employees join unions? What are the advantages and disadvantages of being a union member?

15-2. Discuss four sure ways to lose an NLRB election.

15-3. Briefly illustrate how labor law has gone through a cycle of repression and encouragement.

15-4. Explain in detail each step in a union drive and election.

15-5. Define impasse, mediation, and strike, and explain the techniques that are used to overcome an impasse.

Individual and Group Activities

15-6. You are the manager of a small manufacturing plant. The union contract covering most of your employees is about to expire. Working individually or in groups, discuss how to prepare for union contract negotiations.

15-7. Working individually or in groups, use Internet resources to find situations where company management and the union reached an impasse at some point during their negotiation process, but eventually resolved the impasse. Describe the issues on both sides that led to the impasse. How did they move past the impasse? What were the final outcomes?

15-8. Appendices A and B at the end of this book (pages 614–634) list the knowledge someone studying for the HRCI (Appendix A) or SHRM (Appendix B) certification exam needs to have in each area of human resource management (such as in Strategic Management and Workforce Planning). In groups of several students, do four things: (1) review Appendix A and/or B; (2) identify the material in this chapter that relates to the Appendix A and/or B required knowledge lists; (3) write four multiple-choice exam questions on this material that you believe would be suitable for inclusion in the HRCI exam and/or the SHRM exam; and (4) if time permits, have someone from your team post your team's questions in front of the class, so that students in all teams can answer the exam questions created by the other teams.

15-9. Several years ago, 8,000 Amtrak workers agreed not to disrupt service by walking out, at least not until a court hearing was held. Amtrak had asked the courts for a temporary restraining order, and the Transport Workers Union of America was actually pleased to postpone its walkout. The workers were apparently not upset at Amtrak, but at Congress for failing to provide enough funding for Amtrak. What, if anything, can an employer do when employees threaten to go on strike, not because of what the employer did, but what a third party—in this case, Congress—has done or not done? What laws would prevent the union from going on strike in this case?

Experiential Exercise

The Organizing Campaign at Sam's Cupcake Shop

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Purpose: The purpose of this exercise is to give you practice in dealing with some of the elements of a union-organizing campaign.[113]

Required Understanding: You should be familiar with the material covered in this chapter, as well as the following incident, "The Organizing Campaign at Sam's Cupcake Shop."

Incident: Sam's Cupcake Shop sells baked goods (croissants, cupcakes, rolls, cakes, etc.) and serves light meals such as breakfast and salads through its chain of ten small retail stores in the borough of Manhattan, in New York City. Each store is staffed with about 9 employees (plus one manager), some of whom do the cooking and some of whom staff the counter and sell the food items. As with Sam's other stores, the Sam's Cupcake Shop on First Avenue is staffed mostly with recent (legal) immigrants to America, all of whom are paid at or just above the minimum wage. Everything at the First Avenue store seemed to be going smoothly, but that apparent tranquility ended abruptly on July 27, 2018. That was the day that Anesha, the First Avenue store's manager, called Taylor Brooke, Sam's Cupcake's human resource manager, to tell her that they had "an employee problem."

The problem, Anesha said, was that she'd heard from a few employees that the Service Employees International Union was trying to organize Sam's Cupcake Shop employees. Taylor's first reaction was one of caution, particularly because food service employees are historically difficult to organize—"they don't stay in their jobs long enough to unionize them," to paraphrase one union leader.[114] Unfortunately, Anesha said she had already taken what she called "sensible steps" to blunt the unionization effort. She had, first, explained to her employees that if costs went up because they unionized, then "we'd probably have to close this shop." She said she also promised better work schedules if they "ignored" the union, and told them they were prohibited from discussing union matters during work time. "And don't worry" she said to Taylor, "I've got a list of the employees who are pushing for the union."

The more Anesha talked, the more concerned Taylor became, not just with the union but with the possible consequences of Anesha's efforts. She wondered particularly if Anesha's actions could cause problems down the road for Sam's Cupcakes with the NLRB.

She didn't have long to wait for an answer. The following week pickets from the union and its supporters appeared in front of the First Avenue store carrying signs decrying the company's "unfair labor practices." At that point Sam came into Taylor's office and said, "If they think they can railroad me into giving them big raises they are wrong; I am closing that store down." Taylor was in a quandary as to how to reply to Sam, and in general, what she should do.

