

# Part 3 of 3

## Unions on the Road to Change



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# Unions on the Road to Change:

## *Adding Value is Not a One-Way Street*

### *Part 3*

By

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*The test of our progress is not whether we add more  
to the abundance of those who have much;  
it is whether we provide enough  
for those who have too little.*

[Second inaugural address] F. D. Roosevelt

- Management is not an innocent by-stander: it must engage as an integral part of the process to make union viable again
- Potential points of change in the union approach

Summary so Far: These papers express my viewpoint concerning the potential revitalization of the union movement in North America. Given the decline of *private sector unions* over the last number of decades, if these organizations continue to apply their founding principles with the same strict and unwavering approach, we will likely see the demise of trade unionism as we have come to know it. My focus here is not on union organizing tactics — it is on union fundamentals and how unions implement them.

Though change is a constant, sometimes both people and institutions find it difficult to adapt. Significant change that challenges one's very existence can lead to irrational or impulsive decisions. Naturally such decision-making methodologies are not recommended, because the resulting short-term outcomes often end in long-term negative consequences. Nevertheless, that change is necessary has been recognized at every level of the labor movement.

*As businesses embrace change, the real issue for unions will no longer*

*be what constitutes a majority in any given bargaining unit; it will be what **they can provide as a value-added proposition to employees that employers have been unable to provide.***

Here, we come back to the *value-added proposition*. Historically, unions have fought for increased wages, benefits, better working conditions, and health and safety concerns. They have won on many fronts. But with the use of social media (read: instant publicity), employers must do what is in the best interests of their employees' health and safety, regardless of legislation or unions.

The way business is conducted today compared to post WWII is dramatically different. Telling your children to work hard, always be on time, stay late, and most of all, be loyal to your boss was good advice 50-60 years ago. Today, the measurement of success is engagement, innovation, and cost-savings, with quality and speed as the watchwords. The speed at which one thinks, works, and articulates solutions to problems is a major factor

to success. *Today's business environment is no longer suited to a trade union that is hampered by old strategies and tactics.*

As a consequence of 'extreme capitalism', globalization, and right-of-center government positions, a new economic marketplace has developed in which corporate self-interest [otherwise known as *greed*] appears, for the present, to have the upper hand. In this capitalist-led environment, there is little inclination on behalf of many union members to see their union navigate towards work stoppages or all-out strike action because doing so could harm their own self-interests. On the other side of the coin is the membership's strong sense of frustration and unfairness as they receive 0-3% annual wage adjustments, while their employer/corporate executives takes home *excessive compensation increases* (including bonuses that can reach 100% or more of base salary). This 'extreme capitalism' is one massive Gordian knot for union executive teams to untangle. Meanwhile, corporate executives continue to tighten the knot. The path

forward for unions must include a means of convincing employers that having their employees unionized is a benefit and not an obstacle.

Guilds, crafts unions and training: In both Canada and the U.S., when numerous business sectors — manufacturing of furniture, toys, clothing, computer chip boards etc., for example — are unable to locate qualified personnel to support business growth they frequently consider the option of outsourcing work [jobs] to Asia. Many employers who have not yet shipped jobs overseas may be influenced to do so because of the real or perceived views that a qualified labor pool is available in Asia. With not too much science or statistics, one could prove who the better skilled worker is. *If we are using 'better skilled' to mask 'it's all about lower wages' - once again greed is the prime directive. If leaders do not take positive action [as they would in their home country] to ensure there will be no a repeat of the Bangladesh disasters, the carelessness or greed will be a part of management legacy.*

Arguably unions and employee training go together: just think about apprenticeships. So, if the perception is that overseas employees have better skills - why don't unions step up to the table? Unions have a history of training employees — crafts and guilds go back to the 1500s; and in some trades, even earlier. Now is the time to revitalize that role. We can see historical traces of this practice when we view apprenticeship training programs for electricians, plumbers, welders etc. It would be a significant *value-added* if unions, working with employers, could design and deliver the specialized skills training needed to fill job markets that have a low supply of skilled workers.

