

Twelfth Edition

Labor Relations

Development, Structure, Process



John Fossum

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John A. Fossum

*Center for Human Resources and
Labor Studies*

*Carlson School of Management
University of Minnesota*





LABOR RELATIONS: DEVELOPMENT, STRUCTURE, PROCESS, TWELFTH EDITION

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About the Author

John Fossum is a Professor Emeritus of Human Resources and Industrial Relations in the Center for Human Resources and Labor Studies, Carlson School of Management, at the University of Minnesota. He began his academic career in 1972 at the University of Wyoming, and in 1974 he moved to the Business School at the University of Michigan. In 1983, joined the faculty of the University of Minnesota, from which he retired in 2008. Professor Fossum received his BA (economics) from St. Olaf College, his MA (industrial relations) from the University of Minnesota, and his PhD (labor and industrial relations) from Michigan State University. In addition to his teaching and research at Minnesota, he served as Director of the Industrial Relations Center (renamed the Center for Human Resources and Labor Studies)—a teaching, research, and outreach unit involved with all facets of employment issues—and chair of the Department of Human Resources and Industrial Relations for eight years; as Director of Graduate Studies in Human Resources and Industrial Relations—with programs enrolling more than 225 masters and 15 doctoral students—for four years; and as Associate Dean of Faculty and Research of the Carlson School for two years. He has held visiting faculty appointments at UCLA and Cornell University and is appointed as a Visiting Professor at Szkoła Główna Handlowa (SGH-Warsaw School of Economics). During the fall semester 2001, he was a Fulbright lecturer at SGH. Additionally, he has taught students and faculty at other universities and programs in Austria, China, France, Poland, and Ukraine. In 1981 to 1982, he was chair of the Personnel/Human Resources division of the Academy of Management, a scholarly organization of academics engaged in research and teaching across a broad spectrum of organizational practices, and was later a member of the executive board of the Industrial Relations Research Association. His research and writing cover a broad set of employment issues.

To all my parents—Peter, Almeda, Herb,
and Jane

To Alta for 50 years (and counting) of
vigilance, support, and love

To Andy and Amy, Jean and Steve for
their accomplishments

To Megan and Kristen for tenacity,
charm, and humor

To Georgie Herman, a national treasure
among dedicated librarians

And to Solidarność (the free Polish trade
union movement) for its central role in
overcoming totalitarian rule in Eastern
Europe and validating the essential role
of democratic trade unions in creating
and maintaining a free society.

Preface

The twelfth edition of *Labor Relations: Development, Structure, Process* is being published 37 years after I began to work on the first edition. At that time, most labor relations texts were primarily descriptive, focusing on laws, their interpretation, and the process of negotiation and contract administration. They didn't pay much attention to the results of research studies, particularly from basic behavioral and economic research.

A confluence of fortuitous circumstances catalyzed this project. First, Jim Sitlington, who was then an editor for Business Publications, Inc. (BPI), lived in Ann Arbor, Michigan. I was an assistant professor in the Business School at the University of Michigan. BPI was then a recently created subsidiary of Richard D. Irwin, Inc., a dominant publisher of business and economic texts. One of BPI's major objectives was to develop a broad set of competitive texts for business courses. Jim regularly visited the business school at Michigan looking for potential authors. He suggested to me that BPI needed a labor relations text to fill a major gap in its list. As an untenured assistant professor, I demurred. In addition, my primary teaching assignment was the required organizational behavior (OB) course for first-term MBA students. But he had planted the seed of potential interest.

Second, one of the faculty members in our department, Dallas Jones, was eligible for a sabbatical leave the following year. He taught all of the labor relations courses that our department offered. For him to go on leave, someone from within the department would need to teach his courses. No one else had the preparation or interest, and I was eager to get some time away from the required Organizational Behavior (OB) course, so I volunteered. This meant that I would have to spend all of my time during the coming summer preparing to teach his courses. The work necessary to do that could serve as the basis for preparing a text.

