

Case study on labor negotiations

Business



Personnel Issues in Public Service Pleasant Ridge Collective Bargaining Case

Many times, the process of collective bargaining agreement (CBA) negotiations is referred to as being “an art”. Although it is guided by various labor laws and there are multitudes of theories that claim to have established best practices in the field, every negotiation simply has too many unique variables to consider to ever be approached as anything more than an art.

Even in the short span in which new negotiations are required to reach an updated contract, too many changing factors on both sides of the table are apt to make the extrapolation of one bargaining scenario to the next inefficient and ineffective. There is no “one-size-fits all” approach. What worked best in one instance could potentially fail with dire consequences in another.

To attempt to define, or even identify a structured component to the process would be futile. People, personalities, economics, demographics, policy and law are not static, nor are needs, wants, concepts, trends or powerless.

Deception and intimidation during negotiations is commonplace, and unfortunately sometimes nouns more relevancy than Tact. For tense reasons, it is important for negotiators to be able to anticipate the worst, but hope to ultimately achieve a best case scenario. The final, ratified contract is applied to both parties, and hopefully in the end, it represents what is best for all involved.

There are many potential stakeholders depending on the industry, but in the case of the community of Pleasant Ridge, it is the students and that ultimately have the most to lose.

This can easily be forgotten when bargaining teams' self-interests take hold. Deciding on the appropriate bargaining techniques and strategies requires a very well-thought out, careful approach. Whatever approach is used has to take into account the past, current and future needs of both parties, and has to be based on an accurate analysis of external and internal data, as well as political considerations. Successful negotiators must be adaptable and flexible in their thought processes and behaviors, and must be willing to compromise as situational needs dictate.

As several different personality types compete and interact, even within the confines of one bargaining team, negotiations can be a very daunting process. All of this is important to keep in mind as we examine and analyze the case of the community of Pleasant Ridge. Bargaining Strategy A bargaining strategy should only be determined once all of the relevant, factual information has been reviewed. That is not to say a strategy cannot be changed depending on circumstances once negotiations begin, but it is useful to set the tone for negotiations and help insure a mutually understood strategic concept among bargaining team members.

Recent labor relations practice has moved away from traditional adversarial bargaining, or "zero-sum" bargaining, and has focused more on interest-based bargaining, or "win-win" bargaining.

According to Catcher- Greenfield, “ A close look at the interest-based experiments in labor relations reveals that adversarial institutional patterns have often been rejected in favor of more collaborative, problem-solving techniques without a full appreciation of the underlying reasons for the establishment of the original institutional patterns. ” (1996, 323).

In theory, winning with interest-based bargaining is presumed to be agreement of the parties to a ratified contract that both can live with (Carney, 209, 134); not winning” in the sense that one party ultimately prevails over the other on any particular issue. In the case of Pleasant Ridge, there is no single reason to preclude interest-based bargaining as an effective strategy. As the Pleasant Ridge Board of Education (Board) and the Pleasant Ridge Classroom Teachers Association (PRATT) commence negotiations over a new CAB, it is important to note that both parties are in a relatively good position.

From a fiscal standpoint, the school is doing well. Student enrollment is increasing, local property revenues are increasing and State Revenues are expected to increase for the upcoming school year. While none of these items are guaranteed, barring any unexpected national, state or local political catastrophes, short-term projections should remain fairly accurate and consistent. This may place the Board at a slight disadvantage during negotiations when considering ability to pay, especially considering the PRATT memberships’ apparent adversarial position.

It serves to underscore the importance of the Board to sincerely attempt to negotiate a finalized contract during the first steps of the process.

In impairing wages, hours and working conditions, the PRATT is not far off when it is revealed against comparable teachers' unions. Even when considering labor markets that are competitive in the long run, however, the over-all analysis should include information about employer attributes because labor markets do not adjust instantaneously (Beers and Stone, 1985, 274).

The consequences of ignoring district-specific information are potentially serious, according to Beers and Stone (1985, 274). To push an employer into economic oblivion as the result of unrealistic contract demands could have disastrous consequences for all involved. While the members' concerns are very important, they must keep in mind their best interests in finalizing a contract with few to no concessions quickly.

It is up to the PRATT to educate their members on the long term effects their present actions may have.

Additionally, in a world of economic uncertainty and increasing demand for education reform, the PRATT is better suited to act quickly so that public sentiment and political forces have less likelihood of effecting policy change before they have a ratified contract. A ratified contract provides strong protections for union members against ever-changing political forces. Bargaining Position of the Board Labor negotiations can be a strategic nightmare fraught with competing priorities and concerns from every affected player.

For the community of Pleasant Ridge, the primary considerations of the Board and the PRATT during negotiations will predominantly revolve around <https://assignbuster.com/case-study-on-labor-negotiations/>

advancing self-interests, whether they impact external stakeholders or not. That is an almost inherent aspect of the process.

Public and political sentiment may or may not be secondarily considered, and will certainly be impacted, but those concerns typically do not guide the negotiations process.

Kerchief and Cockpit argue in their article, *Negotiating What Matters Most: Collective Bargaining and Student Achievement*, “ that it is in the public interest for teacher unions and school districts to negotiate student achievement goals even though neither may want to do so. ” (2007). While morally laudable, realistically this will most likely never happen outside of the legal environment, and is way beyond the scope of this analysis.