In my opinion, government-funding for such projects [with the 'correct' grant proposal] would be there for the asking. A three-way partnership among unions, employers, and government could, arguably, benefit local, regional, and national economies and help position the labor movement in a more positive light. It's hard to see how a *value-added proposition* such as this would infringe on currently held union principles.

Furthermore, to really think outside the box: why couldn't union trainers take on the role of six sigma or lean manufacturing trainers? This training is now offered by corporate trainers. Having the union's input and sanction would *add value*. *If the union movement were to alter the scope of their mandate and focus on collaborative successes, that would positively alter the public's, employers' and employees' perceptions.*

Built into the genetic code of the union movement is the commitment to protect every one of its members, especially when an employer disciplines or terminates an employee (a union member). Unions have an 'all members are equal' worldview. However, this does not hold true when it comes to employees on the union's payroll. At their own offices—which in some cases are unionized by different unions—they can discern levels of performance and whether an employee fits their culture. However, should a unionized employer take disciplinary action or even termination, for similar performance reasons, we could have a

'work-to-rule' union decision or even a strike. When it comes to their membership, they are solidly behind the member *regardless of the member's behavior or performance.*

This double standard speaks more to stubbornness than it does to holding to principles. Defending their member — come what may — is saying to the employer that all their evidence about a poor performer, for example, is wrong or at least questionable. Not all employees are angelic. Being a safe house for poor performers [skills or behavior] reinforces the negative views corporations hold about unions.

If unions want to *add value* to the economic equation that will lead to more jobs and more members, then they *cannot be everything to everyone*, even if being a union member is just the result of their employment.

In fact, unions don't choose their members; employers do that! If the employer selects a winner, the union and the employer potentially gain a long-term supporter and financial contributor. If the employer

makes a selection error and hires, for example, a poor performer, today's unions will argue that the employer has no option but to retain the individual. They would argue this point in court, if need be. If protecting poor performers in the face of employer evidence, which is available for the union to see, is for many union leaders an unchangeable position, then the union is only in it for the money (union dues) and loses all moral high ground.

***Though we are equal as human beings; not everyone's behaviors, skills and performance are equal.***

Protecting all employees on the grounds of seniority has been a contributing factor in the decline of the union movement. Imagine the impact, if a qualified union representative and a qualified management representative sat down with an employee [all 3 parties] and collaboratively worked out a plan to improve the employee's behavior and/or performance. The union representative could also be part of

the employee's mentoring team. The union is then actually part of the solution. This would be a *value-added* contribution.

If unions could comprehend the long-term *added value* in collaborating with employers when there is factual data supporting a disciplinary action or termination, then the dynamics of industrial relations would change immediately. This is a sanctified union principle that I am talking about. To believe that every human being must be treated with respect and dignity is understandable and admirable. Unions believe that every person should be seen for who they truly are: regardless of race, religion, color, gender, etc. This is not only a positive Value, it is the law. As such both parties must embrace the same approach.

***However, to believe that every person can perform at the same level is not understandable. That would be like saying every union organizer performs as well as every other***

***union organizer and the only discriminator is length of service. No union executive could make that argument stick***

Would such a significant philosophic yet practical change shatter many members' beliefs in the union movement? Perhaps, but this is an opportunity for union executives to stand up and make a case for collaboration versus continued conflict, decline, and possible dissolution. Given the persuasiveness of their argument, some union members will see the inevitability of their present plight and sign-on to a new strategy and others will likely follow in time.

If the long-view is taken, short-term financial considerations may not win the day. However, when the debate boils down to revenue (as it so frequently does), I posit that today's decline would be seen as insignificant compared to the potentially devastating picture for the declining union movement if we project out a decade or two.

As more jobs were shipped off-shore, from the mid-1970s onwards, the effectiveness of unions began crumbling. Corporations were creating (certainly in the short-term) a society of minimum-wage workers. These people frequently needed 2 and sometimes 3 jobs to hold their family unit together.

A detailed study, conducted in 2013 by Pew Research<sup>14</sup> found that the U.S. population tends to view unions as having a positive effect on the workplace. A surprising turnaround in two years: 2011 = 41% favorable versus 2013 = 51% favorable - a surprising turnabout. The survey, however, does not indicate a similar rise in union membership.