Third, the business school at Michigan had an excellent special collection library—the Industrial Relations Reference Room—staffed with a dedicated group of librarians led by JoAnn Sokkar. The material that I needed not only to give the book the institutional and legal perspective that others had but also to incorporate more broadly based behavioral and economic theory and research was immediately at hand.

So I decided to do it. Cliff Francis, BPI's president, and I began with basically a "handshake" relationship, perhaps neither of us recognizing the actual risks we faced. With the great help of others mentioned below, and after two years of work, the manuscript went to the publisher in 1978 and was first published in 1979. The market reacted very positively to the risks that we had taken. The time was right for a new approach, and we were rewarded with increasing numbers of adoptions.

Much has changed since the first book appeared. The corporatist period in U.S. labor relations was ending at that very point. The employment and industrial structure of the U.S. economy began to change in an accelerating manner, and the prevalence of unionized employment in the private sector declined markedly. Increasing attention began to be paid to the financial performance of private sector firms, and negotiations with unions and resistance to new unionization became much more adversarial in many instances.

Economic globalization has grown rapidly. While producers, customers, and suppliers have increasingly crossed national boundaries in their transactions, labor organizations have not, which has decreased their power to bargain.

The book has changed over time to recognize and incorporate these changes. Some changes take place abruptly and affect the practice from that point forward. Other changes take place in a more evolutionary fashion or over a cycle that involves more than one edition. The twelfth edition includes a number of immediate and longer-run updates and changes—particularly the increasing activism and controversy surrounding the National Labor Relations Board (NLRB) and the process of appointing its members; the development and operation of worker centers; greater involvement of unions with undocumented workers and their problems; developing forms of nonunion worker representation; increasing importance of health care costs, access, legislation, and regulation; the growing crises in financing public sector pensions in many jurisdictions; and the developing practice of labor relations in China.

The Online Learning Center that accompanies this text (www.mhhe.com/fossum12e) includes password-protected teaching supplements for instructors and chapter quizzes for students.

I hope that you will see this book as presenting a perspective that reflects and balances the viewpoints of both labor and management and includes economic, institutional, legal, and behavioral perspectives. In developing my approach to this book, I am indebted to many institutions and individuals—my graduate school professors at the University of Minnesota and Michigan State University; my academic colleagues at the University of Michigan, UCLA, the University of Minnesota, and the institutions at which I have visited; and human resource and labor relations managers and specialists and national and local union representatives and members who have provided me with insights and background information.

In an age of mergers and acquisitions, it's important to trace the family tree of a surviving project. The first three editions of this text were published by BPI, but by the fourth edition, BPI had been reabsorbed into Irwin, which in turn was sold to Dow Jones. By the time the fifth edition came out, Dow Jones had sold Irwin to the Times Mirror Corporation. Between the sixth and seventh editions, Times Mirror sold its business and economics text business to McGraw-Hill, which has published the

eighth, ninth, tenth, and eleventh editions. In 2012, McGraw-Hill sold its Higher Education division to Apollo Global Management, which is publishing the twelfth edition. Thus, over the 36 years this book has been in print, it has been published by three different houses under five different owners.

