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Correct answers located at the end of the chapter.

1) Fundamentally, a labor union is a group of workers who join together to influence the nature of their employment.
   - ◎ true
   - ◎ false

2) The widening gap between the richest and poorest individuals in the U.S. is in part due to the weakened position of labor unions.
   - ◎ true
   - ◎ false

3) When an employer uses an employee suggestion box to gather ideas and concerns from its employees, it is primarily addressing the labor relations goal of efficiency.
   - ◎ true
   - ◎ false

4) The goals of efficiency, equity, and voice in the workplace rarely conflict with one another.
   - ◎ true
   - ◎ false

5) A key role of unions is to negotiate work rules and practices that ensure fair treatment of employees by their managers and employers.
   - ◎ true
   - ◎ false

6) In the United States, employees have broad protections against arbitrary dismissal such that employers must provide a good business-related reason for firing someone.
   - ◎ true
   - ◎ false

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7) The official policy of the Unites States is to protect workers' rights to act together for mutual aid and protection in the workplace and to promote collective bargaining as a way to resolve workplace conflict.
   ◎ true
   ◎ false

8) In the U.S., workers can generally be discharged for good cause, no cause, and even a morally wrong cause.
   ◎ true
   ◎ false

9) Most industrialized countries give employers wide latitude to dismiss employees "at will" (i.e., without a just cause).
   ◎ true
   ◎ false

10) In 2011, the Packers beat the Chicago Bears in their bid for the Super Bowl. The next day, a Chicago car salesman was fired for wearing a Green Bay Packers tie to work despite having sold 14 cars in the previous month. In the U.S., such a dismissal is considered illegal.
   ◎ true
   ◎ false

11) An organization that allows its employees to exercise their voice in the workplace using democratic principles similar to those that are commonly accepted in a democratic society is one that exercises *industrial democracy*.
   ◎ true
   ◎ false

12) The concept of employee voice suggests that employees should have the right to express their opinions in the workplace but only if they are consistent with the majority of employees or with the employer's perspective.
   ◎ true
   ◎ false

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13) While voice and equity are important to the employment relationship, efficiency is really the critical component. If an employer can be efficient, equity and voice will naturally follow.
- ◎ true
- ◎ false

14) In the U.S., an employer has a right to own property and make a profit, but society has the right to place limitations and restrictions on how those profits are made.
- ◎ true
- ◎ false

15) Conflicts between what the employee wants and what the employer wants are generally resolved privately between the individual and their employer.
- ◎ true
- ◎ false

16) Neoliberal market ideology places the needs and rights of workers before efficiency and profits.
- ◎ true
- ◎ false

17) Labor relations systems in other countries tend to follow a neoliberal market ideology, which sees the employment relationship as one in which balance between competing interests must be achieved.
- ◎ true
- ◎ false

18) U.S. labor law tries to establish employer needs for efficiency as a priority over employees' need for equity and voice.
- ◎ true
- ◎ false

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19) Labor relations systems around the world generally assume that corporations have significantly greater bargaining power than one individual worker.
- ◎ true
- ◎ false

20) One important goal of the U.S. labor law is to increase purchasing power of workers.
- ◎ true
- ◎ false

21) A collective bargaining agreement negotiated between an employer and its workers is an informal agreement outlining the terms and conditions of employment.
- ◎ true
- ◎ false

22) Generally, if the majority of workers in a particular workplace want union representation, their employer is required by U.S. law to negotiate with them over wages, hours, and working conditions.
- ◎ true
- ◎ false

23) One problem with the current legal framework governing labor relations in the U.S. today is that it tends to be adversarial and does not promote cooperative relationships between management and workers.
- ◎ true
- ◎ false

24) Since 1935, U.S. labor law has proved to be very adaptable to changes in the business climate including the decline of mass manufacturing, blurring distinctions between managerial and manual jobs, and globalization.
- ◎ true
- ◎ false

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25) In comparison with businesses in other countries, businesses in the U.S. are more likely to appreciate the chance to bargain collectively with their workers.
- ◎ true
- ◎ false

26) U.S. labor law is considered by labor supporters to be a strong piece of protective legislation.
- ◎ true
- ◎ false

27) The number of union members grew into the 1970s, but it has declined since that time.
- ◎ true
- ◎ false

28) The number of U.S. workers who say they want representation or a "collective voice" at the workplace is very close to the number of workers that actually have it through unions.
- ◎ true
- ◎ false

29) Because American unions were instrumental in pushing for increased protective legislation such as workers' compensation laws and unemployment insurance, the demand for union services has increased, rather than decreased, over time.
- ◎ true
- ◎ false

30) Part of the decline in union density may be due to the fact that newer entrants to the workforce are less likely to have ever experienced the benefits of unionization, and therefore, are less likely to become union members themselves.
- ◎ true
- ◎ false

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31) Workers are more likely to experience unionism when they are young than when they are older.
- ◎ true
- ◎ false

32) If the reasons for the decline in unionization rates in the U.S. are largely structural and a result of declining demand for union services, there is no real need for labor law reform.
- ◎ true
- ◎ false

33) From a societal standpoint, the main purpose of a labor relations system is
- A) to equalize the distribution of income across society.
- B) to ensure public safety, promote worker voice in politics, and reduce income inequalities that create a tax burden.
- C) to control the actions of employers and employees so that they are clearly acting in the best interests of society.
- D) to protect the profit maximization goals of business and ensure competition in the marketplace.