How to Set Up the Exercise/Instructions: Divide the class into groups of several students. Assume that you are labor relations consultants retained by Taylor to identify the problems and issues involved and to advise Taylor and Sam of the company's rights and obligations, as well as the implications of what's transpired so far, and finally what to do next. Each group will spend the time allotted discussing the issues. Then, outline those issues, as well as an action plan for Taylor and Sam. What should they do next? Can Sam really close the store down?

If time permits, a spokesperson from each group should list on the board the issues involved and the group's recommendations.

Application Case

Organizing New Media Employees at Vice Media

Written and copyrighted by Gary Dessler, PhD.

In 2016 Vice Media and the Writers Guild of America (WGA) agreed on a contract covering about 70 people in Vice Media digital businesses.[115] In 2017 another 430 Vice Media employees voted to unionize. Many of them work on video content for Vice.com and Vice-branded HBO programs. Some joined the WGA East, and some the Motion Pictures Editors Guild. With "new media" growing fast, what's happening at Vice Media illustrates the union challenges new media firms face today.

Vice Media began as an edgy magazine in the 1990s. Today, in addition to its print arm, it has morphed into an online news source with channels including Noisey, Garage, and Motherboard, a Viceland cable channel (among others), and mobile platforms. Walt Disney Company made a $400 million investment in Vice, and Vice Media recently got a $450 million investment from a private equity firm. Some of this new money will go to developing scripted programming for Vice's Viceland cable channel and mobile platforms. In any case, it's obvious that, as at other new-media firms like Buzzfeed and Vox, content creators—writers, editors, and so on—are the lifeblood of the company. That makes labor relations a central issue for companies like these.

For unions, the new-media workforce represents one of the best opportunities in years for union membership to start growing again.

Unions like the WGA are therefore pursuing these employees. In doing so, they're emphasizing the things millennial workers seem to care about the most, not just wage increases, but editorial independence and diversity.

To help unionize firms like these, unions are holding networking events, and headlining them with employees from new-media firms that they've organized. For example, one union let unionized writers from *The Daily Show* explain the advantages of union membership.

Some new-media companies (including Vice Media) were fairly welcoming of the unions, while others were more combative. For example, Buzzfeed's CEO reportedly took a strong stance against the "adversarial" nature of unionization.

Therefore, things don't always go well for new-media employees who do organize. For example, the owner of Gothamist and DNAinfo closed both sites after employees voted to unionize. The owner had warned that it was already running both sites at a loss.

Unions and new-media employers therefore have to understand what new-media employees—many or most of whom are millennials—want from employers. And it turns out that what they want isn't that different from what workers have always wanted. In addition to editorial independence, they want good pay and benefits, fair treatment, and the ability to be heard.

Employers who hoped that the glamour of writing for a fast-growing new-media firm might be enough to keep workers from unionizing were wrong. For one thing (to paraphrase one Vice Media channel editor), after Mashable laid off 50 employees and Buzzfeed fired 100, anxiety began prompting employees to unionize. Many (or most) of these employees went to good schools and got good jobs, only to find that journalists' average pay is low and turnover is high: Many were on their second or third jobs just a few years after college. It's probably not surprising that one study found that 46% of people 30 and over view unions favorably, while 55% of those 18 to 29 have favorable views.

Furthermore, both the new-media firms and their employees have evolved. For example, many firms, including Vice Media, began as what one writer called the "lawless cowboys" of new media. But as they and their employees aged, the writers and employees wanted more stability.

Questions

15-10. The WGA did not have to call a strike at Vice. Why do you think that is? If they struck, what employer tactics would you have suggested to fight back once the strike began?

15-11. What do you think accounts for the fact that Vice Media agreed fairly quickly to recognize the union, whereas other new-media firms simply closed down? What does this mean for unions like the WGA?

15-12. The organizing campaigns at new-media firms like Vice and Buzzfeed are essentially conflicts between professional and creative people (the WGA) and owners and TV and movie producers. Do you think such conflicts are different in any way than are the conflicts between, say, the United Autoworkers or Teamsters unions against auto and trucking companies? Why?

15-13. If you owned a start-up new-media company, how would you react to a union coming in to demand recognition, and why?

Continuing Case

Carter Cleaning Company

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The Grievance

On visiting one of Carter Cleaning Company's stores, Jennifer was surprised to be taken aside by a long-term Carter employee, who met her as she was parking her car. "Murray (the store manager) told me I was suspended for 2 days without pay because I came in late last Thursday," said George. "I'm really upset, but around here the store manager's word seems to be law, and it sometimes seems like the only way anyone can file a grievance is by meeting you or your father like this in the parking lot." Jennifer was very disturbed by this revelation and promised the employee she would look into it and discuss the situation with her father. In the car heading back to headquarters, she began mulling over what Carter Cleaning Company's alternatives might be.