Today's unions, in both Canada and the U.S., are largely based in the public sector. In the public sector, there is no profit to share and society depends on these unionized employees to do their jobs without interruption [postal, police, emergency medical workers, etc.]. Employees are considered 'essential services', they cannot strike in Canada. [This might be changing as the Canadian Supreme

Court - 2015 - ruled that 'essential' workers *do* have the right-to-strike.].

In return for not having the right-to-strike, essential services are accorded job security and a more complete benefits package than private sector unionized employees. Another problem, as seen by the right-of-center public, is that public sector unions can bring political pressure—money and votes—to bear on elections. This appears to be a much greater concern [by U.S. Governors] than it is in Canada.

Similarly, the limited time that politicians are in office sometimes encourages them to make poorly thought out Collective Agreement decisions. For example, trading pay increases today for higher pension benefits in the future....when they are out of office. Arguably, this is negligent behavior on the part of both parties. However, unions carry the brunt of the negative press when the scope of their negotiated wages, benefits and retirement packages becomes unachievable. By this time, the politicians who approved the Collective Agreement are long gone.

Professionally, I have very little sympathy for politicians who take this easy road, seeing the consequences fall on some future unsuspecting politician or administrator's shoulders. This abdication of responsibility is an example of a *non-value added proposition* by elected politicians as employers.

A different approach for unions:

Remember, the beauty of change is that it is omnipresent, and *when managed well, it can provide an adaptable base that supports the organization's Mission and Vision*. In fact, change has the unique opportunity to bring *added value* to employers as well as their employees. Unions must identify the *value-added* opportunity continually, in such an ever-changing social, economic and political dynamic as today's society.

I would propose that a further opportunity for a *value-added proposition* would be by focusing on the next generation of college and university graduates:

- not on what they will earn, *but on what they can contribute to society*. [Unfortunately, there

will be far too many graduates who will be working at minimum wage positions and without complete benefits (read Wal-Mart, Target, McDonalds, etc.) until the North American economic marketplace balances itself.] There is no reason the trade union movement [at the AFL-CIO, or CLC level] couldn't develop their own version of the U.S. Peace Corp or the Canadian World University Service to help these graduates contribute to a better society, while also learning new skills [for example, leadership and problem-solving]. There are enough depressed areas in Canada [the North, for example] and in the U.S. [inner cities, for example] for such an effort to take root right at home. Just think of the number of NGOs, government departments/agencies, and enlightened corporations that would support new graduates learning how to *build better communities*. Hiring graduates from such a union-initiated

program would prove to be a benefit for graduates, unions, and employers. This would be a very noticeable *value-added* contribution to society. This would go a long way to re-branding the public's view of the union movement.

Other such opportunities are becoming evident. Jake Rosenfeld is an associate professor of sociology at the University of Washington. His book '*What Unions No Longer Do*'<sup>15</sup> is an account of Rosenfeld's attempt to empirically establish the consequences of Big Labor's decline. There are four big things that, according to Rosenfeld, that U.S. *unions no longer do*:

1) Unions no longer equalize incomes. Income inequality [as measured by what the 90th percentile worker makes vs. the 10th percentile] remains much lower among unionized workers than non-unionized workers. But remember, only 6.7%<sup>16</sup> of U.S. workers - in the private sector - are now unionized, and Rosenfeld

shows that unions' ability to affect wages for non-union workers — which used to be significant — is now negligible. Rosenfeld estimates that about a third of the rise in income inequality since the 1970s is due to the unions' decline.

2) Unions no longer counteract racial inequality. As Rosenfeld acknowledges, labor unions in the U.S. don't have the greatest history on race. For a long time many unions wouldn't let African-Americans join and some fought hard to keep employers from hiring them. But during World War II this began to change, and by the 1970s black workers were more likely to be in unions than were white workers. Unions shepherded millions of their African-American members into the middle class, and helped bring black and white wages closer together. Since unions fell into sharp decline in the private sector in the 1970s, the private-sector wage gap between blacks and whites has grown.

3) Unions no longer play a big role in assimilating immigrants.