34) When an employer allows supervisors to arbitrarily discipline employees without cause, it is most directly violating which objective of the employment relationship?
- A) Efficiency
- B) Equity
- C) Voice
- D) Effectiveness

35) When an employer adopts an employee participation program, such as a workplace safety committee, it is most directly addressing which objective of the employment relationship?
- A) Efficiency
- B) Equality
- C) Voice
- D) Exclusive representation

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36) An employer creates a safety team of six employees who are asked to recommend changes to the workplace that will reduce accident rates. The team recommends eliminating a job rotation program that allows the employer to move employees in and out of various jobs on an as-needed basis. They argue that job rotation both increases employee stress and reduces the amount of experience that employees have with the various safety procedures associated with a particular job. A conflict between which two objectives of the employment relationship is described in this scenario?

A) Equity and efficiency
B) Efficiency and voice
C) Equity and voice
D) None, there is no conflict.

37) According to the Universal Declaration of Human Rights issued by the United Nations, it is considered a basic human right for

A) individuals to have the right to form and join trade unions for the protection of their interests.
B) employers to have the right to unilaterally determine the terms and conditions of employment.
C) individuals to unilaterally determine the terms and conditions of their employment.
D) employers to form and join employer associations for their own protection and the protection of other employers.

38) Which of the following outcomes cannot generally be attributed to unions?

A) Higher income and living standards for workers
B) Greater protection for workers against unfair treatment by employers
C) Greater flexibility in work rules
D) Greater emphasis on legislation and social programs that assist working people

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39) Which of the following is not considered an argument for treating employees as "more" than simply another commodity that can be bought and sold in the labor market?
A) Most modern workers are completely dependent upon jobs, not property, in determining the quality of their life.
B) Working adults spend a considerable proportion of their life at work, and hence, work provides an important social setting that greatly influences quality of life.
C) When workers agree to supply their labor in exchange for pay and benefits, they are freely choosing to follow management's directives.
D) Workers have feelings and free will that can, if they wish, interfere with the quantity and quality of work they perform.

40) Which of the following is true about management and worker views on employee voice?
A) Managers prefer to negotiate with groups of employees to get multiple perspectives at the same time.
B) The majority of workers prefer to negotiate with management individually over workplace issues.
C) Workers prefer to deal with management as a group, often in the form of representation that is independent of management.
D) Managers prefer for employees to have independent representation in the workplace.

41) Most countries base their industrial relations system on the perspective that
A) worker rights should be valued over employer rights.
B) employer rights should be valued over worker rights.
C) there should be balance between worker and employer rights.
D) consumer rights should be valued over worker rights.

42) Conflicts between employers and employees can best be described as conflicts between
A) property rights and individual rights.
B) consumer rights and privacy rights.
C) rights of the privileged and rights of the underprivileged.
D) economic rights and worker rights.

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43) Which of the following is specified by the U.S. labor law?
A) Workers can be fired if they are found to be supporting a union.
B) Employers cannot threaten employees or undertake other actions for the sole purpose of preventing unionization.
C) Workers cannot unionize as it imbalances the bargaining power between employees and employers.
D) Corporations have the same bargaining power as individual, nonunion workers.

44) Which of the following is NOT a major subject of collective bargaining between employers and employees?
A) Compensation
B) Decisions over which applicants to hire
C) Employee rights and responsibilities
D) Employer rights and responsibilities

45) Union contracts are
A) legally enforceable for both employees and employers.
B) largely voluntary agreements that neither party is required by law to follow.
C) not allowed by law.
D) legally enforceable for the employees only.

46) Traditional adversarial bargaining relationships between employers and employees has made meeting employers' increasing need for _____ more difficult.
A) flexibility
B) equity
C) cooperation and employee involvement
D) workplace fairness

47) Business pressures for competitiveness and quality have affected the collective bargaining process in all of the following ways except
A) increased the need for flexibility in work rules.
B) increased the need for more specific, detailed contracts.
C) increased need for cooperation and employee involvement in work decisions.
D) increased need to communicate about the terms of a contract more than once every three years when the contract expires.

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48) Which of the following characterizes the current business environment compared to that at the time the National Labor Relations Act was passed?

A) Clear differences between "manual" and "managerial" labor
B) American domination of world markets
C) More mass manufacturing production systems
D) Increasing number of knowledge and gig workers

49) The crucial feature of collective bargaining is that management's traditional authority to unilaterally establish terms and conditions of employment is replaced by _____ negotiations.

A) equitable
B) bilateral
C) competitive
D) co-lateral

50) Which of the following best summarizes the trends in U.S. union density since the 1980s?

A) Decreases in both the private and public sectors
B) Increases in both the private and public sectors
C) Stable in the private sector and decreases in the public sector
D) Stable in the public sector and decreases in the private sector

51) Union density in the United States is currently estimated at -----_____.

A) over 40 percent
B) about 25 percent
C) 20 percent
D) less than 15 percent

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52) A union contract is
A) a legally binding document that describes the terms of employment (e.g., wages hours, working conditions).
B) an agreement between management and labor that loosely states the rules they will each try to abide by in the workplace.
C) a legally binding agreement between employees and their union representatives that outlines the scope of the union's authority.
D) a voluntary but not legally binding agreement between employees and their union representatives that outlines the terms of employment.

