

The federal program for labor management

[Business](#), [Management](#)



Employment has changed in the past decades because the world has changed. We've entered a new era, an era where the work ethic of employees, and more often the thinking and ethics of employers are many times questioned. The Federal Program for Labor Management has started as a way to provide for employees' representation through chosen representatives, in collective bargaining with respect to personnel policies, practices and matters affecting working conditions. Also, it was created to ensure that employees who want to exercise this right and take an active part in this process have the chance to do so.

The contemporary challenges in labor relations and human resources management include the care for employee rights, disciplinary policies and procedures, alternative dispute-resolution procedures, organizational ethics in employee relations or governmental regulation of labor relations. Not less important issues regard the labor relations process, structures, functions, and leadership of labor unions, the bargaining process and trends in collective bargaining, the labor agreement and administration of the labor agreement.

All these form a complex discipline with the sole aim to make work relations more efficient and satisfactory for both parts. Labor relations are an important topic of human resources management. The labor agreement is a contract between an organization's management structures and its labor force, represented by unions, concerning aspects like wages, benefits and working conditions. It comes in the form of written policies and procedures. The goal of this document is to create equitable work relations, in order to assure the workers' social protection, preventing or diminishing the conflicts of interests and avoiding strikes.

All aspects of the labor-management relationship are dynamic. The agreement has the role to bridge the gap between the interests of both sides. The terms of the contract are enforced by the steward (a representative of the union), acting like a policeman, constantly on the lookout. The labor agreements can be conceived at different levels: a single plant, a branch, a company or even nationally, each with its own pro's and con's. A master agreement is conceived for an entire company or branch, covering multiple site locations. There are several stages of a labor agreement to be discussed.

First of all, the contract has to be negotiated. This is usually done once a year. Once a settlement has been made, the document has to be well understood by both parties. These requires detailed analysis of the clauses on both sides. The next step is administration. This is also the process of getting ready to renegotiate. The management must do everything in its powers to assure a reasonable and accurate administration of the contract, showing flexibility at the same time. Last but not least is the evaluation process, upon any renewal of the terms.

Since most people are routine-oriented and tend to do in the future the same things they have been doing in the past, it is particularly important to look backward. Learning from history, in other words. This may guarantee successful planning of future actions. In the following, I will analyze each stage, individualizing the for and against arguments to having a master labor contract. The agreement is the written image of a give-and-take relationship.

Within a company, the management faces the workers in a confrontation for the most benefits.

The management has to satisfy diverse needs of the various audiences it must serve: the executive branch, the shareholders, the labor force, the public at large etc. The union's major interest is to represent the employees. There are also dissimilarities between management goals and management structure and the aims and methods adopted by the unions, resulting in labor-management differences. Management usually wants to provide for a flexible work force that can respond quickly to mission needs. Labor, on the other hand, wants stability, security, and job protection for the worker.

Management strives to stimulate competition among the workers and to identify the most efficient workers while the union works for the adoption of common work rules and methods of compensation or reward which tend to eliminate competition. What is, in this case, the better choice - to have separate union contracts for different plants or to have one master labor agreement? The negotiation table for a labor agreement resembles a battle field. Each participant fights for his own interest, throwing in all the weapons. Each side needs as much power as it can get.

From a manager's point of view it would be more advantageous to negotiate separate union contracts, as it faces a less powerful opponent. Power is determined by a number of factors. In the case on unions, size is the most important (size determined by the number of members). This is why with separate contracts the management may have an upper hand. But, on the other side of the coin lies a great expense of resources. Time and money are

wasted when it comes to separate negotiations. However, the purpose is to maintain "industrial peace", meaning that whatever the results of the negotiations, they must meet both sides' exigencies.

At the very heart of it, the labor agreement represents written policies and procedures created to ensure functionality and satisfaction. This is why negotiations are problem-centered; more time is spent on day-to-day problems than on defining abstract principles. Given the fact that current problems are usually very specific to a certain situation, it means that separated labor contract would have the advantage of dealing adequately with issues every time. A master agreement is in certain circumstances too general and irrelevant, leading to a variance between contract and practice.

