Labor Relations Striking a Balance 5th edition Budd Test Bank

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Chapter 02 Labor Unions: Good or Bad? Answer Key

True / False Questions

1. The media generally report employment issues from the perspective of a typical worker, as opposed to the consumer or business leader's perspective. *(p. 28)*

FALSE

Accessibility: Keyboard Navigation
Difficulty: 1 Easy
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

2. The number of strikes in the U.S. is actually much higher than typically portrayed by the media. *(p. 28)*

FALSE

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Difficulty: 2 Medium
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

3. Media portrayals of unions refute stereotypes that unions are corrupt, motivated by greed, and protect mostly unproductive and poor employees. *(p. 28)*

FALSE

Accessibility: Keyboard Navigation
Difficulty: 1 Easy
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream

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economics, human resource management, relations, and critical or Marxist industrial relations.

4. *(p. 29)* The "labor problem" can be defined as undesirable outcomes created out of an employment relationship which is inequitable, contentious, and exploitive.

TRUE

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Difficulty: 1 Easy
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

5. *(p. 29-31)* The "labor problem" is characterized by long hours, low wages, unsafe working conditions and job insecurity stemming from management's ability to exploit and oppress workers.

TRUE

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Difficulty: 1 Easy
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

6. *(p. 31)* Despite the poor working conditions and low wages, one safeguard that employees had in the early part of the 20th century, was stability in employment because legally employers needed a good reason to fire someone.

FALSE

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Difficulty: 2 Medium
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

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7. *(p. 31)* Mass manufacturing can be at least partially blamed for the labor problems that existed in the early 20th century U.S. labor markets.

TRUE

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Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

8. *(p. 31)* The labor problem of the early 20th century was largely a worker or human rights problem and not a business problem. From a practical standpoint, these practices actually made very good business sense.

FALSE

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Difficulty: 3 Hard
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

9. *(p. 31)* The mainstream economic perspective holds that efficiency, equity and voice in the employment relationship are maintained through competitive markets which lead to a fair price where labor is paid equal to the value of its contribution.

TRUE

Accessibility: Keyboard Navigation
Difficulty: 2 Medium
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

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10. As long as competition exists in a market, the mainstream economics school of thought would *(p. 31)* suggest that there is no "labor problem" even if wages are low, work hours are long, etc.

TRUE

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Difficulty: 3 Hard
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

11. According to the mainstream economics school of thought, unions are able to manipulate and *(p. 32)* control the supply of labor to a market just like monopolies control the supply of products to a market.

TRUE

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Difficulty: 3 Hard
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

12. According to the mainstream economics school of thought, the role of the government is to *(p. 33)* protect individual worker rights through legislation such as minimum wage laws, safety and health laws, and income protection benefits (e.g., unemployment compensation).

FALSE

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Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

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13. According to the human resources school, unequal bargaining power is the primary cause of the labor problem. *(p. 33)*

FALSE

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Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

14. Proponents of the human resource management school would argue that scientific management and mass production were representative of poor management practices that contributed to the labor problem. *(p. 34)*

TRUE

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Difficulty: 3 Hard
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

15. The solution to the labor problem, according to the human resource management school, is to align worker interests with those of the employer. *(p. 34)*

TRUE

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Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

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16. An independent union is one that has the power to elect its own leaders, and make all financial and strategic decisions regarding its operations. *(p. 35)*

TRUE

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Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

17. According to the human resource management school, the problem with today's labor unions is not that they interfere with competition in the market, but rather that they interfere with the development of a healthy working relationship between management and employees. *(p. 35)*

TRUE

Accessibility: Keyboard Navigation
Difficulty: 2 Medium
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

18. The saying, "You get the union you deserve" best fits the human resources school of thought. *(p. 36)*

TRUE

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Difficulty: 1 Easy
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19. Human resource professionals have greater influence in organizations where the threat of unionization is high. *(p. 35)*

TRUE

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Difficulty: 2 Medium
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

20. According to the industrial relations school, unequal bargaining power is the primary cause of the labor problem. *(p. 35)*

TRUE

Accessibility: Keyboard Navigation
Difficulty: 2 Medium
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

21. The key belief that distinguishes the mainstream economics school from the institutional labor economics school (or industrial relations school) is the notion that labor markets can live up to the ideal of perfect competition. *(p. 35)*

TRUE

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Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

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22. According to the industrial relations school, market imperfections create a significant imbalance
(p. 36) of power to the point that employers can exercise a vast degree of control and influence over their employees.

TRUE

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Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

23. Proponents of the industrial relations school of thought, are concerned with finding ways to
(p. 36) increase workers' bargaining power through collective bargaining.

TRUE

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Difficulty: 1 Easy
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

24. The underlying theme of the critical industrial relations school of thought is that the class that
(p. 37) holds the greatest power in society can dictate the rules and control institutions in ways that serve their own interests, hence keeping others from improving their lot in life.

TRUE

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Difficulty: 1 Easy
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

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25. According to the critical industrial relations school, the cause of the labor problem is that the capitalistic class has control over both society's institutions and the means of production. *(p. 37)*

TRUE

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Difficulty: 2 Medium
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

26. From the perspective of the critical industrial relations school of thought, U.S. unions offer a model that should be imitated by other unions because it holds long term potential for eliminating class divisions. *(p. 37)*

FALSE

Accessibility: Keyboard Navigation
Difficulty: 3 Hard
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

27. According to the critical industrial relations school, the most successful labor unions are those that take a very pragmatic, business-like approach to bargaining for better wages, hours and working conditions. *(p. 37)*

FALSE

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Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

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28. The term "socialist" has been used widely in the mainstream press lately. Socialism describes a movement that would encourage and utilize revolution as a way to replace capitalism with worker control. *(p. 37)*

FALSE

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Difficulty: 2 Medium
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

29. The declining unionization rates and increasing income inequality in the U.S. closely exemplifies predictions of the critical industrial relations school of thought.

TRUE

Accessibility: Keyboard Navigation
Difficulty: 3 Hard
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

30. If you believe that labor cannot be treated like other commodities but that there is no inherent conflict of interest between capital owners and laborers, your beliefs are most consistent with the human resources school of thought.

TRUE

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Learning Objective: 02-02 Understand how different views of labor unions are fundamentally rooted in the basic assumptions of these four schools of thought.

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31. The mainstream economics perspective is the only school of thought that believes that labor and management truly have equal bargaining power in the labor market. *(p. 39)*

TRUE

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Difficulty: 2 Medium
Learning Objective: 02-02 Understand how different views of labor unions are fundamentally rooted in the basic assumptions of these four schools of thought.

32. The notion that management and labor have common goals and that there is no inherent conflict of interest between them is consistent with a unitarist view of the employment relationship. *(p. 39)*

TRUE

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Difficulty: 2 Medium
Learning Objective: 02-02 Understand how different views of labor unions are fundamentally rooted in the basic assumptions of these four schools of thought.