Many academics have provided reviews and feedback on earlier editions. I am particularly indebted to the reviewers of the first edition, Hoyt Wheeler of the University of South Carolina (and my first faculty industrial relations colleague as we began our careers at the University of Wyoming) and I. B. Helburn of the University of Texas. The second edition was aided by suggestions and comments from Jim Chelius (Rutgers), Sahab Dayal (Central Michigan), and George Munchus (Alabama at Birmingham). The third edition benefited from reviews by George Bohlander (Arizona State), Richard Miller (Wisconsin), Edmond Seifried (Lafayette), and Bobby Vaught (Southwest Missouri State). The fourth edition was helped by comments and suggestions from Edward Reinier (Southern Colorado) and Jack Steen (Florida State). The fifth edition was reviewed by Frank Balanis (San Francisco State), A. L. "Bart" Bartlett (Penn State), Bill Cooke (Wayne State), Robert Seeley (Wilkes), Ed Suntrup (Illinois at Chicago), and R. H. Votaw (Amber), and provided particularly helpful comments on specific portions of the text. The sixth edition was assisted by comments from Alison Barber (Michigan State), Robert Bolda (Michigan–Dearborn), Michael Buckley (Oklahoma), Constance Campbell (Georgia Southern), Paula Phillips Carson (Southwestern Louisiana), Paul Clark (Penn State), Harry Cohany (Towson State), Millicent Collier (Chicago State), Pete Feuille (Illinois), Robert Forbes (Oakland), Gilbert Gall (Penn State), Denise Tanguay Hoyer (Eastern Michigan), Foard Jones (Central Florida), Gundars Kaupin (Boise State), William Livingston (Baker College Flint), Michael Long (Oakland), Kathleen Powers (Willamette), Gary Raffaele (Texas at San Antonio), Jerald Robinson (Virginia Tech), Stephen Rubinfeld (Minnesota–Duluth), Donna Summers (Dayton), Henry Testa (Herkimer County Community College), Herman Theeke (Central Michigan), Hoyt Wheeler (South Carolina), and Harold White (Arizona State). The seventh edition benefited from feedback from Donna Blancero (Arizona State), Paul Clark (Penn State), Jack Kondrasuk (Portland), Gary Raffaele (Texas–Arlington), Ed Suntrup (Illinois–Chicago), and Mark Widenor (Oregon). The tenth edition reviews of Brian Heshizer (Georgia Southwestern State University), David Piper (Indiana University of Pennsylvania), and Janet Solomon (The George Washington University) were very helpful. The eleventh edition was reviewed by Brian Heshizer (Georgia Southwestern State University), Meika McFarland (Albany Technical College), George Munchus (University of Alabama at Birmingham), Edward O'Dower (Ottawa University), and Joseph Piergiovanni (Delaware County Community College). Reviewers for the twelfth edition were Brian Heshizer (Georgia Southwestern State

University), Sherrie Lewis (Saint Leo University), Tracy Porter (Cleveland State University), and Stephen Wagner (Governors State University). John Weimeister contributed strong editorial assistance over several editions and began his career in publishing as a sales representative for BPI while I was working on the first edition. Over the years, as Michigan State graduates, we have actively rooted against Michigan and have mostly commiserated about the outcomes. Trina Hauger organized and developed the revision.

Reference materials are particularly important in preparing a text, and reference librarians are very helpful in identifying and locating new information. While the Internet has facilitated a great deal of research, it in no way replaces a well-managed library. I have been assisted by many individuals in preparing this text. For the first two editions, Phyllis Hutchings, JoAnn Sokkar, and Mabel Webb of the Industrial Relations Reference Room at the University of Michigan provided this assistance. Editions three through eleven were aided by Brenda Carriere, Jennifer Clement, Georgie Herman, Mariann Nelson, Christine Schonhart, and Brenda Wolfe of the Industrial Relations Center (now Herman) Reference Room at the University of Minnesota.

Finally, I owe a permanent debt to the parents of my family, both my wife's and mine, for providing me with the examples and support to undertake an academic career; to my wife, Alta, who has made the personal sacrifices of moving several times, has subordinated her interests during times when I was writing, and has offered the wisest counsel; and to my children, Andy and Jean, of whom I am immensely proud.

John A. Fossum

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Chapter One

Introduction

In unionized employers, **labor relations** is the ongoing interchange between the **union** and the **employer** that identifies their common and specific interests and creates mechanisms to clarify, manage, reduce, and resolve conflicts over their specific interests. Federal and state laws and regulations and common law establish the basic rules and define and shape the rights and responsibilities of employers and unions in how labor relations is conducted. These laws and regulations are ultimately the product of the democratic political process and jurisprudence as influenced by culture, economic performance, and beliefs about how individual rights can be protected and social justice enhanced.

The basis for the practice of labor relations within a unionized employer is a contract negotiated by the parties. Contracts spell out the rights and obligations of each during the period of time in which they are in effect. Contracts are renegotiated periodically to take into account changing goals and objectives of the parties and changes in the economy and society.

