

Major league baseball

[Sport & Tourism](#), [Baseball](#)



1. Briefly, what are the major developments in the history of the labor-management relationship within Major League Baseball?

According to Lewicki, Barry & Saunders (2010), the major developments of labor-management relationship within Major League Baseball (MLB) started in the late 1960s and were characterized by the ongoing disputes between the owners and the players that resulted in the following hard bargaining agreements, work stoppages and lockouts: a) 1st and 2nd Basic Agreement – was a contract that 1) significantly increased the minimum salary of all the players and 2) established a protocol that players could follow to air their grievances.

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The agreements came as a response mechanism that was used by U. S. owners who wanted to avoid the competitive pressure that had been created by the Mexican League in terms of U. S player salaries. In 1946, the Mexican Baseball League had begun hiring U. S. players and the U. S owners wanted to avoid a bidding war with the Mexican League essay writer help. In 1953, the Major League Baseball Players Association (MLBPA) was formed to serve as the player's main bargaining body and in response, the owners formed the Major League Player Relations Committee (PRC) to serve as their main negotiating body.) 3rd Basic Agreement – the MLBPA was demanding that the pension fund surplus of \$1 million should be used to offset the increased cost of living but the PRC declined to budge. It was evident that both parties could not come to an agreement on how much money the owners should contribute to the player's pension fund. The players went on strike in 1972

forcing the two sides to compromise on a contribution amount of \$500, 000.

c)4th Basic Agreement – was a contract that 1) annihilated the reserve clause and 2) paved way for free agency.

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The owners implemented the reserve clause into the players' contracts to ensure that the players could not offer their skills and services to the highest bidder. This basically meant that the players could not switch teams and/or make more money elsewhere and dishonoring the clause would cause a player to be blacklisted from the MLB. However, the clause was challenged in 1976 after two players went to arbitration and won, by a 2 to 1 vote, the right to offer their services to the highest bidder thus killing the reserve clause.)5th Basic Agreement – the MLBPA and the PRC could not agree on how a team that was losing a free agent could be compensated thus making the players to go on strike prior to the start of the 1980 season. This forced both parties to agree on studying the free-agent compensation issue for a year after which they would regroup to revisit the issue. In 1981, the players went on strike again after the two parties failed to agree on the terms of free-agent compensation. This forced the parties to eventually reach an agreement stipulating that the team that had lost a player would in return receive a player from the signing team.)6th Basic Agreement – the MLBPA and the PRC would once again butt heads over pension contribution levels that had been agreed on in the 3rd Basic Agreement and the free-agent compensation that was agreed on in the 5th Basic Agreement. However, the two parties reached an agreement within a day to avoid a strike. f)7th Basic Agreement – in 1990, the owners tried to institute another lockout because

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the lack of a salary cap made it possible for large market teams to attract richer television contracts from local networks and offer players higher salaries.

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The owners were proposing a revenue sharing program that would mandate the larger market teams to share a portion of their revenue with the smaller market teams. The two parties reached an agreement 32 days later and the revenue sharing issue was put on hold temporarily. g)8th Basic Agreement – the owners realized that competition and financial disparity was hurting their profits while salary arbitration was driving up salary levels. They wanted salary arbitration eliminated, the salary cap introduced, free agency eligibility standards lowered and television revenue split equally with the players.

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However, the MLBPA rejected these proposals and the players went on strike for 232 days. The 8th Basic Agreement was agreed upon in late 1996 and it introduced the revenue sharing program that was put on hold in the 7th Basic Agreement but did not offer the owners the salary cap they had sought. h)9th Basic Agreement – the Curt Flood Act was passed in 1998 to reduce the chance of future strikes by making it possible for players to sue the owners if labor negotiations stalled. The issue of contraction was also put on hold after owners tried to eliminate competition and financial disparity by contracting/eliminating two teams from the MLB.

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The 9th Basic Agreement was reached by the two parties to avert another strike and it introduced the luxury tax as a way to slow down the rate at which the players' salaries were rising as well as save the upcoming post season. i) 10th Basic Agreement – the upcoming negotiations were to take place due to the 2002 contract that was set to expire at the end of 2006. However, a dark cloud loomed over the upcoming negotiations due to the past history of labor relations in MLB that was characterized by strikes, lockouts, lost revenue from the strikes and lockouts and unfavorable clauses that had been implemented into the players' contracts.