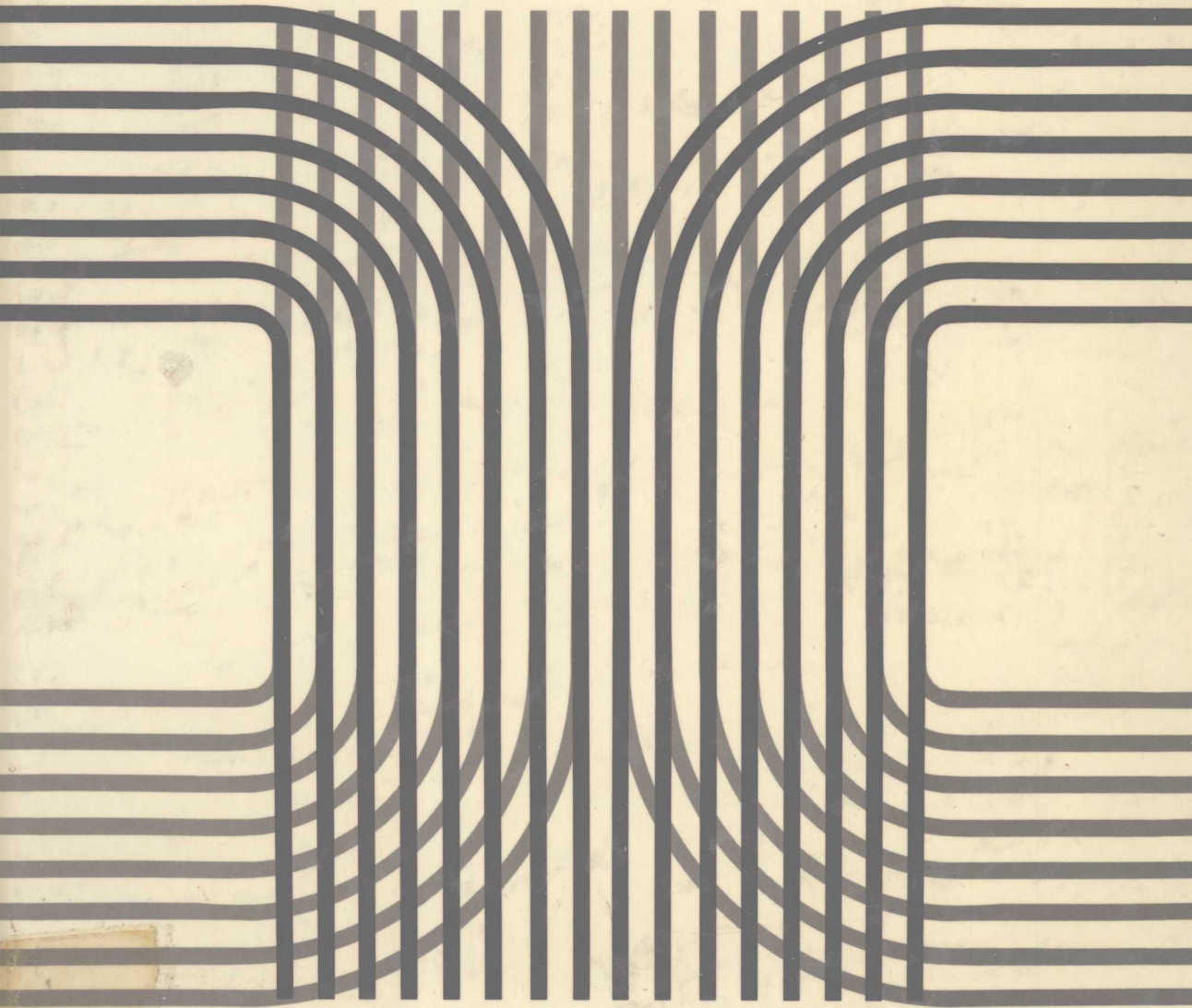


# **UNION-MANAGEMENT RELATIONS IN A CHANGING ECONOMY**



**ALAN BALFOUR**

# **UNION-MANAGEMENT RELATIONS IN A CHANGING ECONOMY**

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## PREFACE

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Many observers believe that American labor relations are in a period of potential extreme change. Reduced employment in both the mass production industries and the unionized construction trades, changing technology, increasingly effective foreign competition, government intervention in business, and concerns for quality of product and quality of work life have raised serious questions concerning the appropriateness of our American industrial relations system. Lessons learned over the past fifty to one hundred years have to be reassessed. Much of what we learned in the past is still appropriate for the future, but some of it may not be. This book attempts to assess how we arrived at our current system, to explain how it operates, and to examine how the system copes with the sometimes new and different pressures of the 1980s.