While the practice of labor relations is governed by a fairly stable set of laws and regulations, and its processes and activities are relatively common across employers, practices within employers are, to some extent, unique due to differences in the specific goals of each employer and the union that represents its employees. Within larger employers that operate several **establishments**, labor relations can vary depending on what each produces and whether different unions represent employees in different establishments.

In nations where free markets and the rule of law exist, there are legal means and practical incentives for businesses to incorporate. Incorporation creates a legal entity that can act as if it were a person. Individual investors in a corporation have limited liability—they cannot lose more than their original investments. Many individuals and organizations can collectively own a corporation, and each can sell its shares to new owners at any time while the corporation continues. Stock markets create the opportunity to make ownership highly liquid by providing an institutionalized mechanism for the purchase and sale of shares. Investors often further reduce their risks by diversifying their ownership across several corporations.

Large corporations generally have many owners or shareholders, most of whom do not materially participate in the corporation's day-to-day business. Operational decisions are made by managers hired by the shareholders' elected board of directors. Shareholders who are dissatisfied with corporate performance can either sell their shares or combine with others to oust the current board and its managers. Shareholders are primarily interested in the corporation's financial performance, particularly as reflected in the price of its stock. Higher profitability, cash flows, returns on invested capital, and growth rates typically lead to higher share prices. Minimizing the costs of inputs relative to the price of outputs is an important goal for managers in seeking to improve profitability. Labor costs are one of the inputs to be minimized. Shareholders may also decide, collectively, to sell their interests to another company that seeks to acquire its assets. They may do so over the objections of their current management, employees, and/or other stakeholders.

Enterprises employ workers to produce the goods and services that will be sold to ultimately yield a profit. Public and nonprofit organizations also have goals and objectives that are accomplished through employees' efforts. Employers would like complete freedom to alter the terms and conditions of employment in their workplaces, as necessary, to maximize returns on investments and/or achieve organizational goals.

While labor is somewhat mobile, with workers able to move between employers as opportunities occur, it is less mobile than financial capital. Workers have investments in houses, occupations, family ties and friendships in a local community, and other intangibles. They would like to reduce the risks associated with employment—particularly the risk that their employers will radically change the terms and conditions of employment.

Unionization offers employees a method for countering employers' powers to unilaterally change employment conditions. It is, to an extent, the corollary of incorporation. Members elect officers and may hire agents to bargain an employment contract with the owners' managers. Unionization introduces democracy into the employment relationship. Employees determine, first, whether a majority desires to be represented; second, whom to elect as leaders or hire as agents; third, what workplace issues are most important to them; and fourth, whether to accept a proposed contract or to collectively withhold their labor.

Unions develop to counter employer power by exerting control over the employer's labor supply. Unions emphasize the need to create and maintain solidarity among members of the working class to effectively assert power in the workplace. In general, they favor greater equality in pay across employees and greater worker control of the work environment. Unions also stress the importance of continual improvements in living standards for their members, best attainable through increases in their pay.

Higher pay and other improvements in employment, other things equal, lead to lower returns to capital. Thus, the goals of capitalists and unionists are inevitably in conflict.

In democracies, laws and regulations ultimately reflect the will of the electorate. If employment conflicts exceed what voters will tolerate, or if the conflicts' results are manifestly different than desired and highly important relative to other issues, voters will elect leaders who promise change in the desired direction. Thus, the limits within which unions and employers develop their particular relationships are defined by public policy. How much conflict exists depends on how able the parties are to accommodate the goals of their opposite numbers while achieving their own. Within the limits imposed by public policy, unions and employers are free to devise and implement their own relationships, usually through a negotiated contract together with each party's management mechanisms to administer, interpret, and enforce the agreement. This text focuses on the bases of the underlying conflicts, the tactics the parties use to gain power to achieve their goals, and how the process works in an ongoing relationship.

