

Discussion Questions

1. "If there had been no labor unions in this country in the past 35 years or so, the growth of employee benefits would perhaps have been only a small fraction of what it has actually been." Discuss.
2. "It is not the business of the government to protect employee pension interests. ERISA is a classic example of unjustified governmental intervention in private employer-employee matters." Comment fully.
3. "Vacations and holidays are far more important for what they do in the way of job security than for what they do in the area of leisure time." Does this statement seem valid to you? Why or why not?
4. Which set of arguments as expressed in this chapter's section on pensions carries more weight with you: the case *for* contributory plans or the case *against* them?
5. "SUB plans of the type negotiated in the automobile and steel sectors are wholly undesirable. They discourage employees in the incentive to work, replace state unemployment compensation systems, discriminate against the worker not represented by a union, place an undetermined but intolerable burden on management, are financially unsound, and can actually cause permanent unemployment among some workers." In the light of your understanding of the character of these SUB plans, evaluate this statement.
6. If you could participate in only one kind of pension plan, which would you prefer to have for yourself throughout your career: a defined benefit plan or a defined contribution plan? Why?
7. Should employee health benefits be financed exclusively by employers? Why or why not?
8. Does a power failure resulting from faulty maintenance relieve the employer of the need to pay reporting pay when the contract excuses the employer if the failure to provide work is "due to causes beyond the control of management"? Explain.

Minicases

1. The Case of Henry Jennings

After Henry R. Jennings, a stockroom employee who only last week celebrated the tenth anniversary of his coming to the Kruger Corporation, hits his supervisor, he is discharged and, having spent his fury in the single blow, he accepts this consequence with understanding.

"I don't know what got into me, Mr. Reilly," he tells the divisional labor relations manager. "But I deserve to be fired, and I accept my punishment like a man. Just tell me where I should go to collect my 4 weeks' vacation pay,

though. I'm due it because the collective bargaining agreement here says that 'the standard annual vacation allowance for 10 years and more of continuous active employment is 4 weeks (20 business days) of vacation.' I don't deserve a recommendation from the company after what I've done, but I am entitled to my vacation money."

Assuming that his reading of the relevant language is accurate and that there is nothing else in writing concerning vacation pay, is he entitled to what he is requesting, or is he not? ■

2. The Case of Timmy Aldrich

Exactly 1 year ago this week, Timothy ("Timmy") Aldrich was hired by the Smedley Bottled Gas Company to come in each Friday afternoon at 2 P.M., following his day of classes as a senior at Andover High School, and spend 2 hours sweeping out the back rooms of the employer's warehouse.

He now asks Human Resources Vice President Louise Perlmutter where he should go to get his 2 weeks' vacation pay, for he has decided—he says—to take his paid

vacation over the next fortnight. Informed that he is entitled to no vacation at all, much less a paid one, he becomes irate and produces a copy of the labor agreement. From the latter, he reads aloud a provision that says, "All employees shall be entitled to 2 full weeks of paid vacation after 1 year of employment." Informed that the language is not applicable to him, he replies, "It says all employees. What do you think I am, the company mascot?"

Would you give Timmy the 2 weeks' pay? ■

Notes

1. Bureau of National Affairs, 2007 *Source Book on Collective Bargaining* (Washington, DC: Bureau of

3. Ibid., p. 39.

4. Except as noted, all statistics in this chapter are based on data furnished by the Bureau of Labor Statistics, U.S.

2. An Original Proposal

MEMORANDUM TO: John T. Kelly, Chairman of the Board, Fenwick Chemical Corporation

FROM: Sarah Bellum, Senior Vice President for Labor Relations

SUBJECT: Proposed Appointment of Four Union Leaders to Fenwick Board of Directors

I'm not saying that it would solve all our problems, but I'd like to know what we'd lose by giving four of the twenty seats on our board of directors to officer nominees of the Chemical Workers Union.

By my calculations, we're talking about only one-fifth of the board membership, so there's no way that board decisions could actually result from just union desires even if all four union people were united on

something. And because the union has been yelling for years for just one seat, imagine how pleased it would be with four: we'd save a bundle in the wages and benefits that the Chemical Workers wouldn't demand in the face of our magnanimity. Maybe one or two of the union people would make real contributions to board deliberations at least once in a while. And can you imagine a union voting to strike under these conditions?

I know that almost no U.S. company has even one such director, but with our currently depressed earnings and gloomy near-term financial outlook we've got to do something. The race these days is won by those who are imaginative.