53) Which of the following can at least partially explain the decline in union density rates in the United States since the 1960's?
A) Employment in traditionally unionized industries such as manufacturing has decreased.
B) Employment in service and knowledge industries has declined.
C) Employment growth in the north has been faster than employment growth in the south.
D) Educated workers are more likely to unionize than uneducated workers.

54) Which of the following is not true about the decline in demand for unions in the U.S.?
A) To some extent, protective legislation ensuring safety and income security has served to replace union representation.
B) Individuals who experience union representation are unhappy with it and decide they do not want it.
C) U.S. unions have not put enough money into union organizing and have therefore not done a good job of "selling" their services.
D) Employers may be more likely to listen to their employees and respond to their changing needs thus reducing employees' need for outside representation.

55) At present, the gap between those employees who say they want unions and those that have union representation in the private sector at their workplace is about _____.
A) 15%
B) 50%
C) 75%
D) 25%

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56) A group of Walmart employees in Raleigh, NC, staged a 5-minute flash mob protest over low wages and working conditions at their store. At the end of the demonstration, they handed the manager a signed petition. Which of the following is true in this scenario?
A) The employer can fire the workers.
B) The employees' actions are illegal because they do not have formal union representation.
C) The employees' actions are legal because they are acting together to influence their working conditions.
D) The employer can only fire the workers if they don't formally join or create a union.

57) U.S. workers are subject to discrimination, abusive supervision, lack of privacy, overwork, and stress. Labor unions argue these conditions necessitate the need for:
A) focusing on efficiency.
B) providing employers with a voice.
C) institutional checks and balances.
D) focusing on equity.

58) From a worker's perspective, the concept of labor relations is about
A) promoting organizational goals.
B) managing relationships with coworkers.
C) collective work-related protection.
D) progressive human resource management tactics that make unions unnecessary.

59) The legal doctrine that states that employers have the right to lay off employees for a good cause, morally wrong cause, or no cause is called the _____ doctrine.
A) employment-at-will
B) collective bargaining
C) union avoidance
D) employer resistance

60) Which of the following is a belief held by the proponents of the neoliberal market ideology?
A) Labor unions should not enjoy any special legal protections.
B) Workers should not have the ability to quit jobs they do not like.
C) Workers' rights should trump property rights.
D) Property rights and workers' rights should be balanced.

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61) Lengthy, detailed, legally binding union contracts have clashed with employers' need for greater flexibility that they argue is necessary for adapting to today's competitive, fast-changing business environment. Which of the following conflicts is highlighted in this statement?

A) Equity versus efficiency
B) Equity versus equality
C) Voice versus efficiency
D) Voice versus equality

62) When employers actively work to keep unions out of their workplace or are openly hostile toward unions, it is known as _____.

A) industrial democracy
B) employment at will
C) union density
D) employer resistance

63) Nurses were threatening to strike if the hospital continues to utilize traveling nurses rather than hiring more permanent nurses. The union maintains that constantly using temporary staff proves the hospital needs to hire more nurses. The hospital argues they need more staffing flexibility, and temporary nursing staff is the answer. What is society's interest in these tense relations?

A) competitive pricing
B) worker's rights
C) increased mortality rates
D) increased union membership

64) Which objective of the employment relationship is the productive, profit-maximizing use of labor to promote economic prosperity?

A) equity
B) efficiency
C) voice
D) effectiveness

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65) What is the primary objective of the employment relationship when shareholder interests override the interest of other stakeholders?
A) efficiency
B) equity
C) voice
D) effectiveness

66) The concept of equity refers to the objective of _____ when distributing the economic rewards that stem from the employment relationship.

67) Employee empowerment is another term used to describe _____, an objective of the employment relationship in which workers are given some say in the conditions of their employment.

68) The notion that workers should be entitled to the same democratic principles of participation in the workplace as they are entitled to in society is known as _____.

69) Conflicts between employers and employees are seen as conflicts between the _____ of employers and the workers' rights of employees.

70) A(n) _____ perspective sees the employment relationship as analogous to a political society in which multiple parties have legitimate but sometimes conflicting interests and rights.

71) _____ occurs when representatives of the employer and representatives of its workers negotiate the terms and conditions of employment.

72) _____ is a measure of the percentage of workers who are union members.

73) _____ is a term used to describe the difference between the number of workers who express interest in representation in the workplace and the number that are unionized.

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74) Explain the objectives of the employment relationship from the perspective of employers, employees, and society. Give at least one example of how these perspectives may conflict.

75) Explain the employment-at-will doctrine. How does this doctrine conflict with the belief that workers are more than just a commodity that can be bought and sold in a labor market?

76) How is the concept of industrial democracy consistent with the traditional values of the United States democratic system?

77) Explain the fundamental conflict over property rights versus worker rights.

78) Explain why voluntary, market-based economic theory places property rights over worker rights and describe how worker rights are protected in this system.

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79) How does U.S. labor law strike a balance between efficiency, equity, and voice?

80) Describe what collective bargaining is and give some examples of the kinds of things that might be addressed in the collective bargaining process.

81) Explain why the traditional collective bargaining process in the U.S. has been criticized for producing collective bargaining agreements (or union contracts) that are incompatible with today's business needs.

82) The National Labor Relations Act (NRLA) has been criticized as an outdated piece of legislation that is hindering, rather than helping, America in coping with the realities of the new global marketplace. Describe how work has changed since the NLRA was passed and discuss how these changes might conflict with the protections provided in the NLRA.