33. The pluralist view of conflict in the workplace says that there are no shared interests between employers and employees in the employment relationship. *(p. 39)*

FALSE

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34. According to the industrial relations school of thought, there is an inherent conflict of interest between employers and employees and that conflict is over how to split profit between them. *(p. 40)*

TRUE

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Learning Objective: 02-02 Understand how different views of labor unions are fundamentally rooted in the basic assumptions of these four schools of thought.

35. During the recent recession, many companies have instituted wage freezes, dropped health care coverage, and increased hours of work to maintain profitability. According to the industrial relations school, the competitive forces of the economy, and employees' rights to quit and find another job, provide a sufficient "check and balance" system to ensure that other employers do not take advantage of the poor economy simply as a way to decrease the share of profits that are paid to labor. *(p. 40)*

FALSE

Accessibility: Keyboard Navigation
Difficulty: 2 Medium
Learning Objective: 02-02 Understand how different views of labor unions are fundamentally rooted in the basic assumptions of these four schools of thought.

36. According to the critical industrial relations school, conflict between employers and employees is primarily a conflict over how to distribute the profits generated by business. *(p. 40)*

FALSE

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Learning Objective: 02-02 Understand how different views of labor unions are fundamentally rooted in the basic assumptions of these four schools of thought.

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37. In 1904, the Nernst Lamp Co., located in Pittsburgh, PA, established a committee of employees *(p. 40)* who were assigned the task of representing other employees' concerns to management. This type of committee is an example of what is meant by the term "labor union".

FALSE

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Difficulty: 3 Hard
Learning Objective: 02-02 Understand how different views of labor unions are fundamentally rooted in the basic assumptions of these four schools of thought.

38. The key distinguishing feature separating an employee representation committee from a labor union is the fact that labor unions are elected and run completely independent of the employer and its management team.

TRUE

Accessibility: Keyboard Navigation
Difficulty: 2 Medium
Learning Objective: 02-02 Understand how different views of labor unions are fundamentally rooted in the basic assumptions of these four schools of thought.

39. The term "workplace rules" is meant to include rules of behavior and performance as well as rules governing compensation and benefits within a particular workplace.

TRUE

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Difficulty: 3 Hard
Learning Objective: 02-04 Identify alternative methods for making workplace rules.

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40. Workplace governance refers to the method of ruling a particular workplace.

TRUE

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Difficulty: 3 Hard
Learning Objective: 02-04 Identify alternative methods for making workplace rules.

41. Workplace governance issues are generally very important to workers but have little effect on their spouses, dependents, and community.

FALSE

Accessibility: Keyboard Navigation
Difficulty: 3 Hard
Learning Objective: 02-04 Identify alternative methods for making workplace rules.

42. Individual evaluations of unions as "good" or "bad" are heavily influenced by the underlying assumptions one makes about the nature of markets and employment.

TRUE

Accessibility: Keyboard Navigation
Difficulty: 3 Hard
Learning Objective: 02-04 Identify alternative methods for making workplace rules.

43. In an economic system of *laissez faire,* workplace rules will favor management when labor demand is high and labor supply is low.

FALSE

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Difficulty: 3 Hard
Learning Objective: 02-04 Identify alternative methods for making workplace rules.

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44. In the human resource management school, workplace governance is believed to belong exclusively to management. Worker input is only important to the extent that an employer chooses to allow it.

TRUE

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Difficulty: 3 Hard
Learning Objective: 02-04 Identify alternative methods for making workplace rules.

45. *(p. 43)* Employee stock ownership plans are an example of worker control as envisioned by a socialist perspective.

FALSE

Accessibility: Keyboard Navigation
Difficulty: 3 Hard
Learning Objective: 02-04 Identify alternative methods for making workplace rules.

46. Collective bargaining is an example of a worker control governance system.

FALSE

Accessibility: Keyboard Navigation
Difficulty: 3 Hard
Learning Objective: 02-04 Identify alternative methods for making workplace rules.

47. U.S. labor laws governing workplace governance systems reflect the central belief that competitive markets will produce efficient outcomes for both employers and employees.

FALSE

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Difficulty: 2 Medium
Learning Objective: 02-05 Compare employee representation through labor unions to other methods of workplace governance.

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48. According to the human resource management school of thought, unions are helpful because they facilitate communication between management and the workers. *(p. 48)*

FALSE

Accessibility: Keyboard Navigation

Difficulty: 2 Medium

Learning Objective: 02-05 Compare employee representation through labor unions to other methods of workplace governance.

49. According to the critical industrial relations school of thought, unions can be used as a way to suppress workers. *(p. 48)*

TRUE

Accessibility: Keyboard Navigation

Difficulty: 3 Hard

Learning Objective: 02-05 Compare employee representation through labor unions to other methods of workplace governance.

50. U.S. labor laws were written to reflect the central belief that unions are needed to counter corporate power following the labor problems of early industrialization and this support for bilateral decision-making has received strong, long-lasting support in the U.S. *(p. 48)*

FALSE

Accessibility: Keyboard Navigation

Difficulty: 3 Hard

Learning Objective: 02-03 Discuss various roles of labor unions in the employment relationship and in society.

51. According to research, union workers make, on average, 15 percent more than nonunion workers. *(p. 48)*

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Difficulty: 1 Easy

Learning Objective: 02-03 Discuss various roles of labor unions in the employment relationship and in society.

52. Research suggests that unionized firms are generally less profitable than nonunionized firms, unions reduce employment growth, and unionized workers are generally less satisfied than nonunion workers. Together, these facts provide strong evidence that unions are bad for workers.

(p. 49)

FALSE

Accessibility: Keyboard Navigation

Difficulty: 3 Hard

Learning Objective: 02-03 Discuss various roles of labor unions in the employment relationship and in society.

53. The presence of unions is usually found to decrease company profits.

(p. 49)

TRUE

Accessibility: Keyboard Navigation

Difficulty: 1 Easy

Learning Objective: 02-03 Discuss various roles of labor unions in the employment relationship and in society.

54. Union workers tend to be less satisfied with their jobs and therefore have higher turnover rates than nonunion workers.

(p. 49)

FALSE

Accessibility: Keyboard Navigation

Difficulty: 2 Medium

Learning Objective: 02-03 Discuss various roles of labor unions in the employment relationship and in society.

Multiple Choice Questions

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55. News and other media portrayals of unions and union workers tend to:

(p. 28)

A. Reinforce stereotypes of unions made up of greedy and lazy workers that engage in frequent and violent strikes.

B. Portray union workers as hard-working, self-sacrificing employees.

C. Provide a balanced view of workers and the organizations they work for.

D. Reinforce stereotypes of unions as champions of "the little guy," looking for social justice and workplace representation.