Unions also don't exactly have a stellar history of relations with recent immigrants to the U.S. But in the first half of the 20th century immigrants still found their way in great numbers into unions and even union leadership roles. For the recent great wave of Hispanic immigrants, that hasn't been the case. Yes, there have been a few noteworthy unionization campaigns among immigrants, like the United Farm Workers in California's fields and the Service Employees International Union's efforts among office janitors and hotel workers. But on the whole, Hispanics are less likely to be union members than are other workers.

4) Unions no longer give lower-income Americans a political voice. The higher your socioeconomic status, the more likely you are to vote and to be listened to by politicians. Unions used to be perhaps the

most important organized interest group, and Rosenfeld shows that, even now, union members with low education levels are much more likely to vote than non-members with low education levels. With declining membership, not only are unions a much weaker political force than they used to be, they also no longer really represent those at the bottom of the economic ladder.

The decline of unions in the U.S. has often been painted as inevitable, or at least necessary for American businesses to remain internationally competitive. There are definitely industries where this account seems accurate. Globally, though, the link between unionization and competitiveness is actually pretty tenuous. The most heavily unionized countries in the developed world — Denmark, Finland, and Sweden, where more than 65% of the population belongs to a union — also perennially score high on global competitiveness rankings.

*Even if the decline of unions was inevitable or desirable, that still leaves those tasks unions once accomplished — which on the whole seem like things that are good for society, and good for business — unattended to. Who's going to do them now?<sup>17</sup>*

There is no question that unions have been badly injured by the economic slump. Some AFL-CIO executives believe that the first major body blow to U.S. unions came in August, 1981 when President Regan fired 11,000 air traffic controllers for ignoring his return-to-work order. Since then, they believe many major union officials have developed an inward focus — by looking solely after their present membership — and have ignored opportunities to increase membership. While this dynamic was playing out, many employers became more sensitive to meeting employee needs, such as providing competitive wages, decent health benefits, and better retirement packages, thus

making union membership less essential to non-unionized employees.

In a society that is still influenced by the recent receding economy, employees are fearful of losing their jobs, which has tipped the balance of power in favor of the employers. Fear, especially in the U.S. workplace, has become a dominant force—leading many employers to feel that they can push people around. Without unions taking a greater risk than they do at the present time, employees with grievances will use the courts and social media to express their disapproval of their employers' actions. The recent Arab Spring protests in the Middle East have shown to a vast number of people with grievances that Facebook and Twitter are very useful allies.

Here is another example of the AFL-CIO and the CLC being asleep at the switch. With the available unemployed college and university brainpower and the financial resources of these unions, why has there been no major 'all union' social media sites developed and promoted to help the *unorganized* to communicate with

each other? Social media could help develop virtual picket lines.

Some union leaders are now looking at the labor movement becoming more like a lobby group. The model most frequently discussed is that of the American Association of Retired People (AARP). Perhaps unions do not have to diminish their collective bargaining role, but, in fact, broaden it. A good model for this broadening might be the alliance between the AFL-CIO and Domestic Workers Alliance<sup>18</sup> in New York City, who came together to push for a bill of rights for non-unionized nannies, home cleaners, and maids.

Some troubling questions:

- Contrary to the view that unionism is responsible for and the guardian of uplifting society, the trade union movement is rarely seen as the national voice of progress and innovation. Private sector trade unions are rarely viewed as employers - those who create jobs. The truthful irony is that unions do not create jobs. So one may ask: "*What is the*

*trade union movement's vision for the future; and is such a vision within their scope to deliver?"*

- Organized labor too often looks at itself as separate and apart from the rest of the working class (including unorganized labor). It does not see itself as the champion of these people and their communities, but rather as a vehicle to advance the interests of its members. This may be a hard pill to swallow, but the unorganized do not pay union dues. *Is this why they are not supported? In the 21<sup>st</sup> century, do unions have to prove their value before new members will sign up?*
- Globalization, with its 'extreme capitalism', has dramatically changed corporations' approaches to both the working class and society as a whole. Global corporations and their allies have concluded that the terms of any social partnership with trade unions must be

altered at the expense of working people. This view has reinforced [or been reinforced by] the shift to the political right. *Is it too late for trade unionism to re-gain the moral high ground? If not, how does the union movement demonstrate leadership? Can it reverse the decline through new strategies and tactics?*