83) Why has union density in the U.S. declined so dramatically since the 1950s?

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84) What is the "representation gap"? What evidence, if any, exists to suggest that there may be a representation gap in the United States?

85) Is the study of labor relations still relevant in today's workplace?

86) How do the wage and benefit packages in union contracts affect nonunion workers and their employers?

87) In 2012, *Triple Play Sports Bar*, was found to have committed an unfair labor practice when it unlawfully terminated the employment of two employees who had engaged in a Facebook conversation about the way their employer was handling tax withholdings. The National Labor Relations Board held that the discussion of their tax treatment was substantively related to wages, hours, and working conditions and therefore protected by the National Labor Relations Act (NRLA). In what ways might the study of labor relations have prevented *Triple Play* from violating a federal law protecting worker rights?

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Answer Key

Test name: Chapter 01

1) TRUE
2) TRUE
3) FALSE
4) FALSE
5) TRUE
6) FALSE
7) TRUE
8) TRUE
9) FALSE
10) FALSE
11) TRUE
12) FALSE
13) FALSE
14) TRUE
15) TRUE
16) FALSE
17) FALSE
18) FALSE
19) TRUE
20) TRUE
21) FALSE
22) TRUE
23) TRUE
24) FALSE
25) TRUE
26) FALSE
27) TRUE
28) FALSE
29) FALSE
30) TRUE
31) TRUE
32) TRUE
33) B
34) B
35) C
36) B
37) A

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38) C
39) C
40) C
41) C
42) A
43) B
44) B
45) A
46) C
47) B
48) D
49) B
50) D
51) D
52) A
53) A
54) B
55) B
56) C
57) C
58) C
59) A
60) A
61) A
62) D
63) C
64) B
65) A
66) fairness
67) voice
68) Industrial Democracy
69) property rights
70) pluralist
71) Collective bargaining
72) Union density
73) Representation gap
74) Essay
75) Essay
76) Essay
77) Essay

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78) Essay
79) Essay
80) Essay
81) Essay
82) Essay
83) Essay
84) Essay
85) Essay
86) Essay
87) Essay

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CHAPTER 1
CONTEMPORARY LABOR RELATIONS: OBJECTIVES, PRACTICES, AND CHALLENGES

Chapter Overview

This chapter begins with a brief description of what students will encounter as they begin their study of labor relations. Seeing labor unions in their most fundamental sense (a group of workers seeking collective influence) is important, as is grounding an understanding of labor relations in three major objectives of the employment relationship (efficiency, equity, and voice). Each objective is defined and the examples help illustrate how these objectives can either work together or conflict with each other. That these objectives can conflict raises the fundamental labor relations issue of finding a balance. Students are also introduced to the current state of the U.S. labor relations, including the major pressures and concerns emphasized by corporate and labor union leaders. The chapter closes with a reminder of the many reasons why labor relations has continued relevance.

Lecture Tips

To get students thinking and to establish a culture of participation, even before passing out the course syllabus, at the beginning of the very first class, jump right in and ask: “What is a union?” If students need prompting, follow with: “What do you think of when I say ‘union’?” Most responses will refer to large, bureaucratic organizations (Teamsters, teachers, UAW) and perhaps conflict, work rules, and so on. Urge a more fundamental conception: a group of employees, at a plant or worksite, who wish to act together to try to determine their wages and working conditions—a group of workers seeking collective workplace protection, influence, and voice.

Alternatively, take this one step further and start with a “quiz” in which students write down answers to the following:

1. List your learning goals for this course.
2. What do you think of when you hear the phrase “labor union”?
3. How many union members are there in the United States?
4. What fraction of U.S. workers are represented by unions?

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5. Briefly, are unions good or bad?

After they are done, ask for responses to question #1, and put them on the board. You can even ask for a show of hands to get a rough idea of how widespread each one is. Then establish expectations by indicating which will be addressed in this course, and which won't be (and why not). Question #2 is used as indicated above. Question 3 can be eye-opening to the students in that there are millions of union members. But, on average, density is low (question #4).

Solicit a number of responses for question #5. I then tell them that the correct answer is "this is complex!" which will be a theme running through the course. I then follow-up with one additional question: Where did you get these answers from? And can probe further: How reliable are these sources? Do these sources consider multiple perspectives? I then integrate this with the course goals: A key objective of this course is understanding labor unions and unionized employment relationship from a variety of informed perspectives rather than narrow stereotypes or from prior experience that might be limited to a specific occupation or country.

Continuing on the theme of course goals, this can also be a good time to explain the types of learning expected in the course:

a. Understanding key terms and laws

b. Participating in legal analyses, bargaining, and grievance handling

c. But also a deeper analytical understanding

This connects to dimensions of higher learning:

(1). Declarative Learning: Learning WHAT

(a) Facts and rules

(2). Procedural Learning: Learning HOW

(a) Skills and procedures

(3). Conditional Learning: Learning WHEN and WHERE

(a) Applications

(4). Reflective Learning: Learning WHY

(a) Understand one's values and the values of others

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(5). Metacognitive Learning: Learning HOW to LEARN

(a) Directing and managing one's own learning

The course will involve 1–4, and they are also responsible for #5.