An important point to consider in studying labor relations is that employers can exist without unions, but unions cannot exist without employers. Thus, where public policy permits, it's to be expected that most employers will try to avoid unionization, to look for opportunities legally to remove unions if they exist in their workplaces, and to minimize their impact if they do. Unions, on the other hand, rarely try to eliminate a unionized employer in which they represent workers. If a unionized employer is eliminated, the jobs the union represents are also simultaneously eliminated, weakening the union's long-run power.

It is also important to remember that a corporation's shareholders ultimately control decisions about its direction, investments, and existence—whether to continue operations, sell, or liquidate—depending on which best meets their interests. Managers are employed to determine how best to implement these decisions, but unless the managers are also shareholders, they have no independent ability to determine the distribution of profits. In addition to being expected to achieve certain operating results, managers might also be expected to either solicit or consider possible sales of all or part of the firm if that would provide greater benefits to shareholders.

While this introduction has focused on the private sector, there are many parallels that can be drawn for labor relations in the public sector. Where permitted, public sector unionism has grown rapidly so that the number of union members in the public sector constitutes 51 percent of the total.

Public sector labor relations are more complicated, as we will show in Chapter 16. Part of the complication is due to the fact that voters are not exactly like shareholders and that successful union political activity may lead to the "board of directors" (elected officials) who direct and review managerial actions boosting the unions' bargaining agenda.

Unions are simultaneously economic and political organizations. As economic actors, unions seek to control the supply of labor to employers in order to improve economic returns for their members. To accomplish this, they also seek to create and maintain power to influence the direction of laws and regulations, to provide a vehicle for advancing their leaders' and members' purposes, and to survive and grow. Conflicts may exist between union levels as national union goals may not completely agree with goals at the local level.

Employers have corporate goals and objectives with regard to unions and coping with unionization and **collective bargaining**. **Line managers** have production and sales goals that must be achieved. Achievement is facilitated or inhibited by how successfully labor relations (or **employee relations** in a nonunion environment) is practiced. In larger employers, **human resource** or **industrial relations managers** and staff assist the organization by negotiating and administering collective bargaining agreements and advising and assisting line managers in dealing with interpreting and implementing the contract while pursuing organizational goals.

CONTEMPORARY LABOR RELATIONS

Labor relations and employment in the United States have changed markedly since 1980. Unionized employment, in both the proportion and number of workers, has declined substantially due to a shift from manufacturing toward services, the increasing intellectual content of jobs, the globalization of manufacturing, geographic shifts in the concentration of employment toward less unionized regions of the country, fewer successes in organizing large units of employees, and an overall decline in union organizing activity.¹ Unionization in other developed economies has also declined. Global economic development and competition, freer trade, and an emphasis on corporate financial performance have strongly influenced employment patterns and reduced union bargaining power.

To survive, unions must generate economic benefits for their members. To achieve gains, unions need to be able to exert bargaining power through some degree of labor supply control, and employers must be profitable enough to pay for the gains. Today's global economy, combined with the elimination of anticompetitive regulations in several major industries, has reduced union bargaining power because unions don't control labor supply on an international basis and the costs of increased benefits cannot readily be passed on to consumers.²

¹ H. S. Farber and B. Western, "Ronald Reagan and the Politics of Declining Union Organization," *British Journal of Industrial Relations*, 40 (2002), pp. 385–401. See also R. J. Flanagan, "Has Management Strangled U.S. Unions?" *Journal of Labor Research*, 26 (2005), pp. 33–63.

² M. L. Wachter, "Judging Unions' Future Using a Historical Perspective: The Public Policy Choice between Competition and Unionization," *Journal of Labor Research*, 24 (2003), pp. 339–357.

Since the late 1970s union-management relations have become increasingly adversarial in the United States. Union bargaining power has declined. Employers resisted unionization more vigorously and, when labor market conditions permitted, reacted strongly to potential and actual strikes by threatening to use or hiring replacement workers. Additionally, some employers have adopted human resource management practices that increase the extent to which employees are involved in the management of their workplaces and pay attention to improving factors that could lead to declining employee satisfaction.

