Labor relations and collective bargaining agreements essay sample

Economics, Trade

Unionization of the American system, as it exists today, originated in the 1880s, but its legal framework was not shaped until the 1930s. However; the labor movement went back to the slave-labor system of which was a major obstacle to the formation of a labor movement in the South and in the nation as a whole. The populations that were not free but represented a large portion of the country’s workers stopped taking part in the emergence of a labor movement initiated by free labor in the North. It was impossible for slaves, who did not have any rights of any kind to share in the equal rights artisanal traditions of white northern workers, their main focus was freedom (Beik, 2005).

The labor movement also went back to Colonial America when the British colonies in North America were, for the most part, extractive economies dependent on agriculture, fishing, harvesting of timber, mining, hunting, and other related occupations of that era that tapped in on the abundant resources of the New World. With these resources the colonies grew and were nurtured by a government whose economic policy emphasized the security and prosperity of the country. The colonial economy began to employ skilled and unskilled laborers in small-scale manufacturing and handicraft employment, from building houses and barns to constructing ships to carry raw materials, and provided other goods and services that were necessary in day to day living. Mainly, laborers and indentured servant provided these services for free for a number of years in exchange for passage to the New World. By law the government set a period of no more than seven years and because of this the indentured servants and their descendants eventually entered the free labor market (Ballot, 1992).

Eventually, the colonies began to grow and develop into flourishing businesses, with this came more diverse and specialized economies that became abundantly prosperous because of the trade with England. This growth began a new era, the increasing size of the population of which created diversity and local businesses such as the markets grew large enough to support workshops owned and operated by the craftspeople and merchants in some cases were able to hire skilled craftspeople to supervise the journeymen and apprentices. With the increasing demand of craft workers and other skilled workers, this era was named, “ the great age of the colonial craftsman” (Ballot, 1992).

Colonial labor conditions in North America for the highly skilled and unskilled nomadic worker found this New World an improvement over the Old World. Due to insufficient labor pools, treatment of workers was generally better and the wages were higher. However; the work was hard and very demanding in addition, mistreatment by masters and other employers occurred which lead to frequent strikes, slowdowns, conspiracies to desert, and free laborers abruptly quitting their jobs. Eventually, the colonies followed similar labor policies of the English laws and practices as developed in the Tudor Industrial Code. These laws regulated labor conduct, employer-employee relations, and the labor supply, and served to protect the consumer by ensuring quality work through the apprenticeship system (Ballot, 1992).

“ The major provisions of the code specified the following” (Ballot, 1992, p. 19): 1. All able-bodied persons were compelled to work. 2. Wrongful

dismissal of employees was unlawful. 3. Justices of the peace set maximum wages based on the labor supply and condition of the economy. 4. Combinations of workers for the purpose of raising wages were unlawful. 5. Workers were to honor contracts as to length of service and to produce letters asserting that they were free to be hired out. 6. The term of the apprenticeship was seven years.

Although colonial attempted to apply all or part of the Tudor Industrial Code it was not well received and met with mixed results. Mandatory labor was enforced by publicly supported workhouses and in the mid-eighteenth century, in addition to the creation of local manufacturing establishments brought about jobs for the unemployed. Both the workhouses and manufacturing establishments upheld the principle that labor was required of all, a norm that was vital in colonies of scare labor. Because of the scarcity of labor, colonial courts attempt to regulate wages and prices ended in failure (Ballot, 1992).

Through the seventeenth and eighteenth century, unions did not exist however; the skills tradespeople had similar interest of which they established what was called the mechanic society (Ballot, 1992). As stated by Ballot (1992), “ these colonial organizations provided members of the same trade with sickness, accident, and death benefits, promoted self-improvement and competence of fellow artisans, lent money and settled disputes. Mechanics societies were descendants of the medieval guilds through which craftspeople set conditions of entry in to the craft, standards of production and quality, wages and prices, and regulations relating to the

marketing of goods and services”. During this period, union memberships grew until a major depression hit sometime around 1837, membership at this point started to decline (Dressler, 2008).