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Difficulty: 1 Easy

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

56. Which of the following is not typically considered characteristic of the "labor problem" in the early 1900s?

(p. 29-31)

A. Long work hours of 72 hours per week and more.

B. Unsafe and unsanitary working conditions.

C. Job insecurity and the constant fear of unemployment.

D. The high cost of health care and health insurance.

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Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

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57. The conditions associated with the "labor problem" were made possible in part due to a prevailing management attitude that labor was: *(p. 31)*

A. A valued resource that should be carefully managed.

B. An interchangeable and expendable factor of production.

C. Fully capable of speaking out for itself.

D. Protected by existing labor laws.

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Difficulty: 2 Medium

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

58. From a business perspective, the poor working conditions endured by workers in the early part of U.S. industrialization were most problematic because: *(p. 31)*

A. Workers should have better lives than that.

B. Workers were willing to put up with anything to keep a job, thus turnover rates were too low.

C. Workers lacked purchasing power which kept product demand artificially low.

D. The government threatened to impose minimum wage and working conditions laws.

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59. In a perfectly competitive labor market:

(p. 32)

A. Employees can never be paid below a subsistence level (i.e., they will always be able to make enough money to survive).

B. No one can be made better off without making someone else worse off.

C. Employers can never make so little profit that they go out of business.

D. Both employer and workers will make enough money to survive.

Accessibility: Keyboard Navigation

Difficulty: 2 Medium

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

60. According to the mainstream economics school of thought, market competition results in wages equal to:

(p. 32)

A. workers' marginal productivity (i.e., the value of their work).

B. product revenues.

C. the value of a product.

D. the price of a product.

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Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

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61. In a perfectly competitive labor market, the best protection an employee has against exploitation by his or her employer is:
(p. 32)

A. Other employees
B. The government
C. Other employers
D. Labor unions

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Difficulty: 3 Hard
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

62. In the mainstream school of thought, unions are:
(p. 32)

A. necessary to correct market imperfections.
B. acceptable as a way to correct market imperfections.
C. irrelevant in that they have little effect on the competitiveness of the market.
D. monopolies that restrict market competition.

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63. In the mainstream economics school of thought, labor unions are:

(p. 32)

A. Necessary to facilitate movement of supply and demand to the optimal market wage.

B. Monopolies that try to restrict the supply of labor and benefit only a few at the expense of others.

C. Create unproductive conflict.

D. Important tools for eliminating capitalism.

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Difficulty: 2 Medium

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

64. In the mainstream economic perspective, the role of the government is to:

(p. 33)

A. Pass laws that protect worker rights and income.

B. Pass laws that protect employer interests.

C. Pass laws that promote competition.

D. Pass laws that promote good management policies.

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65. In the mainstream economics perspective, the role of the law is to:

(p. 33)

A. Protect worker income security (e.g., minimum wage, unemployment compensation).

B. Protect employers from individual employee pressure.

C. Prohibit abuses of labor by management.

D. Protect individual freedoms that are necessary for competition (e.g., property rights).

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Difficulty: 2 Medium

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

66. According to the human resources school of thought, the labor problem stems from:

(p. 33)

A. Market failures.

B. An imbalance of bargaining power between employers and employees.

C. Poor management.

D. Class divisions.

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Difficulty: 1 Easy

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

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67. The basis for the drive system that characterized management in the early 1900s was the core belief that:
(p. 34)

A. Labor was like any other factor of production and should be driven to attain maximum production for the least cost.
B. Labor was driven by its own desires and needs and therefore should have a voice in how it was managed.
C. The drive to succeed was so high that workers would be willing to do anything to get ahead.
D. Automation and replacement of human labor with machinery was paramount to organizational success.

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Difficulty: 3 Hard
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

68. According to the human resource management school, equity will be achieved only:
(p. 34)

A. If employer actions are regulated by employment laws.
B. When workers produce to their maximum capabilities.
C. If employers become responsive to employee needs.
D. When market supply and demand are in balance.

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69. According to the human resources school of thought, the solution to the labor problem is *(p. 34)* better management that emphasizes:

A. unions as a mechanism for employees to express their voice
B. alignment of the interests of workers and their employers
C. scientific management principles that improve efficiency
D. paying at the high end of the market wage scale

Accessibility: Keyboard Navigation
Difficulty: 1 Easy
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

70. Labor unions are considered the quintessential form of independent employee representation *(p. 35)* because:

A. They are most likely to take management's perspective into consideration.
B. They are partly influenced and operated by management.
C. They are independent of managerial authority.
D. They are independent of both employer and employee influence.

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Difficulty: 2 Medium
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

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71. Referring to management, the saying "You get the union you deserve" best fits:

(p. 35)

A. The industrial relations perspective

B. The mainstream model of economics

C. The human resources perspective

D. The critical industrial relations perspective

Accessibility: Keyboard Navigation

Difficulty: 2 Medium

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

72. According to the human resources school of thought, labor unions are:

(p. 35)

A. necessary to correct market imperfections.

B. a sign of unhealthy HR practices and problematic because they promote adversarial management-labor relationships.

C. irrelevant in that they have little effect on the competitiveness of the labor market and are ineffective in improving HR practices.

D. monopolies that restrict market competition.

Accessibility: Keyboard Navigation

Difficulty: 1 Easy

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

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73. In the 1920's many employers who followed the human resources school of thought believed *(p. 35)* that nonunion representation plans were:

A. unnecessary if management was exercising good human resources
B. a threat to management's decision-making authority
C. helpful in promoting mutual respect, cooperation and loyalty
D. vital to protecting worker rights and interests

Accessibility: Keyboard Navigation
Difficulty: 2 Medium
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

74. The key distinguishing feature between the mainstream economics school and the institutional *(p. 35)* labor economics (or industrial relations) school is that the industrial relations school believes that labor markets:

A. Are not perfectly efficient.
B. Operate similar to other types of markets.
C. Have too few suppliers of labor (workers) but many purchasers of labor (employers).
D. Work only when there is a "working class" that is excluded from the "ownership class."