Next, ask the following questions:

Q1. What do you want to get out of working?
(a) Money
(b) Benefits
(c) Sense of accomplishment
(d) Feeling of self-worth

Q2. How do you want to be treated?
(a) Like a machine
(b) Like a raw input (muscle or brains)
(c) With dignity and respect
(d) Fairly

Students often admit that organizational and individual performance are important (efficiency), but also want to be treated with respect and would like to have some input (equity and voice). Moreover, they typically want more than just salary and benefits—in other words, work is not purely an economic transaction.

Q3. How do you want your job conditions determined?
(a) Do you always want someone telling you exactly what to do?

Q4. What does the employer want?
(a) High-quality work
(b) Productivity
(c) Team players

From the students' responses, pull out: efficiency, equity, and voice. Argue that the most difficult HR problems occur when these conflict with each other. In this case, a balance is needed. There are various ways to achieve this balance: labor unions are only one.

Labor relations is the study of how employee representation—typically through labor unions—help strike a balance between efficiency, equity, and voice. **Note:** There are many justifications for equity and voice (e.g., religious, moral, political). Since students might find them philosophical, these theories are only hinted at in the text (in the "Isn't Efficiency Enough" section). The important takeaway is that equity and voice repeatedly show up in many theories and therefore merit consideration and respect.

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When efficiency, equity, voice, and other employee, union, and corporate goals conflict with each other, ask students what should happen next? Should property rights dominate labor rights? Or vice versa? Or should they be balanced? The U.S. labor relations systems seek to strike a *balance* between property rights and labor rights. Even if you choose not to get into the details of property rights, labor rights, and human rights, at a minimum students need to appreciate that many of the tensions or conflicts in labor relations can be understood as conflicts between property rights and labor rights. Remembering this theme will help them understand various conflicts in the coming chapters (such as whether or not companies should be able to ban union organizers from their premises). If instructors want to discuss human rights to a greater extent, the question of whether labor rights are human rights is an important contemporary issue and will likely engage students. To this end, the optional Digging Deeper feature at the end of the chapter provides a unique discussion of the intellectual history of property rights and human rights.

After this introduction, pass out the syllabus and discuss the details of the course, including the need to not only understand how the processes work, but what they are trying to accomplish, and the need to consider whether reforms are warranted. Conclude the discussion of the syllabus with a labor relations icebreaker: ask each person to introduce themselves (could be their major or whatever) and to say something (anything!) pertaining to unions (potential examples: you belong to a union; your job include negotiating against a union; your favorite movie is “On the Waterfront” or “Norma Rae”; you recently got into a car accident with a vehicle with a “Union Yes!” bumper sticker…).

Then cover the rest of the chapter: the basic premises of U.S. labor relations, the major pressures for reform, and the various ways in which labor relations is relevant for contemporary managers.

Lecture Outline

Learning Objectives:

1. Understand why studying labor relations is important and how the subject can be fascinating.

2. Define the objectives of the employment relationship (efficiency, equity, and voice) and of labor relations (striking a balance).

3. Describe the basic features of the contemporary U.S. labor relations system—collective bargaining, detailed union contracts, and private sector union density decline.

4. Discuss the current pressures on the U.S. labor relations system—on the corporate side, workplace flexibility and employment involvement (stemming at least partly from

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globalization); on the labor side, low union density, a representation gap, and difficulties in organizing new workers.

Labor union is a group of workers who join together to influence the nature of their employment. They seek improved wages and benefits, or protection against arbitrary treatment and discharge, or a greater voice in workplace decision making.

From the worker's perspective, labor relations are about collective work-related protection, influence, and voice.

For employers, labor relations are all about managing relationships with employees and labor unions in ways that promote organizational goals such as profitability (in the private sector) or cost-effective service delivery (in the public sector). Nonunion employers typically pursue these goals by trying to remain union-free through preventive labor relations strategies. These strategies can range from aggressive union-busting tactics that scare workers away from unions, to progressive human resource management tactics that seek to make unions unnecessary. Unionized employers might also try to undermine labor unions by using these same strategies, but most deal with their unions constructively, primarily through:

- Collective bargaining
- Adhering to the resulting union contracts
- Resolving disputes through grievance procedures

Society also has an important stake in labor relations. Strikes and other forms of labor–management conflict can deprive consumers of goods and services and can even jeopardize safety. Labor relations can also serve democracy by allowing labor unions to promote the decent working and living conditions that free and equal citizens deserve, and to provide a voice for workers in the political arena.

Employees, employers, labor unions, the public, and policymakers are affected by the major processes of labor relations. Consequently, studying labor relations frequently emphasizes these processes:

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- The union organizing process (how unions are formed)
- The collective bargaining process (how contracts are negotiated)
- The dispute resolution process (how bargaining impasses are prevented or resolved)
- The contract administration process (how grievances over the application of the contract are managed)

I. The Objectives of Labor Relations

A. The foundation of studying any work-related subject is the objectives of the employment relationship.

B. The three objectives of the employment relationship are:

1. **Efficiency**—the productive, profit-maximizing use of labor to promote economic prosperity. It is a standard of economic or business performance. Workplace policies that promote flexibility and productivity are examples of how efficiency might be achieved. In the public sector, efficiency can be seen as including cost-effective service delivery and other indicators of an efficient government agency.