How much of a point, if any, does Bellum have? ■

Notes

1. All statistics in this section are based on information furnished by the Bureau of Labor Statistics, U.S. Department of Labor.
2. *Union Starch & Refining Co.*, 87 NLRB 779 (1949).
3. *National Right to Work Newsletter*, November/December 2007, p. 1.
4. See, as an example of all of this, the center's 2007 publication, *Right to Work—For Less*.
5. *Grievance Guide*, 11th ed. (Washington, DC: Bureau of National Affairs, 2003), pp. 453–54.
6. *Ibid.*, p. 452.
7. *Ibid.*, pp. 427–30.
8. 398 U.S. 235 (1970).
9. *Metropolitan Edison Co. v. NLRB*, Case No. 81–1664, April 4, 1983.
10. Section 301(e) states: "For purposes of this section, in determining whether any person is acting as an 'agent' of another person as to make such other person responsible for his acts, the question of whether the specific acts performed were actually authorized or subsequently ratified shall not be controlling."
11. *The New York Times*, December 12, 1976, p. F13.
12. "Management's Reserved Rights under Collective Bargaining," *Monthly Labor Review*, 79, no. 10 (October 1956), p. 1172.
13. *Time*, May 19, 1980, p. 78.
14. *Wall Street Journal*, March 12, 1981, p. 33.
15. *Ibid.*
16. *Business Week*, November 22, 1982, p. 30.
17. *Business Week*, February 1, 1982, p. 17.
18. *Wall Street Journal*, September 17, 1985, p. 1.
19. *The Economist*, April 14, 2007, p. 78.
20. Warner Woodworth, "Promethean Industrial Relations: Labor, ESOPs, and the Boardroom," in *Proceedings of the 1985 Spring Meeting, Industrial Relations Research Association, April 18–19, 1985* (Washington, DC: Industrial Relations Research Association, 1985), p. 623.
21. A. H. Raskin, "Frustrated and Wary, Labor Marks Its Day," *The New York Times*, September 5, 1982, p. F6.
22. *Time*, October 29, 1990, p. 74.
23. *Wall Street Journal*, July 20, 1998, p. A4.

Selected References

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all for members of a college or university class to harbor considerable hostility toward unions as an institution and/or toward specific union values—or, indeed, very favorable sentiments. No one in the normal run of campus discussion says, “If there’s anything that I hate, it’s a debenture” or “There ought to be a law against both game theory and regression analysis!”

And third, it is because of this emotional factor that students are well advised to ponder *all* of the evidence presented in their labor class especially carefully before making up their minds, really on any involved issue. Jumping to hasty conclusions is, of course, unwise regarding any matter in any situation. The sentences “I went to Yale; I yooost got out,” “They want me to make Westerns in Hollywood and also other kinds of sandwiches,” and “I’d like to die like my grandfather did—in my sleep, not screaming like the four other passengers in the car he was driving,” to present just three examples, take on new meaning once all of the information furnished is considered. When the subject is the highly charged topic of union-management relations—involving as it does two of the three (with government) major institutions in our society—this gratuitous advice is certainly no less valid.

Discussion Questions

1. It has generally been agreed that the increased use of the seniority concept in industrial relations has lessened the degree of mobility among workers. What can be said (a) for and (b) against such a consequence?
2. “The typical labor agreement’s disciplinary procedures contain as many potential advantages for management as they do for unions and workers.” Comment.
3. It has been observed that “management’s perception of technological change is producing an offensive strategy; the union’s perception is in general producing a defensive strategy.” Confining your opinion to automated changes, do you agree?
4. The several devices noted in the Technological Change section of this chapter constitute the major existing avenues for minimizing employee resistance to such change. Can you suggest other measures that might be utilized in an attempt to realize this goal?
5. Regardless of what the judicial system has ruled to date, do you favor letting seniority take priority over an affirmative action program when the two collide (as in the case, for example, of layoffs), or should the affirmative action program prevail? Why?
6. How much, if any, action on ergonomics in the workplace should rely on the voluntary actions of employers (as favored by George W. Bush) and how much should be mandatory on the part of managements? Explain.
7. Do you feel that the Worker Adjustment and Retraining Notification Act of 1988 (WARN) was a desirable piece of legislation, or not? Explain.

Minicases

1. The Dangerous Knife

The Northwest Electronics Corporation has a rule against the possession of dangerous knives on company property, and over the years it has disciplined (generally by discharging) more than a few of its approximately 5,000 employees for having violated it. In all such cases until now, however, the knife was visible (more than once because it was being brandished).

Recently, plant security guard Ralph Von Strasser, suspecting the possession of a knife by a female worker, unilaterally entered and searched her locker and her purse and discovered that his suspicions were in fact warranted since the dangerous knife was in the purse. As the woman

prepared to leave the premises by the front gate at quitting time that afternoon, she was escorted to the security office and asked to empty her purse. She was not informed why this request was being made. Refusing to honor it, she took her purse and went out the gate.

She was informed when she showed up for work on the following morning that she had been discharged for “refusing to obey the legitimate order of a plant security officer.” The case wound up in arbitration.

Had you been the arbitrator here, would you have sustained the discharge, and why or why not? ■