During the emergence of the industrial revolution in the United States, membership began to increase. A group of tailors that were interested in political reform met in 1869 and formed the Knights of Labor. As a result of winning a major strike against a railroad, membership grew tremendous from 100, 000 to 700, 000 in the late 1880s. Unfortunately, because of their focus on social reform and somewhat due to numerous unsuccessful strikes, membership declined and the Knights eventually disbanded (Dressler, 2008).

In 1886, the American Federation of labor was formed by a man named Samuel Gompers that mainly consisted of skilled workers and whose focus was to improve the workplace. Gompers aim was to gain benefits for its members by raising day-to-day wages and improving working conditions. Until after World War I, the AFL grew to a membership that exceeded 5. 5 million people. Moving through the years, there were periods when the AFL became stagnant and a decline in the union movement was evident for several reasons including postwar depression, manufacturers’ renewed resistance to union, Samuel Gompers’s death, and the prosperity of the 1920s. The Great Depression brought about a loss of jobs by millions of workers including union workers and by 1933, union membership was down to 3 million members but, took a positive turn and began to rise in the mid-1930s.

During this period President Franklin D. Roosevelt passed the National Industrial Recovery Act which made it easier for labor to organize (Dressler, 2008). The birth of the Congress of Industrial Organizations (CIO) was set up in 1935 by John L. Lewis and leaders of the Ladies Garment Workers. The CIO focused on a workplace agenda but, unlike the AFL, organized and encouraged industrial unions. By 1938, the CIO was a separate and growing organization that differed from AFL by promoting solidarity with African American workers, women and immigrants. In addition, the CIO attracted the autoworkers and the United Auto Workers (UAW) staged the first sit-in-strike in 1936. After success with the auto industry, the CIO had similar success in the steel industry when the U. S. Steel recognized the union and signed a contract (Carrell and Heavrin, 2004).

As a result of the AFL and CIO, memberships grew to an astounding number between the 1930s and to its high in the 1950s, when 33 percent of all nonagricultural workers were part of a labor union (Carrell and Heavrin, 2004). In 1955, the AFL and CIO merged and as a result, today there are about 100 national and international labor unions in the United States (Dressler, 2008).

The Union

Unions have two priorities, security and improved wages, hours, working conditions and benefits for their members. Unions seek security for themselves and firth hard for the right to represent a company’s employees, and to be the exclusive bargaining agent for all employees in the union. There are five possible types of union security: (1) Closed shop (2) Union

shop (3) Agency shop (4) Open Shop and (5) Maintenance of membership arrangement. Before 1947 when Congress outlawed closed shop, a company could only hire union members however; today, in some industries it still exist; the union shop form of security was where a company could hire a nonunion employee but, there was a deadline set when a the employee must join the union and pay union dues or be terminated; agency shop is the assumption that the union's efforts benefit all workers therefore, all employees who did not belong to the union must also pay dues; and open shop meant that it was up to the workers whether or not they join the union. The maintenance of membership arrangement meant that any union member employed by a company must maintain membership for the duration of the contract (Dressler, 2008).

The second priority of the union is to improve wages, hours, working conditions and benefits for their members by use of a labor agreement. The labor agreement gives the union a position or role in human resource activities such as recruiting, selecting, compensating, promoting, training and terminating employees (Dressler, 2008).

Union Laws

Union laws were nonexistent until around the 1930s, before then employers were not required to engage in collective bargaining with employees and were practically uncontrolled in their behavior toward union. The use of spies, blacklists, and firing of union agitators were prevalent, management could require nonunion membership as a condition for employment, this was known as, yellow dog contracts that were widely enforced and even strikes

were illegal as were other union weapons. These problems lasted until the Great Depression but since then, due to a changing society, public attitudes, values, an economic conditions, labor law has gone through three periods: strong encouragement of union, modified encouragement coupled with regulations and detailed regulation of internal union affairs (Dressler, 2008).

Laws during the strong encouragement of union included the Norris-LaGuardia Act (1932) and the Wagner Act (National Labor Relations Act, 1935). By the time the Norris-LaGuardia Act was passed, Congress had recognized the legitimacy of collective bargaining. Until this law passed, acceptance of a collective bargaining relationship had to devolve from a voluntary employer action. This act harshly constrained the power of federal courts to issue injunctions against union activities also it forbade federal courts from enforcing the yellow-dog contract, which required employees or job applicants to agree, as a condition of employment, not to join a labor union.