2. **Equity**—fairness in the distribution of economic rewards, the administration of employment policies, and the provision of employee security. It is a standard of fair treatment for employees. Decent wage and benefit packages or policies that dismiss workers only for valid, performance-related reasons are examples of providing equity.

3. **Voice**—the ability of employees to have meaningful input into workplace decisions. It is a standard of employee participation. Employee autonomy and representation by labor unions are examples of ways to pursue the voice dimension.

C. Labor relations must strike a balance between these three sometimes conflicting goals.

D. Isn't Efficiency Enough?

1. For business leaders, business schools, the business press, and business-friendly politicians, the sole objective of the employment relationship is efficiency.

2. Business is seen as best promoting economic prosperity through free-market competition.

3. Concerns like equity and voice are seen as social issues that interfere with business.

4. Companies, it is argued, have no obligation to provide personal and moral development.

5. The U.S. employment relationship is governed by the employment-at-will doctrine. A classic statement of this doctrine is the ruling that "all may dismiss their employees at will, be they many or few, for good cause, for no cause, or even for

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cause morally wrong, without being thereby guilty of legal wrong."

6. Employers have wide latitude to fire workers for many reasons—or no reason at all.
7. The United States is unique among industrialized countries in the strength of at-will employment and the corresponding lack of just cause discharge protections.
8. There are a few exceptions to the employment-at-will doctrine in the United States, but these are limited to several legislative restrictions (especially antidiscrimination laws), contractual restrictions (most widely associated with union contracts), and a patchwork of state-by-state judicial exceptions (such as firing someone for refusing to break the law).
9. Although the employment-at-will doctrine treats workers as if they are nothing more than economic commodities exchanged in the marketplace, the fact that workers are human beings forces us to pay attention to equity and voice in addition to efficiency.
10. The quality of employment and the nature of the workplace are important for individuals, families, and society.
11. Work is not simply an economic transaction; work is a fully human activity such that employees are entitled to fair treatment and opportunities to have input into decisions that affect their daily lives.
12. Employee voice is essential for **industrial democracy**, a term that captures the belief that workers in a democratic society are entitled to the same democratic principles of participation in the workplace.
13. Work should be seen as more than an economic transaction. Equity and voice along with efficiency must be the central objectives of the employment relationship.

II. Conflicting Goals Mean Balancing Rights

A. The greatest challenges in labor relations arise from conflicting goals. These clashes can be thought of as tensions between the business pursuit of efficiency and workers' pursuit of equity and voice.

B. Conflicts are generally resolved privately by individuals, unions, and companies through bargaining and other means.

C. At a fundamental level, conflicts between employers and employees are seen as conflicts between the property rights of employers and the workers' rights of employees.

D. The key right of workers is the ability to quit jobs they do not like.

E. Most of the world's labor relations systems hold a pluralist perspective that sees

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the employment relationship as analogous to a pluralist political society in which multiple parties (such as employers and employees) have legitimate but sometimes conflicting interests and rights.

F. The U.S. labor relations system is based on the belief that labor and management should freely interact and resolve their conflicts within a framework that appropriately respects the rights of each party involved.

G. Operationally, U.S. labor law tries to balance property rights and workers' rights, thereby balancing efficiency, equity, and voice.

III. Contemporary U.S. Labor Relations

A. The three objectives of efficiency, equity, and voice provide a rich framework for understanding labor relations.

B. Unionization is supported by both the society and workers because it helps strike a balance between efficiency, equity, and voice.

C. Each labor law regime assumes that corporations have significantly greater bargaining power than individual, nonunion workers, resulting in the following conditions:

1. Substandard wages and benefits
2. Discriminatory treatment
3. Autocratic supervision
4. Long working hours
5. Dangerous working conditions

D. Some of the reasons why the desired objectives of labor relations are not fulfilled:

1. Low pay and worker unrest can cause inefficiencies through lack of consumer purchasing power and economic disruptions because of strikes and other disputes.
2. Long hours at low pay under dangerous and discriminatory conditions violate equity.
3. Employer dictation of employment conditions as well as autocratic supervision fail to provide employee voice and are counter to democratic standards.

E. The specific institutional approaches to striking a balance between efficiency, equity, and voice vary widely between countries in terms of the legal regulation of labor unions and other forms of worker representation, the scope of bargaining, and the specific nature of union contracts.

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F. U.S. labor relations processes are tightly regulated by the legal system.

G. Some of the features of the U.S. labor law include the following:

1. It specifies that if a majority of workers in a specific workplace want union representation, their employer has a legal obligation to bargain with the union over wages, hours, and other terms and conditions of employment.
2. Workers cannot be fired or otherwise discriminated against because of their support for a union.
3. Employers cannot threaten employees or undertake other actions for the sole purpose of preventing unionization.

H. The rationale for these legal protections is to allow workers to unionize to equalize bargaining power between employees and employers and thereby strike a balance between efficiency, equity, and voice in the following way:

1. Increasing the purchasing power of workers and reducing disruptive strike activity (efficiency).
2. Achieving fair labor standards and protection against worker exploitation (equity).
3. Providing democracy in the workplace (voice).