Union representation has declined from 35 percent in 1955 to a little more than 11 percent now. The declining size means unions exert less influence on employment practices through “spillovers” than they did in the past. A **spillover** occurs when a unionized employment practice is adopted by nonunion employers in order to avoid unionization by copying what unions have won for their members. Some U.S. unions are attempting to increase their influence on U.S.-based multinational corporations by assisting foreign unions in organizing the corporations’ offshore employees—especially in low-wage developing economies.³

WHAT UNIONS DO

Unions evoke controversy. Many people have strong positive or negative opinions about their tactics and effects. Unionization creates monopoly power through contracts by fixing wages for a specific period of time (usually above the market clearing wage). It also provides employees a voice in how the employment relationship is implemented in their workplaces. Thus, unions benefit their members (**monopoly power**), at the expense of higher costs, and benefit the public by requiring that employers respond to employee grievances (**voice power**).⁴ Union monopoly power costs less than 1 percent of gross domestic product (GDP). Administration costs in obtaining and exercising monopoly power are less than 0.2 percent of GDP. The higher wages and benefits that union members receive, relative to their nonunion counterparts, are probably more than eight times larger annually than the cost of their union dues.⁵

Large differences exist in the degree of unionization across industries and occupations. Some of the differences across industries relate to their

³ M. Fong and K. Maher, “U.S. Labor Leader Aided China’s Wal-Mart Coup,” *The Wall Street Journal*, June 22, 2007, p. 1.

⁴ R. B. Freeman and J. L. Medoff, *What Do Unions Do?* (New York: Basic Books, 1984).

⁵ C. M. Stevens, “The Social Cost of Rent Seeking by Labor Unions in the United States,” *Industrial Relations*, 34 (1995), pp. 190–202. The impacts estimated have been reduced from the 1995 findings to account for declining union wage premiums and proportion organized since the study was published.

TABLE 1.1
Changes in
Employment
and Union
Membership,
1983–2012
(in thousands)

Sources: Condensed from B. T. Hirsch and D. A. Macpherson, *Union Membership and Earnings Data Book 1994: Compilations from the Current Population Survey* (Washington, DC: Bureau of National Affairs, 1995); and U.S. Bureau of Labor Statistics data on union affiliation of employed wage and salary workers by occupation and industry, <http://stats.bls.gov/news.release/union2.t03.htm>, updated January 23, 2013.

Sector	Employment		% Union Members	
	1983	2012	1983	2012
U.S. total	88,290	127,576	20.1	11.2
Private sector	72,656	107,191	16.5	6.6
Public sector	15,634	20,385	36.7	35.9
Industry				
Agriculture	1,446	1,172	3.4	1.4
Mining	872	923	20.6	7.2
Construction	4,609	6,205	28.0	13.2
Durable goods manufacturing	7,930	8,787	25.9	9.4
Nondurable goods manufacturing	11,294	5,154	29.2	9.8
Transportation	3,627		49.9	
Transportation and warehousing		4,520		19.9
Communications and public utilities	1,435	1,795	45.2	19.8
Information		2,575		9.7
Wholesale trade	3,657	3,341	9.3	5.1
Retail trade	14,510	14,833	8.6	4.6
Finance, insurance, and real estate	5,709	8,196	3.4	1.9
Services	15,146		9.5	
Professional and business services		12,726		2.4
Education and health services		20,394		8.1
Leisure and hospitality		11,775		2.7
Other services		5,750		2.5
Federal government		3,552		26.9
State government		6,279		31.3
Local government		10,544		41.7

varied mix of occupations, ages, and employment practices. Unionization is more prevalent where jobs require employer-specific knowledge and where internal workplace rules more strongly influence employee outcomes.⁶

Over the past 29 years the proportion of employees represented by unions has decreased. As Table 1.1 shows, this decrease is largely related to industrial and occupational employment changes. During the 1983–2012 period, employment increased by over 39 million while union membership declined by about 8.9 percent. In the private sector, there are more than 4.9 million fewer members, and the proportion who are members declined by 60 percent, from 16.5 to 6.6 percent. Public sector unionization declined slightly from 36.7 to 35.9 percent. About 1,558,000 employees who are covered by collective bargaining agreements choose not to be union members. Between 2009 and 2012 this number grew by 82,000 while overall membership dropped by 947,000.