Accessibility: Keyboard Navigation
Difficulty: 3 Hard
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

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75. *(p. 36)* According to the industrial relations school, the role of the government and legislation should be to:

A. Ensure that labor markets are competitive.

B. Stay out of labor markets completely.

C. Ensure that labor and management's relative power is balanced.

D. Regulate wages, hours and working conditions to ensure that they are fair to workers.

Accessibility: Keyboard Navigation

Difficulty: 2 Medium

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

76. *(p. 36)* The industrial relations school of thought rests on the assumption that labor market outcomes are determined by:

A. The laws of supply and demand.

B. The relative bargaining strength of parties to the employment relationship.

C. Government intervention and determination of outcomes.

D. Worker protests and militant actions.

Accessibility: Keyboard Navigation

Difficulty: 2 Medium

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

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77. *(p. 36)* According to the industrial relations school, the best method to increase bargaining power of workers in their relationships with management is to:

A. Regulate markets to ensure that they are competitive

B. Support the formation of individual labor unions and collective bargaining

C. Support the formation of employer and worker cooperatives

D. Prosecute and fine employers who mistreat workers

Accessibility: Keyboard Navigation

Difficulty: 2 Medium

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

78. *(p. 36)* The saying, "the union makes us strong" best describes which school of thought:

A. Industrial Relations

B. Human Resource Management

C. Mainstream economics

D. Critical industrial relations

Accessibility: Keyboard Navigation

Difficulty: 2 Medium

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

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79. According to the critical industrial relations school, wealth and capital in society are created through:
(p. 37)

A. Producer and consumer decisions to sell and purchase goods and services in a free market.
B. Free will of individuals that make decisions about buying and selling goods and services.
C. Powerful governments that control market prices and available supply of goods and services.
D. Laws that govern market transactions and social norms that dictate what buyers and sellers are allowed to do in the exchange of goods and services.

Accessibility: Keyboard Navigation
Difficulty: 2 Medium
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

80. In the critical industrial relations school, the primary aim of labor unions should be to:
(p. 37)

A. Bargain better wages, hours and working conditions.
B. Improve human resource management practices.
C. Replace capitalism with socialism.
D. Do nothing; there is no useful role for unions in the critical industrial relations school.

Accessibility: Keyboard Navigation
Difficulty: 1 Easy
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

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81. The Occupy movement is most closely aligned with which school of thought?

(p. 37)

A. Industrial relations school.

B. Human resource management school.

C. Mainstream economics school.

D. Critical industrial relations school.

Accessibility: Keyboard Navigation

Difficulty: 3 Hard

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

82. Viewed through the critical industrial relations lens, an employer's goal to be "an employer of choice" is designed primarily to:

(p. 37)

A. Provide better working conditions for its workers.

B. Show compliance with current laws and regulations in the workplace.

C. Prevent workers from exercising their independent, collective voice in the workplace.

D. Turn workplace control over to the workers.

Accessibility: Keyboard Navigation

Difficulty: 3 Hard

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

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83. According to the critical industrial relations perspective, the answer to "the labor problem" is:
(p. 37)

A. New management methods
B. Union representation
C. Free market supply and demand
D. Social unrest and agitation that will lead to worker control

Accessibility: Keyboard Navigation
Difficulty: 1 Easy
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

84. Which of the four schools of thought views work as "unpleasant" and lacking in rewards other than making enough money to purchase the goods and services one desires?
(p. 38)

A. Mainstream economics.
B. Human resource management.
C. Industrial relations.
D. Critical industrial relations.

Accessibility: Keyboard Navigation
Difficulty: 1 Easy
Learning Objective: 02-02 Understand how different views of labor unions are fundamentally rooted in the basic assumptions of these four schools of thought.

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85. Which of the four schools of thought is the only one that conforms to the belief that workers and employers are equals in the labor market? *(p. 39)*

A. Mainstream economics
B. Human resource management
C. Industrial relations
D. Critical industrial relations

Accessibility: Keyboard Navigation
Difficulty: 1 Easy
Learning Objective: 02-02 Understand how different views of labor unions are fundamentally rooted in the basic assumptions of these four schools of thought.

86. Which of the four schools of thought believes that workers and employers have common interests that can be aligned for the benefit of all? *(p. 39)*

A. Mainstream economics
B. Human resource management
C. Industrial relations
D. Critical industrial relations

Accessibility: Keyboard Navigation
Difficulty: 1 Easy
Learning Objective: 02-02 Understand how different views of labor unions are fundamentally rooted in the basic assumptions of these four schools of thought.

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87. *(p. 39)* Which of the four schools of thought believes that workers and employers have multiple, competing interests that center primarily around the division of profits between them?

A. Mainstream economics
B. Human resource management
C. Industrial relations
D. Critical industrial relations

Accessibility: Keyboard Navigation
Difficulty: 1 Easy
Learning Objective: 02-02 Understand how different views of labor unions are fundamentally rooted in the basic assumptions of these four schools of thought.

88. *(p. 39, 45 and Figure 2.5)* Workers are not commodities, employee voice is important, there is an inherent conflict of interest between management and employees over economic issues describes the assumptions of:

A. The industrial relations perspective.
B. The mainstream model of economics.
C. The human resources perspective.
D. The critical industrial relations perspective.

Accessibility: Keyboard Navigation
Difficulty: 3 Hard
Learning Objective: 02-02 Understand how different views of labor unions are fundamentally rooted in the basic assumptions of these four schools of thought.

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89. The key distinguishing feature of the critical industrial relations school of thought is that:
(p. 40)

A. Workers cannot be treated as any other commodity to be bought and sold in a marketplace.
B. Labor markets are essentially competitive markets that need a small amount of guidance from governments.
C. There is an inherent conflict of interest between labor and management that extends to the very social order of society whereby some classes of individuals are better off than others.
D. There is a unity of interests between employers and workers.

Accessibility: Keyboard Navigation
Difficulty: 2 Medium
Learning Objective: 02-02 Understand how different views of labor unions are fundamentally rooted in the basic assumptions of these four schools of thought.

90. According to the mainstream economics school of thought, employees exercise voice in the employment relationship by:
(p. 40)

A. Banding together to hold discussions with the employer.
B. Hiring attorneys.
C. Forming employee involvement groups.
D. Exiting and entering into employment arrangements.

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Difficulty: 2 Medium
Learning Objective: 02-02 Understand how different views of labor unions are fundamentally rooted in the basic assumptions of these four schools of thought.

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91. According to the critical industrial relations school, balancing power between labor and management is:
(p. 40)

A. Not possible within a capitalistic system because management domination is built into the very political, legal, and economic structure of society
B. Not possible within a capitalistic system because workers far outnumber employers and will therefore always be at an advantage
C. Possible within a capitalistic system with the proper structure of laws and regulations
D. Inherently present within a capitalistic system due to the invisible hand of Adam Smith (i.e., free market competition)

Accessibility: Keyboard Navigation
Difficulty: 2 Medium
Learning Objective: 02-02 Understand how different views of labor unions are fundamentally rooted in the basic assumptions of these four schools of thought.

92. Which of the following best describes the pluralist view of conflict in the workplace?
(p. 40)

A. Almost every issue that arises in the workplace is characterized by conflict between the interests of employers and employees.
B. The fact that there are multiple parties to the employment relationship doesn't mean that there are also competing interests between them.
C. Not all workplace issues can be thought of and resolved through a focus on shared interests between employers and employees.
D. No government involvement. Very few issues that arise in the workplace are characterized by conflict between interests of employers and employees.