In 1933, the National Industrial Recovery Act was adopted to encourage employers to band together to set prices and production quotas through industrial codes. However; employers were required to enable employees to bargain through representatives of their choice without interference of the employer, this was a necessary requirement in order to complete an industrial code. This law was ruled unconstitutional in 1935 and replaced with the Wagner Act of which, began once again securing organized rights and specified employer illegal activities (Fossum, 2002). In addition the Wagner Act banned certain unfair labor practices; provided for secret-ballot

elections and majority rule for determining whether a firm’s employees would union and created the National Labor Relations Board to enforce these provisions (Dressler, 2008)

The period of Modified Encouragement Coupled with Regulations was the Taft-Hartley Act (1947). The Taft-Hartley Act expanded the rights of the employees to include the right to refrain from union activities beyond membership or paying dues. Also, states were enabled to enact right-to-work laws that prohibited union membership as a condition of continued employment. Union unfair labor practices were defined; rights of employees were protected; employers were given certain rights; the Federal Mediation and Conciliation Service were established to aid settlement of unresolved contractual disputes (Fossum, 2002).

The final period was the period of Detailed Regulations of Internal Union Affairs that was the Landrum-Griffin Act (1959). This law established rights of individual union member to freedom of speech, equal voting rights, control of dues increases and copies of labor agreements under which they worked. Unions were required to file reports of financial activities, financial transactions, financial holdings of union officers and employees with the union. There were regulations of internal union political activities involving election of officers and placing subordinate bodies under trusteeship.

Collective Bargaining Process

In Chapter VI Trends in Collective Bargaining:

The Taft-Hartley Act defined collective bargaining as “ the performance of

the mutual obligation of the employer and the representative of the employees to meet at reasonable times and confer in “ good faith” with respect to wages, hours, and other terms and conditions of employment, or the negotiation of an agreement, or any question arising thereunder, and the execution of a written contract . . .” The statement of a legal duty to bargain collectively and the phrase “ other terms and conditions of employment” required interpretation, which was one of the primary functions of the National Labor Relations Board (Bulletin 1000).

Good faith bargaining as stated in Human Resources Management:
Is the cornerstone of effective labor-management relations. It means that both parties communicate and negotiate, that they match proposals with counter-proposals, and that both make every reasonable effort to arrive at an agreement. It does not mean that one party compels another to agree to a proposal. Nor does it require that either party make any specific concessions (Dressler, 2008, p. 614).

The process of contract negations between labor and management are the most important and publicized aspects of collective bargaining. Collective bargaining starts with preparation and negotiations and proceeds through the initial demands, primary bargaining and contract agreement. However; if the parties reach a deadlock, a mediator will be called in to help the union and management negotiators regain their bargaining drive to avoid work stoppage (Leap, 1995).

The process of collective bargaining includes (Dressler, 2008):

(1) The negotiating teams that go to the table with their bargaining issues;

(2) Bargaining items where labor law sets out categories of items that are subject to bargaining that includes mandatory, voluntary and illegal bargaining items. Mandatory bargaining includes items such as pay rates, wages, hours of employment, etc. Voluntary bargaining items are neither mandatory or illegal, they includes items such as indemnity bonds, management rights as to union affairs or pension benefits of retired employees to name a few. The last bargaining item would include illegal items that are prohibited by law, for example, closed shop or separation of employees based on race.

(3) Bargaining Stages that begins with each side presenting its demands and ending with the signing of a formal agreement.

The final step is the actual contract agreement that contains details of all items as agreed upon by both parties (Dressler, 2008).

Conclusion

Since the inception of this nation, labor has played a major role in the growth and development of the economy. The U. S. labor movement began in the nineteenth century where it gained momentum while promoting improvements in working conditions and gained a greater standard of living for the members. Along with major reforms in society came advances in the workplace that caused controversy and an uneven impact on the U. S. workforce that resulted in conflict (sometimes violent) between management and their subordinates (Ballot, 1992). The end result of labor relations and

collective bargaining agreement results in an agreement of both parties for the good of the employees.

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