- The present membership decline necessitates a new approach to strategy, tactics, and a vision of unionism. *Can the union movement rise to the challenge of being a means to confront injustice? Are unions condemned to a role of lessening the pain of 'extreme capitalism' only for those who are members of organized labor?*
- What are unions doing to *add value* to the quality of work itself [engagement] and the quality of work/life balance? Having employees working

harder, faster and longer hours than in the past, with its concurrent lower free time and increased levels of stress, is not a working smart strategy. Resolving these issues can be portrayed as part of a *value-added proposition* at the negotiating table. *What is the role of a union in ensuring that the quality of work increases to the point where employees are truly engaged?*

- To *add value* does not mean to be subservient to management's wish list. Unions, like their management counterparts, have roles that they have carved to achieve goals. The lack of collaboration, on either side, does not have to be a permanent millstone. Unionism has addressed the symptoms rather than the disease: it has spoken out against privatization, cuts in social services, and right-wing tax proposals that reduce taxes on the wealthy. Unfortunately organized labor has not tied

these protests together into a marketing package that challenges 'extreme capitalism'. Unions believe they have a significant role in positive societal government intervention in the economy. This is in contrast to the 'extreme capitalism' of big business. *Both sides know their positions—they are entrenched in their own philosophies—but why must collaboration be seen as an unholy act?*

If the U.S. labor market is adapting to the reality of a mostly union-free America, so too is labor activism. Last year, two of the highest profile labor actions in the U.S.—one-day flash strikes at fast food restaurants in New York City and at Wal-Mart stores nationwide—were coordinated by groups that are *not* traditional unions: New York Communities for Change<sup>19</sup> and OUR Wal-Mart<sup>20</sup>. Both strikes were carried out without the traditional aim of formal union recognition.

Networks of new, grassroots workers' centers—including the Restaurant Opportunities Centers United (ROC), Retail Action Project (RAP), National Day Laborer Organizing Network (NDLON), and National Domestic Workers Alliance (NDWA)—have grown in sectors where unions have found it nearly impossible to organize. Their victories—exposing safety and health violations, winning raises and back pay owed to employees, freeing some from virtual domestic slavery—have been achieved largely outside the purview of the body that governs union elections, the National Labor Relations Board.

In early 2013, Chicago passed a new law imposing some of the strictest sanctions on employers who do not pay workers the wages they are owed. It's been an illegal but lightly enforced practice that is appallingly common in many industries, where it is used to force employees to work off-the-clock, as a means to avoid paying overtime rates or simply to not pay staff for work they have done. The Chicago law was passed with union support, but was spearheaded by another non-

traditional labor group called Arise Chicago <sup>21</sup>, formed by an interdenominational network of religious leaders.

Other workplace improvements have been won in recent years, mostly through class action lawsuits and state- and municipal-level legislation: winning paid sick leave, overtime, and disability compensation, and forcing cities to budget proper funding to enforce wage-hour and health and safety laws. In a 2014 ruling the Quebec Supreme Court ruled against Wal-Mart and in favor of an employee class action suit. Wal-Mart closed down the store [2005] that had been recently unionized.

Conclusions: Let us not confuse reality with naivety. The general public's view, in my understanding, is that unions have a persona of being led by tough and single-minded executives. If accurate, they will likely say that this paper does not reflect their reality. Few union leaders will bend as much as I have indicated is necessary to work with corporations and pave a new path for collaboration between industry and

unions in the future. Unfortunately, such a lack of flexibility would only enhance the corporate perception that unions are down, and they just need one more shove to be out. However, if trade unions are led by well-educated, strategic thinkers, then my comments will likely garner a different reaction. I do not see management as having significant difficulty with the *value added* direction; but they will be cautious in approaching new ideas.

There is another factor that supports the position taken in this paper: the latest generation of workers does not fit the mold of workers who supported unionism at its peak [1950 -1960]. It is estimated that the approximately 51 million Americans in Generation X [1961-1979] affect the make-up of the workforce in ways that were never imagined. The Generation X cohort have the best academic training and international travel experience of any previous cohort. In general, they are self-assured and entrepreneurially minded, and they are much more laid back, in terms of how they relate to employers. Shunning corporate formality and rigidity, they tend to

settle into positions offering more flexibility and avenues for creative self-expression as an immediate reward for personal initiative. *They are 'their own people'.*

Furthermore, the next group, Generation Y [or Nexters], have a highly individualistic outlook, and are social media and technology savvy. This group of 80 million people are project-oriented and focused on what accords them a sense of personal challenge, matched by suitable intrinsic and extrinsic rewards.