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Difficulty: 3 Hard
Learning Objective: 02-02 Understand how different views of labor unions are fundamentally rooted in the basic assumptions of these four schools of thought.

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93. Workplace governance:

(p. 43)

A. Has little effect on employee equity and voice.

B. Determines the balance between efficiency, equity, and voice.

C. Has little effect on the community outside the workplace.

D. Inherently favors efficiency over equity and voice.

Accessibility: Keyboard Navigation

Difficulty: 3 Hard

Learning Objective: 02-04 Identify alternative methods for making workplace rules.

94. Which of the following is not considered a workplace governance method?

(p. 43)

A. Competitive labor markets.

B. Statutory government regulation.

C. Collective bargaining.

D. Employer association mandates.

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Difficulty: 3 Hard

Learning Objective: 02-04 Identify alternative methods for making workplace rules.

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95. Workplace governance under the mainstream economics model should include:

(p. 43)

A. Government intervention that establishes laws regarding good workplace practices.

B. Government intervention in the form of laws and rules that protect the rights of individuals to enter contracts.

C. Government intervention in the form of laws and rules that protect worker rights to bargain collectively and establish labor standards.

D. No government involvement.

Accessibility: Keyboard Navigation

Difficulty: 2 Medium

Learning Objective: 02-04 Identify alternative methods for making workplace rules.

96. Which of the following methods to establish workplace governance is suggested by the critical industrial relations perspective?

(p. 43)

A. Human resource management with voice (i.e., employee participation).

B. Labor unions.

C. Laws of supply and demand.

D. Worker control of organization.

Accessibility: Keyboard Navigation

Difficulty: 1 Easy

Learning Objective: 02-04 Identify alternative methods for making workplace rules.

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97. *(p. 44-45)* If one believes that labor is not a commodity and labor markets are not always efficient, employee voice is important, and there is an inherent conflict of interest over who gets what share of the profits, they are most closely aligned with the:

A. mainstream economics school of thought.
B. human resources management school of thought.
C. industrial relations school of thought.
D. critical industrial relations school of thought.

Accessibility: Keyboard Navigation
Difficulty: 3 Hard
Learning Objective: 02-04 Identify alternative methods for making workplace rules.

98. *(p. 44-45)* If one believes the employment relationship is characterized by equal bargaining power in a self-regulating market, then the appropriate workplace governance should be:

A. Human resource management
B. Government regulation
C. Collective bargaining
D. Competitive markets

Accessibility: Keyboard Navigation
Difficulty: 3 Hard
Learning Objective: 02-04 Identify alternative methods for making workplace rules.

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99. Workplace governance under the industrial relations model should include:

(p. 44)

A. Government intervention that establishes laws regarding good workplace practices

B. Government intervention in the form of laws and rules that protect the rights of individuals to enter contracts

C. Government intervention in the form of laws and rules that protect worker rights to bargain collectively and establish labor standards

D. No government involvement

Accessibility: Keyboard Navigation

Difficulty: 2 Medium

Learning Objective: 02-05 Compare employee representation through labor unions to other methods of workplace governance.

100. Before the early 1900s, the prevailing opinion regarding the employment relationship was that:

(p. 44)

A. The government should never interfere with the ability of an individual to freely enter into an economic relationship with another individual

B. The government should monitor economic relationships to ensure they were fair to both parties

C. Individuals should only enter into an economic relationships if there were laws ensuring minimum standards of protection

D. Employers should be allowed to unilaterally set terms and conditions of employment

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Difficulty: 2 Medium

Learning Objective: 02-05 Compare employee representation through labor unions to other methods of workplace governance.

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101. The Human Resource Management school of thought believes that workplace governance: *(p. 45)*

A. Should include tripartite system of employer, government, and employees finding workplace solutions.

B. Should be the sole purview of management which retains unilateral control over the workplace.

C. Should be the result of bilateral negotiations with a representative of the employees.

D. Will be largely dictated by the laws of supply and demand in the labor market.

Accessibility: Keyboard Navigation

Difficulty: 3 Hard

Learning Objective: 02-05 Compare employee representation through labor unions to other methods of workplace governance.

102. Taken as a whole, U.S. labor law is most closely aligned with which one of the four schools of thought on the labor problem? *(p. 45)*

A. Mainstream economics

B. HR management

C. Industrial relations

D. Critical Industrial relations

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Difficulty: 2 Medium

Learning Objective: 02-05 Compare employee representation through labor unions to other methods of workplace governance.

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103. The British labor relations system of voluntarism provides little protection for unionization and instead relies on the relative economic strength of employees to push for their demands and employers to resist their demands. This system is most closely aligned with:

(p. 46)

A. Mainstream economic model.

B. Human resource management model.

C. Industrial relations model.

D. Critical industrial relations model.

Accessibility: Keyboard Navigation

Difficulty: 3 Hard

Learning Objective: 02-05 Compare employee representation through labor unions to other methods of workplace governance.

104. According to the mainstream economics view, unions are:

(p. 48)

A. Tools of management that are used to suppress workers.

B. Monopolies that interfere with economic efficiency.

C. A symptom of poor management.

D. Effective at balancing the power between management and labor.

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Difficulty: 2 Medium

Learning Objective: 02-05 Compare employee representation through labor unions to other methods of workplace governance.

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105. Which of the following is not true with respect to the impact of unions on terms and conditions of employment?

(p. 48-49)

A. Unionized workers earn more, on average, than nonunionized workers

B. Unionized workers are more satisfied, on average, than nonunionized workers

C. Unionized workers are more likely to have health benefits than nonunionized workers

D. Unionized workers are less likely to be denied unemployment and workers' compensation

Accessibility: Keyboard Navigation

Difficulty: 2 Medium

Learning Objective: 02-03 Discuss various roles of labor unions in the employment relationship and in society.

106. The shock effect refers to the tendency for

(p. 48)

A. nonunion members to join unions because of the extreme wage differential.

B. nonunion firms to become unionized.

C. managers in unionized firms to become better managers in response to unionization.

D. managers in nonunion firms to become better managers so they can avoid unionization.

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Difficulty: 2 Medium

Learning Objective: 02-03 Discuss various roles of labor unions in the employment relationship and in society.

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107. Which of the following statements is most accurate?

(p. 48)

A. Unionization almost always results in improvements to workplace productivity

B. Unionization almost never results in improvements to workplace productivity

C. Unionization generally has no effect on workplace productivity

D. The effects of unionization on productivity are mixed; sometimes it results in an increase and sometimes it results in a decrease

Accessibility: Keyboard Navigation

Difficulty: 2 Medium

Learning Objective: 02-03 Discuss various roles of labor unions in the employment relationship and in society.