Although trying to cover all grounds in a written document is a lost cause, the contract has to be the foundation of the labor-management relationship, thus variances should be minimized. The aspects that escape the consideration of the negotiators have to be as few as possible. Another situation that may be encountered is a request for an increase of the wage at one of the plants. In the case of a master labor contract this would be resolved at a central level resulting in a waste of financial resources.

But if the contracts were negotiated separately then the request could be met at an individual level. This would save money to the company. There are also other points to consider when deciding for a level of negotiation.

Separate plants are located in different areas, characterized by different socio-economical factors. The area's degree of development may influence the discussions, providing an extra set of arguments to one of the sides. The

high unemployment rate, for example, turns the scale in favor of the employer, while a low one represents a vantage point for the union.

Environment, the degree of education, the minimum wage, as well as other issues, add extra weight to one side of the balance. An investigation is required (such as an environmental analysis), in each particular situation, in order to determine the better choice. Regarding the administration of the contract there are a few aspects worth to be taken into consideration at this point. Separate contracts allow the management to deal with problems one at a time, whereas a centralization of the process reduces the degree of mobility and may even result in financial losses or crisis situations.

It is true, no doubt about it, that it is easier to conduct one labor contract agreement for a number of plant locations. However, it is possible for the union to strike, closing down all the plants. As opposed to this undesirable situation, if you have separate contracts, the union can only strike one plant at a time, giving the management the time required to resolve the situation. Management must not take a unilateral action without first considering whether it has an obligation to discuss the action with the union.

Matters of legitimate concern for the employees include: personnel policies, practices and working conditions. In these cases the management must provide the union an opportunity to negotiate. So, whenever the company wants to bring change into any one of these fields it has to consult the union and it the chance to express its position. In this case it is somewhat difficult to negotiate separate contracts. Bringing union representatives from each

plant to the same negotiation table would require great synchronization and it would be a logistic nightmare.

Also, to ease a smooth relationship with the employees, the management must inform them even concerning the changes that don't have to be negotiated (retained management rights not subjected to negotiation).

Another way management can help assure union understanding and, thus, facilitate efforts to properly administer the agreement, is to distribute brief explanations of at least the key parts of the agreement in order to avoid misunderstandings. Jointly prepared articles can be included in the installation bulletin and union paper.

Similarly, labor and management can work together in the preparation of special bulletins explaining the contract as the situation demands. All these actions are easier to perform and less demanding in the case of a master labor agreement. Worker representation and participation in management, through the union, could plausibly increase productivity in one or both of two ways. In the first place, it could serve as a no pecuniary incentive for workers by reducing the monotony of work and enhancing the individual worker's dignity and self-esteem.

As a result, job satisfaction would be increased, and increased job satisfaction is allegedly conducive to higher productivity and lower unit costs. These would be even more true in the case of separate labor contracts. When the employees are represented by people they know or have a chance to meet and work with they will feel personally involved - an

underlying bias in favor of "insiders". This is also a way to increase employee loyalty. The evaluation process helps creating a better contract.

In order to evaluate, the management has to communicate with the union members. Failure to "talk to the troops" is a problem that has been encountered with increasing regularity in the recent past in labor-management relations. Communications should take place regarding all actions affecting the work force. The management's task is to make sure that the communications process works for, not against, management. There are two different aspects to be taken into consideration: the functional ones and the psychological ones.

On a functional level, the communication process would be easier to sustain in the case of a master agreement, due to the fact that the management would deal with only a few union representatives. However, in the case of separate labor agreements, the communication would be more efficient because it would be more personal. The companies tend to be organized from the top down while unions tend to be organized from the bottom up. This is why the functional and the efficiency aspects of communication do not coincide in the two perspectives.