Between Generation X and Y, there are approximately 130 million people in the workforce who will have a very difficult time justifying the rationale for unionism as it is presently configured. Likewise, if corporate leadership does not change its hierarchal approach to problem solving and decision making, it will generate its own set of problems for their Gen X and Y employees.

In this paper we have touched on a number of issues concerning unions' need to *'add value'*; if corporate leadership does not collaborate with unions nothing

positive will occur. If that is the case, the civil war between them will continue.

The 'revitalization of unions' is not just about unions - the corporate work and federal, provincial and state legislators are involved. Unions - or their successor organizations - are here to stay. Why? If, for no other reason than, corporate organizations always see their success as 'widgets shipped' or 'service delivered' as more import than the human factors behind products and service..

## FOOTNOTES

1. <https://workingclassstudies.wordpress.com/2015/02/02/crossroads-american-labor-freelancers-union-and-precarity/>
2. [http://articles.philly.com/2015-01-11/news/57917558\\_1\\_edward-sweeney-nonunion-contractor-shadow-gang](http://articles.philly.com/2015-01-11/news/57917558_1_edward-sweeney-nonunion-contractor-shadow-gang)
3. <http://philadelphia.cbslocal.com/2015/01/07/ironworker-who-admitted-torching-construction-sites-returns-to-the-stand-in-trial-of-joseph-dougherty/>
4. [http://www.indexmundi.com/canada/population\\_below\\_poverty\\_line.html](http://www.indexmundi.com/canada/population_below_poverty_line.html)
5. <http://indexmundi.com/canada/population> below poverty line.html
6. [www.irp.wisc.edu/](http://www.irp.wisc.edu/)
7. [jobs.lovetoknow.com/ Facts\\_and\\_Figures\\_on\\_Outourcing](http://jobs.lovetoknow.com/Facts_and_Figures_on_Outourcing)
8. A word about the phrase 'extreme capitalism': this is a right-wing approach to free enterprise that sees global Capitalism favoring corporate/executive gain [the rich get richer]; sees the privatization of government agencies [the reductions of regulations] into free enterprise [the poor have a harder time 'controlling' big business; what we considered as our present social safety net would virtually disappear; and Ayn Rand would rule supreme].
9. 'Neo classical economics' departs sharply from the classical viewpoint in its analytic approach that places great emphasis on mathematical techniques. In opposition to Keynesian economics, this school states that savings determine investment (not the other way round), and is concerned primarily with market equilibrium and growth at full employment instead of with the under-employment of resources.
10. <https://www.policyalternatives.ca/publications/monitor/labour-unions-21st-century>
11. (<http://www.unionstats.com/>;) )
12. <http://www.bbc.com/news/world-asia-25483685>

**13.** <http://www.newyorker.com/news/news-desk/death-traps-the-bangladesh-garment-factory-disaster>

**14.** <http://www.pewresearch.org/fact-tank/2013/09/02/opinion-of-unions-is-up-membership-down/>

**15.** Rosenfeld, Jake 2014. *What Unions No Longer Do*, Harvard Press, Boston, U.S.A.

**16.** In 2013 there were 14.5 million union members in the U.S., compared with 17.7 million in 1983. In 2013, the percentage of workers belonging to a union was 11.3%, compared to 20.1% in 1983.

The rate for the private sector was 6.7%, and for the public sector 35.3%

**17.** Rosenfeld, Jake 2014 *What Unions No Longer Do*, 2014, Harvard Press, Boston, USA.

**18.** [www.domesticworkersunited.org](http://www.domesticworkersunited.org)

**19.** [www.communitiesforchange.blogspot.com](http://www.communitiesforchange.blogspot.com)

**20.** [www.forrespect.org](http://www.forrespect.org)

**21.** [www.forrespect.org](http://www.forrespect.org)