108. The union wage premium is:

(p. 48-49)

A. Approximately 15% such that union workers make, on average, 15% more than comparable nonunion workers.

B. Approximately 15% such that nonunion workers make, on average, 15% more than comparable union workers.

C. No longer prevalent in the U.S.

D. Approximately 5% such that union workers make, on average, 5% more than comparable nonunion workers.

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Difficulty: 2 Medium

Learning Objective: 02-03 Discuss various roles of labor unions in the employment relationship and in society.

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109. Unionized workers tend to have lower job satisfaction than nonunionized workers primarily because: *(p. 49)*

A. They are dissatisfied with their union representation.

B. They are working under harsher conditions and their workplace climate is less desirable.

C. They are receiving fewer benefits such as workers compensation and unemployment insurance.

D. They are more likely to be victims of discrimination than nonunionized workers.

Accessibility: Keyboard Navigation

Difficulty: 3 Hard

Learning Objective: 02-03 Discuss various roles of labor unions in the employment relationship and in society.

110. Aside from their role in workplace governance, unions are important to the effective functioning of a democratic society because they: *(p. 51)*

A. Increase the competitiveness of labor markets.

B. Create additional employment for people who do not want to work for corporations.

C. Provide a counter to excessive political power of employers and employer associations.

D. Take on some of the roles and responsibilities of government.

Accessibility: Keyboard Navigation

Difficulty: 2 Medium

Learning Objective: 02-03 Discuss various roles of labor unions in the employment relationship and in society.

Fill in the Blank Questions

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111. Undesirable outcomes that stem from an inequitable, contentious, oppressive or exploitative employment relationship are sometimes referred to as -the _____. *(p. 29)*

labor problem

Difficulty: 1 Easy

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

112. _____ emphasizes repetitive, narrowly defined tasks be performed by workers to achieve high output. *(p. 31)*

Mass manufacturing or scientific management

Difficulty: 1 Easy

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

113. One undesirable outcome stemming from the labor problem was that workers themselves could not buy the goods and services they were producing. In other words, workers lacked _____ power. *(p. 31)*

consumer purchasing or purchasing

Difficulty: 2 Medium

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

114. The _____ school of thought believes that market competition between self-interested agents will derive the best outcomes for both employers and their employees. *(p. 32)*

Mainstream economics

Difficulty: 1 Easy

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream

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economics, human resource management, relations, and critical or Marxist industrial relations.

115. According to the mainstream economics school of thought, employees should be paid
(p. 32) according to their _____.

economic value or marginal value

Difficulty: 2 Medium
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

116. According to the mainstream economics school of thought, unions act like _____
(p. 32) because they control the supply of labor and set wages at levels that are artificially high.

monopolies

Difficulty: 2 Medium
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

117. The _____ school of thought argues that the labor problem stems from inept
(p. 34) managers that fail to appreciate that company policies should address the needs of workers.

human resource management

Difficulty: 1 Easy
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

118. Labor unions that have the power to elect their own officials, manage their own finances, and
(p. 35) make their own strategic and tactical decisions are called _____ unions.

independent

Difficulty: 1 Easy

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Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

119. The _____ school of thought argues that market imperfections create problems such as persistent unemployment, low wages and poor working conditions. *(p. 35)*

industrial relations

Difficulty: 1 Easy

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

120. The industrial relations school views the role of government as necessary for providing a legal framework that will _____ the rights of management and labor. *(p. 36)*

balance

Difficulty: 2 Medium

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

121. The most radical of the four schools of thought is the _____ school. *(p. 36)*

critical industrial relations

Difficulty: 1 Easy

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

122. _____ is an example of a critical industrial relations perspective that envisions a political, rather than revolutionary transition away from capitalism. *(p. 37)*

Socialism

Difficulty: 3 Hard

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Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

123. The _____ view of employment relationships is one that emphasizes shared interests
(p. 39) of employers and their workers.

unitarist

Difficulty: 2 Medium
Learning Objective: 02-02 Understand how different views of labor unions are fundamentally rooted in the basic assumptions of these four schools of thought.

124. The _____ school of thought sees the workplace as made up of different
(p. 39) constituents, each with a different voice and different set of concerns.

Industrial relations

Difficulty: 2 Medium
Learning Objective: 02-02 Understand how different views of labor unions are fundamentally rooted in the basic assumptions of these four schools of thought.

125. The view that the employment relationship consists of a mix of conflicting and mutual motives
(p. 40) of labor, management, and society is known as the _____ view of workplace conflict.

pluralist

Difficulty: 3 Hard
Learning Objective: 02-02 Understand how different views of labor unions are fundamentally rooted in the basic assumptions of these four schools of thought.

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126. The critical industrial relations school of thought views industrial relations as an inherent _____ conflict.
(p. 40)

class

Difficulty: 2 Medium
Learning Objective: 02-02 Understand how different views of labor unions are fundamentally rooted in the basic assumptions of these four schools of thought.

127. _____ describe the standards set for behavior and performance in the workplace, as well as policies and procedures pertaining to everything from compensation to discipline.
(p. 42)

Workplace rules

Difficulty: 2 Medium
Learning Objective: 02-04 Identify alternative methods for making workplace rules.

128. The process in place to determine the rules in a particular workplace is known as the _____ system.
(p. 42)

workplace governance

Difficulty: 1 Easy
Learning Objective: 02-04 Identify alternative methods for making workplace rules.

129. The leading U.S. example of worker self-governance was the _____ union model of the early 20th century unions.
(p. 43)

craft

Difficulty: 2 Medium
Learning Objective: 02-04 Identify alternative methods for making workplace rules.

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130. The primary example of a system of shared, bilateral authority in which employee voice is independent of managerial authority is _____.

(p. 44)

collective bargaining

Difficulty: 2 Medium

Learning Objective: 02-04 Identify alternative methods for making workplace rules.

131. The _____ movement that started in New York City in 2011 has brought the problem of 21st century economic and social inequality into the public consciousness.

(p. 46)

Occupy

Difficulty: 3 Hard

Learning Objective: 02-05 Compare employee representation through labor unions to other methods of workplace governance.

132. Under the critical industrial relations school of thought, the preferred method of workplace governance is _____.

(p. 48)

worker control or socialism

Difficulty: 2 Medium

Learning Objective: 02-05 Compare employee representation through labor unions to other methods of workplace governance.

133. When managers develop better management practices and policies that improve workplace efficiency due to the presence or threat of a union, it is known as the _____.

(p. 48)

shock effect

Difficulty: 1 Easy

Learning Objective: 02-03 Discuss various roles of labor unions in the employment relationship and in society.

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134. When workers and unions from multiple workplaces join together to pursue common interests *(p. 50)* in the political and social arenas it is called a _____.

labor movement

Difficulty: 1 Easy

Learning Objective: 02-03 Discuss various roles of labor unions in the employment relationship and in society.

Essay Questions

135. Describe some of the stereotypes that exist about unions in the U.S. Explain how the various *(p. 28)* elements of popular culture reinforce these stereotypes.