IV. Contemporary Pressures: The Management Perspective

1. When the U.S. labor relations system works effectively, efficiency, equity, and voice are achieved through **collective bargaining**. In collective bargaining, representatives of the employer and the employees negotiate the terms and conditions of employment that will apply to the employees.
2. The major subjects of the bargaining include:
   - Compensation—wages, benefits, vacations and holidays, shift premiums, profit sharing.
   - Personnel policies and procedures—layoff, promotion, and transfer policies, overtime and vacation rules.
   - Employee rights and responsibilities—seniority rights, job standards, workplace rules.
   - Employer rights and responsibilities—management rights, just cause discipline and discharge, subcontracting, safety standards, technological change.
   - Union rights and responsibilities—recognition as bargaining agent, bulletin board, union security, dues checkoff, shop stewards, no strike clauses.

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- Dispute resolution and ongoing decision making—grievance procedures, committees, consultation, renegotiation procedures.

3. The crucial feature of collective bargaining is that management's traditional authority to unilaterally establish terms and conditions of employment is replaced by bilateral negotiations.
4. When the collective bargaining process results in terms that are approved by both upper management and union members, the provisions are written down and bound into a legally enforceable collective bargaining agreement, also called a union contract.
5. Business pressures for competitiveness and quality have pressured the collective bargaining process in at least three major ways:
   - The business need for flexibility (efficiency) clashes with lengthy contracts that spell out detailed work rules (equity). As a result, there has been experimentation with shorter, less detailed (less restrictive) contracts.
   - The business need for cooperation and employee involvement clashes with the traditionally adversarial bargaining process in which labor and management use aggressive tactics to extract as many gains or concessions from the other side as their power allows. As a result, some advocate the mutual gains of integrative or "win–win" bargaining, which embraces a culture of joint problem solving rather than competition and conflict.
   - The need for both flexibility and involvement is not well served by a process in which contracts are renegotiated every three years or so with little productive communication (voice) between these formal negotiating periods. More bargaining relationships, therefore, are establishing mechanisms to foster ongoing communication.
6. Characteristics of the business climate of today:
   - Flexible operations and staffing.
   - The rise of knowledge and gig work.
   - The blurring of traditional distinctions between brawn and brains, widespread technology.
   - Intense global competition.
7. Since 2010, there have also been sharp attacks on labor law in the public sector, particularly by conservative political groups and politicians who see strong public sector unions not only as political opponents, but also as obstacles to reducing the size of government.

V. Contemporary Pressures: The Labor Union Perspective

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1. Workers need protection more than ever due to globalization, financialization, gig work, algorithmic management, and other trends.
2. The key measure of the state of organized labor is **union density**—the percentage of workers who are union members.
3. Private sector union density in the United States has declined since 1955 from about 35 percent to only 6.0 percent of the workforce in 2023.
4. In contrast, public sector union density jumped in the early 1960s, increased steadily for 15 years, and after a slight decline has leveled off at around 32.5 percent (though slight declines in past couple of years).
   Note: updated statistics can be obtained from the BLS:
   https://www.bls.gov/news.release/union2.toc.htm
5. One possible explanation for the 70-year decline of private sector U.S. union density is that employment has declined in traditionally unionized industries such as manufacturing while employment has increased in nonunion industries such as services.
6. Related structural, or compositional, changes include regional and demographic shifts, such as faster employment growth in southern states, more women in the labor force, and increases in education and skill levels.
7. A second possibility is that demand for union services has declined. This explanation has three components:
   - Demand can decline because unions are not doing a good job of responding to the desires of a changing workforce and overcoming the negative stereotypes of unions that are so common in American culture.
   - If employers have improved their responsiveness to employees' needs, this can reduce demand for union protection and advocacy.
   - Increased protective legislation may have provided a substitute for unions. Examples include the Civil Rights Act and Equal Pay Act (and related laws pertaining to age and disability discrimination) forbidding discriminatory employment practices; the Occupational Safety and Health Act governing workplace safety standards; and the Affordable Care Act.
8. The third, and most controversial, possible reason for the decline in U.S. union density is employer resistance or opposition.
9. One factor that seems to support the significance of employer opposition is the existence of a **representation gap**: Employees say they want more representation in the workplace than they have.
10. Union membership trends might also be caught in a downward spiral
    - The fraction of workers who have never been unionized is increasing so there are fewer opportunities for nonunion workers to experience unionization.

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- If union membership is like some consumer products, then it's not fully appreciated until it is experienced firsthand. So, if workers are increasingly less likely to experience unionization, they are less likely to develop an appreciation for unions; and union membership will continue to decline.
- Interestingly, however, significantly more people experience unionism at some point in their working lives than the low union density figures at any one time might suggest. But those who do experience unionism are likely to first do so at a young age (maybe you had a teen job in a unionized grocery store), so there is an opportunity for unions to do a better job of making this experience a good one.
- Another possible downward spiral stems from the cost of forming unions in nonunion workplaces. As membership declines, it is difficult for unions to maintain their level of organizing because organizing drives are expensive. But less organizing likely means fewer new members, which leads to further reductions in new financial resources. So the cycle continues as there is less money to support new organizing.

VI. The Continued Relevance of Labor Relations

A. Contrary to popular stereotypes, unions are relevant not only to blue-collar occupations; doctors, nurses, lawyers, teachers, writers, professional athletes, college professors, and even graduate students are represented by unions.

B. Labor relations are a relevant and dynamic area of study and practice.

C. An understanding of labor relations is important for all current and future managers.

D. The study of labor relations considers the goals of workers and society and does not shy away from the conflicts that can arise between competing groups, especially in a real world characterized by imperfect competition.