The author believes that a major purpose of education is to help students understand their environment. For the purposes of this book, the environment is that of American union-management relations. Most of the readers will not pursue careers in a unionized environment. Fewer still will take positions in which they ever actually will negotiate a contract. Virtually none will be expected to become negotiators immediately. Accordingly, this book emphasizes an understanding of why the parties to collective bargaining act as they do. It does not attempt to make negotiators or labor lawyers out of students. Instead of stressing facts and data which are often not necessary for understanding, are memorized before exams and forgotten after, and often become out of date before the student graduates, this book tries to explain *why* we do what we do rather than merely describing what we do. It intentionally contains more philosophy, sociology, and psychology and fewer NLRB cases and economic data than other books in the field. The book's emphasis is on the behavioral impact of labor relations, rather than the economic or legal consequences of collective bargaining.

Hopefully, because of this emphasis on behavior and because of the subject's relevance to their own lives, students will find the book brisk and interesting—a valuable and thought-provoking guide to *understanding* (rather than describing) our contemporary labor relations system.

To facilitate class discussion and learning, each chapter ends with two types of questions: Discussion Questions and Statements for Comment. The Discussion Questions require a straightforward mastery of the material presented. The Statements for Comment are usually opinionated utterances taken from the real world. Reacting to them requires applying the principles devel-

oped in the chapter, rather than merely looking up answers given in the text. Each chapter also contains a series of Situations, which are hypothetical cases for which readers may make recommendations utilizing the principles developed in the chapter. Finally, a continuing Exercise runs throughout the book, beginning with a company involved in a union organizing campaign. It proceeds through a contract negotiation and a bargaining impasse and culminates in a pair of grievance arbitrations. Exercise assignments can be varied in length to fit the time permitted and can include role playing if desired.

## ACKNOWLEDGMENTS

I wish to thank my colleagues Cynthia Fryer Cohen, Dick Dutton, and James J. Sherman for their input and critical review of materials. I also wish to acknowledge the very valuable contributions of research assistants Pamela Pautler, Suzanne Veczey, Mark Rose, Sharon James, and Brian Lindahl. Finally, I wish to thank Norma Walker for an excellent job of word processing.

ALAN BALFOUR

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# ONE

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## INTRODUCTION

Collective bargaining is about people, conflict, and power. It is a subject on which many Americans hold strong, easily voiced, ill-informed opinions. It is controversial, frustrating, irritating, and interesting. It affects the lives of all of us.

### COLLECTIVE BARGAINING DEFINED

*Collective bargaining* is a process that obligates management and union representatives to negotiate in good faith in an attempt to reach agreement concerning a specified set of issues affecting employees. It also includes the application, interpretation, and enforcement of the agreed-upon contract.

### INDUSTRIAL RELATIONS SYSTEM DEFINED

The *industrial relations system* consists of the interrelated needs and desires of employees, unions, managers, investors, nonunion companies, consumers, the government, and the public in general. Its purpose is to provide the greatest possible good for the greatest number of parties without overly harming any of



them. How this "greatest good for the greatest number" is measured and accomplished is, of course, subject to debate. The pursuit of the goal is accomplished by attempting to balance the often competing and conflicting needs of the parties. While the system is not entirely perfect for any of its members, it is also not unacceptable to any. Like all systems, it is subject to pressures from the outside environment such as foreign competition, technological change, and the changing values and expectations of its participants.

The term "industrial relations" is historic and derives from a time when the primary source of employment in the United States was industrial. "Employment relations" or "labor-management relations" would be more appropriate terms for the changing nature of employment in America. Collective bargaining is a component of the industrial relations system.

## PURPOSE AND GOALS OF A UNION

The purpose of a union is to get for employees what they could not get without one. Major goals of a union are (1) to improve employee wages and benefits, (2) to assure fair treatment of employees at the workplace, and (3) to allow employees input on decisions affecting them.

## STUDY OF COLLECTIVE BARGAINING

The study of collective bargaining is complex. It may appear simple compared to other courses taught in college curricula because it is communicated in English prose rather than mathematical formulas, chemical symbols, or foreign languages. Many people underestimate its complexity and difficulty because it is a subject with which they are already somewhat familiar and about which they therefore feel qualified to express an opinion.

FIGURE 1-1 FACTORS AFFECTING THE INDUSTRIAL RELATIONS SYSTEM