⁶ G. Hundley, "Things Unions Do, Job Attributes, and Union Membership," *Industrial Relations*, 28 (1989), pp. 335–355.

COLLECTIVE BEHAVIOR

If employees are dissatisfied with their present employment, one might ask why they don't change employers. Some employees may believe that alternative employment that matches their skills will be hard to find where they live, particularly if the skills are specific to their employer. Others believe that they might be able to exert collective pressure to relieve the dissatisfaction. Thus, people can express dissent about their workplace in two ways—either by quitting (exit option) or by trying to reform it (voice option).⁷ Forming a union creates a collective voice to influence change at work.

Group formation is a necessary precursor to unionization in the United States. Groups form because of mutual interests or similarities among their members and a desire to direct common effort toward maintaining or changing some condition that affects them. They also form in response to perceived danger or threat. Management “by fear” may lead to a collective response from group members. “Wagon-circling” is a pervasive phenomenon that occurs when a group perceives danger.

Group Cohesiveness

One of the characteristics that defines a cohesive group is a high degree of similarity in the values and behavior of its members. One of these values may be class consciousness. Age, seniority, and other background characteristics are also probably quite similar. Cohesive groups usually have a leader or group of leaders who strongly reflect the values of the group and are deferred to by other members of the group. Cohesiveness may also be a function of a perceived external threat. Unions emphasize the need for cohesiveness to members through calls for “solidarity” during periods of threat.

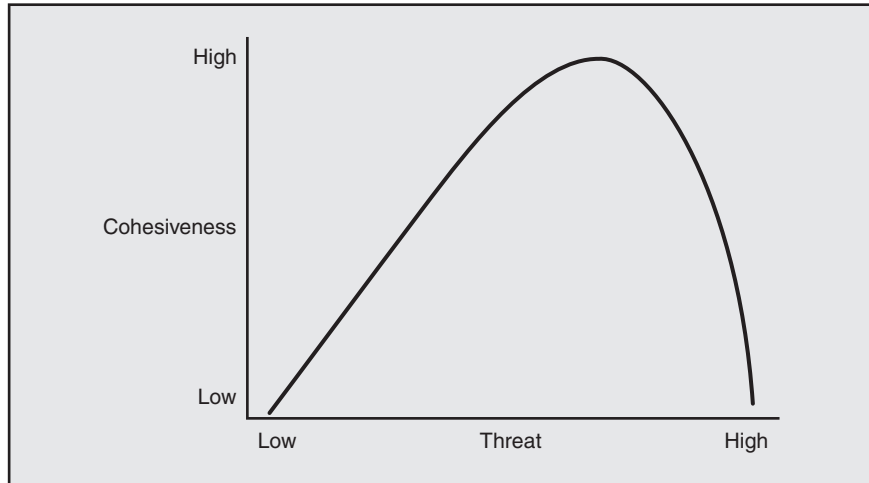
Class Consciousness

Class consciousness has often been suggested as a catalyst for the formation of unions. Employees and employers often come from different social classes, and if mobility between classes is perceived as unlikely and if income inequality is high, class consciousness and a perception of inequity are more likely to develop. Unionization is viewed as a means for equalizing power in dealing with employers. Americans are highly individualistic, however, and American unions have generally followed pragmatic, business-related agendas, downplaying class consciousness.⁸ At the same time (and as will be noted later) specific differences that exist between managerial and employee privileges and outcomes are frequently used to raise class consciousness during organizing campaigns. To the extent that

⁷ A. O. Hirschman, *Exit, Voice, and Loyalty* (Cambridge, MA: Harvard University Press, 1970).