E. Labor relations can help everyone understand and resolve conflict—in the workplace, in business relationships, and in everyday personal interactions.

Active Learning Ideas

1. Have students write down answers to the four questions posed in the lecture tips section before asking for responses.
2. Have students take the employment-at-will quiz with a partner and discuss their answers.
3. Have students discuss the four nonunion scenarios in "In a Nonunion Workplace, Can Managers...?" in small groups and come up with a group answer before sharing with the

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class.

4. Have students discuss the Ethics in Action case in small groups and then have groups debate each other.
5. I adapted this from a writing exercise called "Writer's Last Word," perhaps it could be called "Chooser's Last Word." This is an active learning suggestion for the end of the course, but it requires advance assignment, so it is presented here. Early in the semester, tell students: "As you read the course materials or other relevant materials (such as newspaper articles or websites pertaining to labor relations), write down passages that you find interesting, controversial, or insightful (whatever catches your attention). By [a date close to the end of the semester should be inserted here], e-mail me at least three passages (including the source and page number). We will discuss selected passages during the last week of class." To conduct the exercise, put selected passages on overheads or into PowerPoint. Do not identify who submitted the passage on the slides, but keep a note for your own use in class. In class (for me, during the last week of the semester), put up one passage at a time and ask for student reactions. Then call on the person who chose the quote ("the chooser") to have the final word. You can also start with a passage or two of your own to kick things off.

Reflection Questions

1. **In a concise paragraph, paraphrase what you have learned about labor relations to explain to a potential employer why studying labor relations will make you a stronger job candidate.**
   Students' answers will vary. Their answers may contain points like studying labor relations will help them manage relationships with their employees and labor unions in ways that promote organizational goals such as profitability or cost-effective service delivery, labor relations reveals the consequences of poorly managing a workforce, and so on.

2. **Interview workers, union officials, and managers who have been involved in a union organizing drive (or look in the newspaper or online). What issues were emphasized in the organizing drive? Are the issues examples of efficiency, equity, or voice?**
   Students' answers and cited situations will vary.

3. **Summarize the major facts about U.S. union density. Why has union density declined so sharply in the private sector? Is this good or bad?**
   Students' answers will vary, but the answers need to be tied to obvious observations. The reasons for the 70-year decline of private sector U.S. union density are controversial. One possible explanation is that employment has declined in traditionally unionized industries such as manufacturing while employment has increased in nonunion industries such as services. A second possibility is that demand for union services has declined. A third controversial reason for the decline in U.S. union density could be employer resistance or

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opposition.

4. **As an employee, what kind of voice would you like on a job? Would this make you more productive? Should whether or not you are more productive be the only criterion for whether or not you should have this voice in the workplace?**
   Students' answers will vary, but comparison should be made between the industrial relations and human resource management views. The former argues that while voice might make you more productive, you are entitled to voice even if it does not make you more productive. The latter emphasizes the importance of voice for enhancing productivity.

Suggested Class Discussion or Short Essay Topics

1. Pareto optimality says that no one can be made better off without making someone else worse off. Otherwise, if someone can be made better off without harming someone else, the current situation is wasteful (efficiency). Do you agree or disagree? Why or why not?

2. Market failures can be controversial because many believe that trying to correct a market failure, such as through government regulations or subsidies, can make things worse, not better. Do you agree or disagree? Can anyone cite examples of attempts to correct a market failure (such as the government paying farmers not to grow food)?

3. Modern workers have become dependent on their jobs, not on their property, as in earlier agrarian and craft-based societies: "We have become a nation of employees. We are dependent upon others for our means of livelihood, and most of our people have become completely dependent on wages. If they lose their jobs, they lose every resource, except for the relief supplied by the various forms of social society." How do students feel about this quote, particularly the last sentence? Do they agree that if they lose their jobs, they lose every resource? Discuss how the Great Depression may or may not support this theory.

4. Discuss the characteristics of a public sector versus private sector workplace and ask for examples of each. Why might union density be so much higher in public sector workplaces than in private workplaces?

5. The standard of equity in employment relationships partly derives from religious views on the sanctity of human life and respect for human dignity. The Catholic Church's papal encyclicals have been the most explicit. Explain what a papal encyclical is, who wrote it, to whom it's directed, and what effect the content regarding workers may have on society. Good reference: http://www.papalencyclicals.net/.

6. Discuss why it is imperative for students of labor relations to study not only the existing

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processes, but also to consider reform possibilities. Ask students to write down any reform possibilities that have occurred to them after this short foray into labor relations. At the end of the term, ask the students this question again.

7. Many brands have been accused of producing their wares in "sweatshops." Define sweatshop. Would you buy a product if you knew it was made in a sweatshop?

Online Exploration

Additional suggestion beyond the two online exploration exercises that appear in the text:

1. Search the internet for Papal encyclicals or statements about labor in other religious denominations. Are these good principles for the employment relationship? If so, how should society ensure that they are fulfilled? Note: the major encyclical on labor is "On the Condition of Workers" (*Rerum Novarum*, 1891) by Pope Leo XIII which was followed by "Reconstruction of the Social Order" (*Quadragesimo Anno*, 1931) by Pope Pius XI, "A Call to Action" (*Octogesima Adveniens*, 1971) by Pope Paul VI, and "On Human Work" (*Laborem Exercens*, 1981) and "The Hundredth Year" (*Centesimus Annus*, 1991) by Pope John Paul II.

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