Questions

15-14. Do you think it is important for Carter Cleaning Company to have a formal grievance process? Why or why not?

15-15. Based on what you know about the Carter Cleaning Company, outline the steps in what you think would be the ideal grievance process for this company.

15-16. In addition to the grievance process, can you think of anything else that Carter Cleaning Company might do to make sure grievances and gripes like this one are expressed and are heard by top management?

Translating Strategy into HR Policies and Practices Case*,§

* *The accompanying strategy map for this chapter is in MyLab Management; the overall map on the inside back cover of this text outlines the relationships involved.*

Improving Performance at the Hotel Paris

The Hotel Paris's New Labor Relations Practices

The Hotel Paris's competitive strategy is "To use superior guest service to differentiate the Hotel Paris properties, and to thereby increase the length of stay and return rate of guests, and thus boost revenues and profitability." HR manager Lisa Cruz must now formulate functional policies and activities that support this competitive strategy and boost performance by eliciting the required employee behaviors and competencies.

Lisa Cruz's parents were union members, and she had no strong philosophical objections to unions, per se. However, as the head of HR for the Hotel Paris, she did feel very strongly that her employer should do everything legally possible to remain union-free. She knew that this is what the hotel chain's owners and top executives wanted, and that achieving their strategic goals would be best accomplished by

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staying union-free. Furthermore, the evidence seemed to support their position. At least one study that she'd seen concluded that firms with 30% or more of their eligible workers in unions were in the bottom 10% in terms of performance, while those with 8% to 9% of eligible workers in unions scored in the top 10%.[116] The problem was that the Hotel Paris really had no specific policies and procedures in place to help its managers and supervisors deal with union activities. With all the laws regarding what employers and their managers could and could not do to respond to a union's efforts, Lisa knew her company was "a problem waiting to happen." She turned her attention to deciding what steps she and her team should take with regard to labor relations and collective bargaining.

Lisa and the CFO knew that unionization was a growing reality for the Hotel Paris. Some of the hotel chain's U.S. employees were already unionized, and unions in this industry were quite active. For example, as they were surfing the Internet to better gauge the situation, Lisa and the CFO came across the Web site from the Hotel Employees Restaurant Union, Local 26. It describes their success in negotiating a contract at several local hotels including ones managed by the Westin and Hilton chains. The CFO and Lisa agreed that it was important that she and her team develop and institute a new set of policies and practices that would enable the Hotel Paris to deal more effectively with unions.

Together with a labor–management attorney, the team developed a 20-page "What You Need to Know When the Union Calls" manual for Hotel Paris managers and supervisors. This contained three sets of information. First, it provided a succinct outline of *labor relations law*, particularly as it relates to the company's managers. Second, it laid out a *detailed set of guidelines* regarding what supervisors could and could not do with respect to union-organizing activities. Third, it identified all line supervisors as the company's "*front-line eyes and ears*" with respect to union organizing activity. Here, the manual provided examples of activities that might suggest that a union was trying to organize the hotel's employees, and whom the supervisor should notify.

Lisa and her team also decided to ensure that the company was responsive to its employees' concerns. Lisa and her team believed that many of the steps they'd taken earlier should help. For example, improving salaries and wages, providing financial incentives, and instituting the new ethics, justice, and fairness programs already seemed to be having a measurable effect on employee morale.

Questions

15-17. List and briefly describe what you believe are the three most important steps Hotel Paris management can take now to reduce the likelihood unions will organize more of its employees.

15-18. Write a detailed two-page outline for a "What You Need to Know When the Union Calls" manual. Lisa will distribute this manual to her company's supervisors and managers, telling them what they need to know about looking out for possible unionizing activity, and how to handle actual organizing process-related supervisory tasks.

Writing Assignments

15-19. Describe important tactics you would expect the union to use during the union drive and election.

15-20. Why, would you say, workers join unions, and what would you as a manager do to make it less likely your employees would want to join a union at your workplace?

PERSONAL INVENTORY ASSESSMENTS

PIA PERSONAL INVENTORY ASSESSMENT

Go to **www.pearson.com/mylab/management** to complete the Personal Inventory Assessment related to this chapter.

Key Terms

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union shop, 487
agency shop, 487
preferential shop, 487
right to work, 487
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National Labor Relations (or Wagner) Act, 488
National Labor Relations Board (NLRB), 488
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