⁸ M. J. Piore, “The Future of Unions,” in G. Strauss, D. G. Gallagher, and J. Fiorito, eds., *The State of the Unions* (Madison, WI: Industrial Relations Research Association, 1991), pp. 387–410.

FIGURE 1.1
Hypothetical
Relationship
between Threat
and Cohesiveness



there are large or changing differences between managers and workers within the same organization in terms of the distribution of pay, safety, and employment security, class consciousness is increased and the demand for unionization increases. To the extent that these situations are ameliorated and/or other mechanisms such as human resource management practices that are friendlier to employees are implemented, demand for unionization will be low.⁹

External Threat

If external threat increases cohesiveness, will greater threat continue to increase cohesiveness, or is some limit reached? If a worker thinks that negative outcomes will occur for one who acts alone but not for a similarly acting group, then belonging to the group has positive consequences, and cohesiveness would be expected to be high. If an employer is unwilling to grant a wage increase to a single employee and dares the employee to quit, the same employer might not be willing to risk denying a collectively demanded raise if the alternative is a strike.

How far would group members be expected to go in individually sacrificing for the good of the group? When the costs of membership outweigh the benefits perceived from remaining a group member, cohesiveness will break down. As Figure 1.1 shows, the hypothetical relationship between threat and cohesiveness is an inverted *U*.

Unions can't ensure similar backgrounds among their members because management makes hiring decisions and unions are obligated to admit all

⁹ B. E. Kaufman, "The Future of Private Sector Unionism: Did George Barnett Get It Right after All?" *Journal of Labor Research*, 22 (2001), pp. 433–457.

employees who want to join. To maintain cohesiveness, unions must continually convince employees they will receive greater employment benefits through continued unionization, often casting management as a threat to those benefits. To maintain cohesiveness through perceived threat, an adversarial relationship follows. Thus management actions against individuals or the group may benefit the union because management action can then be rebuffed, modified, or rescinded through group action.

WHY WORKERS UNIONIZE

Employees become union members through one of three processes. First, nonunion employees may organize a union to bargain collectively for them. Second, employees in a unit covered by a collective bargaining agreement may decide to join the union. Third, newly hired employees may be required by the collective bargaining agreement where they work to join the union (to the extent of paying dues) as a condition of continued employment.

Catalyst for Organization

The interest among employees in unionization is related to a number of demographic, economic, and attitudinal factors. In general, women, minorities, and senior workers are more interested in union representation. Job content, experience, younger age, social-democratic political beliefs, lower education, and lower personal income also relate to a willingness to form or join a union.¹⁰ Lower satisfaction with career prospects and higher perceptions of job stress are also related to an interest in representation.¹¹ Workers in companies with innovative human resource management practices are less likely to desire unions.¹²

Employees are more likely to unionize as job dissatisfaction increases. The presence of *any* organizing activity is related to lower satisfaction as compared to units where it does not occur. Employees are more likely to vote for unions due to dissatisfaction with employment conditions rather than job task characteristics. Dissatisfaction with **job security**, economics, and supervisory practices were most predictive of a pro-union vote across a set of studied elections.¹³ The presence and level of organizing

¹⁰ J. Fiorito, D. G. Gallagher, and C. R. Greer, "Determinants of Unionism: A Review of the Literature," in K. Rowland and G. Ferris, eds., *Research in Personnel and Human Resource Management*, vol. 4 (Greenwich, CT: JAI Press, 1986), pp. 269–306; and S. M. Lipset and I. Katchanovski, "The Future of Private Sector Unions in the U.S.," *Journal of Labor Research*, 22 (2001), pp. 229–244.

¹¹ B. A. Friedman, S. E. Abraham, and R. K. Thomas, "Factors Related to Employees' Desire to Join and Leave Unions," *Industrial Relations*, 45 (2006), pp. 102–110.

¹² J. Fiorito, "Human Resource Management Practices and Worker Desires for Union Representation," *Journal of Labor Research*, 22 (2001), pp. 335–354.

¹³ J. M. Brett, "Why Employees Want Unions," *Organizational Dynamics*, 8, no. 4 (1980), pp. 47–59.