Unions are commonly stereotyped as corrupt, greedy organizations that create an inconvenience for the consumer, use violence to achieve their goals, and/or are ineffective in achieving workplace improvements. Union workers are often portrayed as lazy and unwilling to work outside of their narrowly defined roles. These stereotypes are reinforced through news media reports that focus reporting on the small number of strikes that occur while neglecting to highlight the vast majority of collective bargaining agreements that are settled peacefully. In addition, t.v. shows, movies, and commercials portray union workers in ways that reinforce the stereotypes: lazy, dull, and unmotivated or unwilling to perform for their employers.

Difficulty: 1 Easy

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

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136. Describe what is meant by the "labor problem".

(p. 31)

The labor problem of the early 1900's was characterized by undesirable working conditions arising from the inequitable and adversarial relationship between employers and their employees. These undesirable conditions included unsafe working conditions, long hours of work, low wages, and no job security.

Difficulty: 1 Easy

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

137. Why was the "labor problem" considered a problem?

(p. 31)

There are two main reasons why the labor problem was considered a problem. First, from a purely humanitarian perspective, workers and their families deserve better lives than this. As members of a productive democratic society, they should be entitled to share in the economic wealth generated from their labor and have some voice in how they are treated in the workplace. Second, from a purely business perspective, the labor problem limited economic growth by concentrating wealth which failed to generate new markets and consumer purchasing power.

Difficulty: 2 Medium

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

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138. *(p. 32, 42)* According to the mainstream economics school, how are efficiency, equity and voice achieved in society? What does this school of thought have to say about the role of government and unions?

According to the mainstream economics school, efficiency, equity and voice are achieved through free market competition or the competitive forces of supply and demand. Prices in a competitive market reflect the value of what's being purchased and hence, wages in a competitive labor market, reflect the value of that labor. If competition exists, the optimal outcomes for both workers and employers are achieved. If an employer tries to pay too little or offers unsafe working conditions, workers can exercise voice by quitting and finding another employer. This encourages employers to provide equity in the workplace.
Under the mainstream economics school, the only role government should play is in preserving individual property rights and ensuring competitive markets. Labor unions play no useful role at all under this model - rather, they are an impediment to marketing competition because they act as monopolies that restrict the supply of labor and interfere with free market forces.

Difficulty: 2 Medium
Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.
Learning Objective: 02-04 Identify alternative methods for making workplace rules.

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139. *(p. 33-34)* According to the human resource management school, how are efficiency, equity and voice achieved in society? What does this school of thought have to say about the role of government and unions?

According to the human resource management school, efficiency, equity and voice are achieved by management policies and practices that are responsive to the needs of employees. Good management practices that encourage equity and voice will also result in greater efficiency through healthy employment relationships.

Like the mainstream economics view, the role of government would be to preserve individual property rights and employer rights to decision-making. Unions are perceived as a negative influence on the workplace culture, encouraging adversarial and unhealthy relationships between management and their employees.

Difficulty: 2 Medium

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

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140. *(p. 36, 44)* According to the industrial relations school, how are efficiency, equity and voice achieved in society? What does this school of thought have to say about the role of government and unions?

According to the industrial relations school, efficiency, equity and voice can only be achieved when there is a balance of power between employers and their employees. Balance of power is only possible when workers have the right to collectively bargain with their employers through independent unions.

In this school of thought government can play a role in establishing minimum standards and preserving the right for workers to unionize and bargain collectively. Unions are the main mechanism, however, through which efficiency, equity and voice are achieved. They are therefore critical to achieving balance.

Difficulty: 2 Medium

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

Learning Objective: 02-04 Identify alternative methods for making workplace rules.

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141. *(p. 37)* According to the critical industrial relations school, how are efficiency, equity and voice achieved in society? What does this school of thought have to say about the role of government and unions?

The critical industrial relations school sees the employer and employee relationship as unworkable. Hence, the only way efficiency, equity, and voice can be achieved is to completely change the employment relationship by eliminating an ownership class. This means that all workers would become owners through worker control over production.
This school of thought is suspicious of government, seeing it as a means by which more powerful elements of society can create an unlevel playing field that permanently puts the working class at a disadvantage. Unions are seen as useful entities that can bring about social revolution but, once worker control is achieved, unions would have only a small role to play.

Difficulty: 2 Medium

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

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142. Explain how each of the four schools of thought would respond to the following question: Are employer and employees equals in the labor market and legal arena? *(p. 39)*

The mainstream economics school sees employers and employees as equals in a perfectly competitive labor market where employees exercise voice by the choices they make as to where they work and what products they purchase. The human resource management school sees employers and workers as unequal partners in the employment arena, necessitating good management practices that encourage efficiency, equity, and voice. The industrial relations school sees employers as having significantly more power than employees, necessitating laws that protect workers' rights to collective bargaining and unionization. Finally, the critical industrial relations school sees workers as substantially inferior to employers in their bargaining power. Further, employer's greater bargaining power allows them to manipulate the legal and social system to their advantage, creating a permanent working class that is never able to move up in the world.

Difficulty: 2 Medium

Learning Objective: 02-02 Understand how different views of labor unions are fundamentally rooted in the basic assumptions of these four schools of thought.

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143. *(p. 39)* How is conflict conceptualized differently under the unitarist and pluralistic views of conflict in society?

The unitarist view asserts that conflict between employers and their employees is not a permanent, inherent feature of the employment relationship. Rather, employers and employees have common goals and interests which must be aligned by good management practices. By contrast, the pluralist view sees conflict between employers and unions as both shared and conflicting. It acknowledges that both parties have multiple, sometimes conflicting needs. While there are some shared interests between them, there is always an inherent conflict over the employer's drive for higher profits and the employees' push for better terms of employment (e.g., higher wages, better benefits).

Difficulty: 3 Hard

Learning Objective: 02-02 Understand how different views of labor unions are fundamentally rooted in the basic assumptions of these four schools of thought.

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144. According to each of the four schools of thought, what was the cause of the "labor problem"? Given the causes, what solution does each school propose? *(p. 33-42)*

The mainstream economics school of thought sees imperfections in the competitive labor market as the cause of the labor problem. As a result, the solution is to ensure competition in the market by encouraging many employers and many workers, each with freedom to make their own choices about who to hire and where to work. The human resource management school sees poor management as the cause of the labor problem and, as such, the solution is better management practices that encourage employee equity and voice. The industrial relations school sees an imbalance in bargaining power as the cause of the labor problem. The solution is to encourage independent unionization and collective bargaining that will equalize the imbalance in power. Finally, the critical industrial relations school sees the labor problem as a manifestation of class conflict and the ability of the ownership class to manipulate the rules and laws of society to their best advantage. The solution, according to this school of thought, can only be found by assuming worker control over modes of production and decision-making in society.

