

## Law Firm Articles

### Good Union Relationships Are Best

*The best human resource directors know how to incorporate a cooperative relationship with unions to achieve a harmonious workplace.*

*By Stuart R. Korshak, Esq.*

For more than twenty years, I have negotiated labor contracts for hotels, distributors, sports stadiums, and other companies located in various regions of the country. In most of these negotiations, I have attempted to have my management clients and their unions learn how to work together to solve their respective problems rather than confront each other to see who is stronger or craftier.

In labor negotiations, and in counseling unionized companies between negotiations, I have met some great Human Resource Directors ("HRDs"), some weak ones, and some in the middle. The best were those who built a good relationship with their unions. The worst were those who viewed their role as fighting with their unions and teaching the rest of the management team how to do the same. The ones in the middle played little leadership role either way.

Every three years or so in a unionized company, the collective bargaining contract expires and has to be renegotiated. The HRD is usually a member of the negotiating team. Between contracts, grievances have to be handled, contracts have to be interpreted and administered, and employee and union questions have to be answered. How HRDs approach such union responsibilities and what philosophy of labor relations they follow is, in my opinion, critical to their success in handling such responsibilities.

Unfortunately, the norm in most unionized American companies continues to be confrontation. The conventional wisdom is still that unions are an adversary to be held at bay, opposed, outsmarted, defeated, or ignored. More often than not, unions are viewed as the villainous Indians and management is viewed as the white-hatted cowboys in a simplistic cowboy and Indian movie.

Too many managers still let their emotions or political beliefs dictate their labor relations policies, even though they use logical, result-oriented decision-making in every other area of their business. Sometimes outside labor advisors encourage this confrontational approval and profit from the prolonged fights that result from it. The problem with this cowboys and Indians picture of union relations is that it does not reflect the reality of a unionized workplace today.

Unionized workplaces today, like all workplaces, require higher morale, productivity, participation, and adaptability to be successful. HRDs need to educate management to follow a

cooperative approach to unions if they want to achieve a successful workplace.

The history of American labor relations shows that unions have been very good at holding on to what they have, even when they have not been effective in organizing new employers. As a result, a union relationship for most companies is like a marriage for which there is no divorce. It can either be a good marriage or a bad one, but it is unlikely to end any time soon. In view of that, one would think that the rationale approach would be that a good marriage is both more productive and more peaceful than a bad one and worth pursuing.

Companies exist today in an environment where they need to be able to adapt rapidly to their customer's changing needs. Employees are usually in closer contact with the customers than is management. As a result, companies need to capture their employees' perceptions about customers and their ideas for improvement and incorporate them into continuously improving their service and products. To do that requires effective employee participation and empowerment programs. It is both legally and practically difficult to obtain such participation and empowerment in a unionized company without the active involvement of the union.

The unionized companies that are most successful in harnessing their employees' ideas have found that the only effective way of making employee participation work is through a cooperative relationship with their unions.

Another important reason HRDs should lead the effort to develop a partnership with unionized employees and their representatives is the need to increase productivity. Union workers in a confrontational environment often perform well below their potential. When unionized workers face a contract fight every three years over wage, benefit, and work rules, and an ego contest over which side is craftier and more powerful, why would their loyalty and their desire to be productive be any more than average?

When unionized employees face a cowboys and Indians environment at work, they often focus their attention on more rewarding activities away from the workplace. When, on the other hand, workers are accorded a voice on the job and high levels of participation and respect at work, they often develop the committed attitude necessary to achieve a maximum effort at work.

Yet another reason HRDs should strive for a partnership with their unions is the need for more effective training programs because of the requirement for higher skilled employees. Employees today have to be able to read and use computers and to adapt to rapidly changing technology in order to meet customers' needs, to work in offices and warehouses, to sell products in the field, or even to drive trucks.

Those companies that have engaged in active partnerships with their unions have found that such partnerships are a significant advantage in establishing effective training programs for their unionized workers.

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25 percent to regain parity with their competition.

Employees quite often perceive management's unilaterally established training programs as the latest "fad of the month" by someone in the corporate office. They typically believe that such training has little relevance to their work, or worse, is a disguised way to set them up for termination in order to bring in younger, cheaper workers. On the other hand, training programs that are jointly developed and implemented with unionized employees make the employees take ownership of the training. In addition, joint training programs between unions and management are more successful in attracting government training grants than are individual company's training programs.

HRDs should also strive for union cooperation because it is a more effective strategy for finding real solutions to complicated problems. Resolving problems with both sides' needs in mind is more effective in finding solutions that works than attempting to force solutions either side unilaterally creates in a vacuum. To put it another way, interest-based bargaining works better today with companies' complex problems and more educated workforces than does traditional power bargaining.

Using an interest-based partnership approach to bargaining, the San Francisco hotels and their unions created training programs to attract and retain the best workers. The Los Angeles hotels and their union cooperatively "privatized" the union hiring hall and improved its quality. The Los Angeles Dodgers and their unions worked together to reduce wage levels by as much as 25 percent to regain parity with their competition. Toyota and its unions at the NUMMI plant developed superb employee participation systems for continually improving their automobiles. Ford Motor Company and its unions worked together to make Ford probably the most productive and profitable automobile company in America.

None of this could have happened using power bargaining. The problems in each instance were too complex to resolve through confrontation. Unless both sides' needs can be analyzed and addressed, complex problems like those listed above are seldom really solved in negotiations and usually result in last minute, unworkable bargaining table compromises or a strike and the resulting poor morale and desire to retaliate by the losing party.

Are unionized employees and their representatives open to the cooperative approach advocated here? In my experience, I have found that they are. When approached honestly and asked to form a partnership with management to improve the workers' skills, ability, and participation, and to improve the company's viability, my experience has been that unions are willing participants.

The AFL-CIO has for many years actively promoted labor-management partnerships between unions and management as the best way to satisfy both sides' needs and to build strong unionized companies. The AFL-CIO and many of its affiliated unions take the position today that organized labor should present management with two and only two alternatives. These are (1) an "open hand of cooperation" for real partnerships or (2) a "closed fist" for a fight in a confrontational relationship. Given these two alternatives, which is more likely in a unionized

company to result in high morale and productivity, the ability to solve complex problems, and adaptability to changes in the economy?

In sum, the best HRDs strive to have their companies work cooperatively with their unions because it increases productivity, service, quality and morale, not because they fear unions. If HRDs want to be effective and make a difference, they should educate senior management that this is the best way to work with unions and they should train junior management how to do so.

HRDs may have to fight an uphill battle to accomplish this, since most American companies still follow a confrontational and emotional approach to unions instead of a rational one. However, I have seen many HRDs accept that challenge and successfully educate management to move in the partnership direction, and they have uniformly achieved better results for their companies by doing so.

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