Contract length could be the most important protection the Board could achieve.

A two year contract would be very beneficial for the Board, because it removes the dangers of making accurate financial projections too far in the future.

It would also allow the Board more flexibility in bargaining positions that are tied to economics because they would not be invested in a lengthy contract should political or economic factors significantly change. Aside from a two year contract, the Board should support a 3% raise the first year of the contract, and a 3% raise the second year, conditioned on the promise of the PRATT memberships’ public support for the upcoming mileage.

This would get the PRATT membership very close, if not above, a competitive market salary within their own comparable communities at a relatively quick rate, while bolstering the financial position of the Board to be able to implement future contractual raises should the mileage be approved.

Additionally, the Board will not incur all of the increased costs of implementing the salary increases all in one year, making it more palatable for the school district in general, while not simultaneously rendering the budget unsustainable.

The Board should also support agreement to grant tenure in the 3rd year on the condition of ten elongation AT ten one year wage payout provision.

Not only does tens conclave comparability within the comparable community context, it serves as a huge future economic win for the Board. In the event layoffs become necessary, the burden of paying out a years' salary to any tenured teachers would be an undeniable savings should the school district experience tough economic times.

Since decreasing the class size to 25 would increase the number of teachers required, it would be more fiscally responsible for the board to leave this item status quo. The Board could add an amendment allowing for the hiring of teacher's aides should the classroom population exceed 25, but it shouldn't be an initial position. If push comes to shove and this single item becomes a deal-breaker, the Board and the PRATT could revisit the issue at 27 students, as long as an agreement could be achieved with a provision requiring no additional teachers or classroom space.

There is no guarantee that the student population will continue to increase, so agreeing to this item could have unintended financial consequences later. It is never outside the realm of reality that one teacher's salary could mean the difference between balancing and not balancing the budget. Reasonable Settlement for the Union In determining the reasonableness of a settlement for the PRATT, several factors should be considered. Typically, wages are at the forefront of union demands, and the fact that the Board is willing to raise salaries to levels above the comparable communities the PRATT selected should speak volumes.

That alone may be enough to achieve ratification.

In addition, the PRATT needs to consider the effects of having an arbitrator decide their fate. If the Board is being reasonable in their proposal, there is no reason to chance the final decisions in the hands of an individual who may or may not agree with position of the PRATT. The Board has not requested concessions, comparable wages have been offered, and other positions lean toward the comparable communities of the union.

In a fact-finding or arbitration scenario, the Board would undoubtedly be able to find comparable communities supporting their position. According to Crawford, final offer arbitration's distinguishing feature is that it threatens bargainers with a settlement determined by the relative desirability to the arbitrator of their final offers.

This creates incentives for bargainers to move their final offers closer to what they think the arbitrator wants, even if they are uncertain of his wishes (1981, 207).

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In the Pleasant Ridge scenario, the position of the Board is more than reasonable, and should ultimately be accepted as such by the PRATT, rather than advancing to fact-finding or final offer arbitration. Fact-Finding “ The consequences of impasse are evident in the amount of private and public resources spent on civil litigation, the costs of labor unrest, the psychic and pecuniary wounds of domestic strife, and in clashes among religious, ethnic and regional groups. Babcock, Liechtenstein, 1997, 326) Should the parties reach impasse and the matter be referred to fact-finding, the Fact-Finder should make a recommendation based on the school district’s current and projected future financial position (ability to pay), the current political environment as far as public education policy is concerned, and to a lesser extent, should consider the proposals in comparison to those of comparable communities. In making a settlement recommendation, the Fact-finder should find the initial position of the Board to be quite consistent with that of the PRATT, as well as quite generous and reasonable.

It is almost certain that a Fact-Finder would agree with the Board’s position on wages and tenure.

It is reasonable to think that he or she would agree on tenure, but possibly decrease rather than eliminate the year of salary payout, unless they considered a layoff situation a financial hardship. If the Board could successfully present that as a business case, a Fact-Finder may agree. With regard to class size, a three to five student decrease should not present a significant enough business case to cause the school district to absorb an increase in additional teaching salaries and OLL-up costs.

A Fact-finder should support that item as remaining status-quo. Final Offer Arbitration The board would undoubtedly have to go to arbitration to remove the politics of implementing a contract from their hands should the parties not be able to reach a settlement.

With two of the board members being labor union members, and three endorsed by the Pleasant Ridge Central Labor Union (PARCEL), not going to arbitration would be political suicide. As demonstrated in previous board elections, two members lost to candidates who were endorsed by the PARCEL, showing the strength that the PARCEL exhibits.

Having a neutral party force a contract on both sides would be the only political out the Board members would have. In a final offer settlement package, it is of the utmost importance that both parties consider the most desirable benefits that could be achieved, and tailor the final offer package around those. Procrastination of issues is significant, as well as is reasonableness.

In the final offer package, it would be incumbent on the Board to submit lower contractual wage increases, potentially to 2% each year of a two-year contract, with class size and inure remaining status quo, with the elimination of the one-year wage payout provision.