Difficulty: 2 Medium

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

Learning Objective: 02-04 Identify alternative methods for making workplace rules.

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145. *(p. 36-37)* The Occupy Wall Street movement consists of activities who are protesting against social and economic inequality. People in the movement are concerned that the current laws and financial systems disproportionately favor corporations and the rich and exclude others from sharing in the economic wealth of the nation. They fear that such inequities will eventually undermine democracy and destabilize the country. The Occupy movement is most consistent with which school of thought? Explain your answer.

The Occupy Wall Street movement is consistent with the critical industrial relations school that emphasizes that capitalist institutions do not simply exist but are created by society through its laws and social norms. The CIR argues that the dominant groups in society have the ability to design and control institutions that serve their own interests, to the detriment of others. This is exactly what the Occupy Wall Street movement is currently claiming about the "top 1%."

Difficulty: 2 Medium

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

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146. What are the 5 major ways of achieving workplace governance? Give brief explanation of each.

(p. 42-44)

The 5 primary mechanisms of workplace governance are: competitive labor markets, human resource management, independent union representation, worker control, and government regulation. Competitive labor markets provide workplace governance by allowing employers and employees freedom of choice in employment. Workers who are unhappy with working conditions would have multiple choices available to them and, by quitting their jobs, apply pressure to improve working conditions. Human resource management recognizes the unilateral authority of management to set the rules of the workplace but good practices dictate that worker and employer interests must be aligned. Independent union representation sets workplace rules through the process of collective bargaining between equally powerful parties to a labor agreement. Worker control gives the power of workplace rule setting over to the workers, who determine their own working conditions. Finally, government regulation would set workplace rules via minimum wage, unemployment compensation, and other protective laws that ensure minimum standards of employment.

Difficulty: 2 Medium

Learning Objective: 02-04 Identify alternative methods for making workplace rules.

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147. How was the Great Depression instrumental in setting the workplace governance rules in the United States?

(p. 45-46)

As a result of the Great Depression, the general public became concerned about the ability of a purely competitive market model to provide reasonable terms and conditions of employment. As a result, legislation was passed that reflected a prevailing belief that unions are needed to counter the power of corporations. In addition, minimum working standards were established via the Fair Labor Standards Act to ensure some basic working standards existed where no collectively bargaining was in place.

Difficulty: 2 Medium

Learning Objective: 02-05 Compare employee representation through labor unions to other methods of workplace governance.

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148. Using the various schools of thought, describe how the U.S. has changed in its approach to labor relations since the early days of industrialization. *(p. 46)*

In the initial days of industrialization, the mainstream economics school of thought prevailed as illustrated by the drive systems used by management which treated employees like any other factor of production. When this proved problematic (e.g., increased numbers of strikes, etc.), there were some extreme attempts to curtail management practices using militant methods consistent with the predictions of the critical industrial relations school. However, this method proved to be expensive and precipitated a move to the human resource management school of thought as well as the industrial relations school. For a time, the IR approach seemed most successful at curtailing labor conflict and union strength grew accordingly. However, with increased competition from globalization, the restrictive union contracts became very problematic. A movement away from the industrial relations school and toward the human resource management school was brought about by an increase in government regulation over the employment relationship (e.g., EEO, OSHA laws) and a dramatic decline in unionization rates due to declines in traditionally unionized industries such as manufacturing. The human resource management school has dominated current practice with respect to workplace governance although some might argue that the Occupy movement signals a return to the principles of the critical industrial relations school.

Difficulty: 2 Medium

Learning Objective: 02-05 Compare employee representation through labor unions to other methods of workplace governance.

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149. In what ways have unions been both a positive and negative force in society?

(p. 48-50)

Unions have been credited with reducing wage inequality, increasing the likelihood of benefits, seniority rights, and just cause discipline and discharge standards in the workplace. In addition, unions have been instrumental in pushing for unemployment and workers compensation, and decreasing the likelihood of discrimination against workers. Unionized workers are more likely to receive benefits they are entitled to and less likely to be retaliated against by an employer. They are also less likely to quit their jobs. On the other hand, unions are usually associated with lower profits and may or may not improve productivity at a particular employer. Unions also reduce employment growth.

Difficulty: 2 Medium

Learning Objective: 02-03 Discuss various roles of labor unions in the employment relationship and in society.

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150. Match the following terms and descriptions.

(p. 31-39)

1. Industrial Relations School	Unions are considered bad because they interfere with the efficient operation of the economy.	
2. Critical Industrial Relations School	Unions are considered unnecessary if effective management policies are in place.	
3. Mainstream Economics School	Unions are important for protecting workers and providing worker voice.	
4. Critical Industrial Relations School	Unions are considered necessary to counter corporate bargaining power and raise the consciousness of the working class.	
5. Industrial Relations School	Government is corrupt and acts as an agent of the ownership class to pass laws and regulations that protect ownership rights at the expense of the worker.	
6. Human Resource Management School	Government is only necessary insofar as it can assure free market competition and ownership rights.	
7. Mainstream Economics School	The role of government is to set minimum wage and safety standards while protecting worker rights to unionization and collective voice.	
8. Human Resource Management School	Government intervention is unnecessary except to ensure that employers are not engaging in abusive practices.	

1. Industrial Relations School	Unions are considered bad because they interfere with	3

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	the efficient operation of the economy.	
2. Critical Industrial Relations School	Unions are considered unnecessary if effective management policies are in place.	6
3. Mainstream Economics School	Unions are important for protecting workers and providing worker voice.	1
4. Critical Industrial Relations School	Unions are considered necessary to counter corporate bargaining power and raise the consciousness of the working class.	2
5. Industrial Relations School	Government is corrupt and acts as an agent of the ownership class to pass laws and regulations that protect ownership rights at the expense of the worker.	2
6. Human Resource Management School	Government is only necessary insofar as it can assure free market competition and ownership rights.	3
7. Mainstream Economics School	The role of government is to set minimum wage and safety standards while protecting worker rights to unionization and collective voice.	1
8. Human Resource Management School	Government intervention is unnecessary except to ensure that employers are not engaging in abusive practices.	6

Difficulty: 2 Medium

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

Matching Questions

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151. Match the following terms and descriptions.

(p. 31-39)

1. Government regulation	Workplace rules are established when firms compete for employees while individual compete for jobs	5
2. Independent employee representation	Workplace rules are established by managers, sometimes in consultation with employees	3
3. Human resource management	Workplace rules are established by employees or their representatives through democratic procedures	4
4. Worker control	Employers and employees jointly determine workplace rules	2
5. Competitive labor markets	Workplace rules are established by legislatures through statutes	1

Difficulty: 2 Medium

Learning Objective: 02-01 Explain the four distinct schools of thought about the employment relationship-mainstream economics, human resource management, relations, and critical or Marxist industrial relations.

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