**Lesson 14 Overview & Commentary - The Future of Labor Relations**

**Learning Objectives:** After completing this lesson, you should be able to:

1. Discuss the pressures for workplace flexibility and innovation and how these pressures conflict with many of the traditional notions and practices of labor relations.
2. Identify potential paths of the future of the labor movement from the perspectives of the various parties in this relationship.
3. Recognize the debates over employee participation and non-union employee representation.
4. Discuss how globalization has and will continue to impact the labor relations environment.
5. Identify the various options for representing workers in the global economy and the labor relations challenges managers face in the expanding global economy.
6. Consider different alternative labor relations strategies for unions, management and the public as we move forward in the 21st Century

**Readings and Activities;** Lesson 14 Commentary and Text - Budd, Chapter 13

### **The Future of Labor Relations**

The current global marketplace presents a number of challenges to all parties – unions, employees, managers, society – in the labor relationship. These challenges include navigating the dynamic environment, finding ways to be innovative and competitive, understanding the different systems of labor relations across the globe and engaging in labor relations across borders. For managers specific challenges include creating organizations that are flexible, innovative and sustainable. For unions the challenges include organizing workers across border, maintaining union density within borders and working with employees and managers to create sustainable, competitive organizations. From the public’s perspective challenges include balancing the availability and access to cheap products while still maintaining an environment conducive to well-paying jobs.

### **Work Organization and the Changing Nature of Work**

The concept of workers working within narrow job specifications without thought and with the use of a minimal level of skills was a hallmark of the 19th and 20th Century ideal of Fordism and Taylorism. While this vision of workers was instituted by employers, the labor movement of the time period also built their strategies, tactics and policies around this vision. As a result, a system of unionism known as **job control unionism** emerged. This form of unionism focused on a tightly controlled system of rewards, allocation of jobs, job tasks, promotions, layoffs and transfers. One such system that developed is exemplified in Table 10.2 Job Control Unionism Under Fire in the Budd text.

The challenge facing managers and unions alike is how to move beyond this long-practiced systems of the tightly controlled work structures to a more participative, flexible and innovative working environment. Methods such as

1. High Performance Work Systems
2. Lean Production
3. Self-Managed work teams
4. Labor-Management Partnerships, and
5. Employer Dominated Nonunion Committees

have all developed as a result of these challenges.  Each of these is discussed in detail in Chapter 10 of Budd text and you should consider the practical and strategic components and the costs and benefits of each of these approaches.

**Protecting the Right to Organize (PRO) Act**

The Protecting the Right to Organize (PRO) Act is the most recent proposed legislation to amend the National Labor Relations Act.  This act which has passed the House and awaits review in the Senate would do the following:

1. Revise the definition of "employee" and "supervisor" to prevent employers from classifying employees as exempt from labor law protections,
2. Expand unfair labor practices to include prohibitions against replacement of or discrimination against workers who participate in strikes,
3. Make it an unfair labor practice to require or coerce employees to attend employer meetings designed to discourage union membership,
4. Permit workers to participate in collective or class action litigation,
5. Allow injunctions against employers engaging in unfair labor practices involving discharge or serious economic harm to an employee,
6. Expand penalties for labor law violations, including interference with the National Labor Relations Board or causing serious economic harm to an employee, and
7. Allow any person to bring a civil action for harm caused by labor law violations or unfair labor practices

### **Globalization Elements**

Globalization is defined as the increased economic integration across countries. This includes international trade, direct foreign investment, international investment portfolios and immigration (Budd 387). The increased speed and depth of globalization has led to a more intensely competitive economic environment. This increased intensity is indeed one of the major reasons for the shifting nature of work. The intensification of globalization has also led to debate over whether globalization has improved or harmed conditions such as "employment opportunities, working conditions, living standards, income inequality, consumer choices, prices, life expectancy" and many other elements of human life.

While reading and exploring Chapter 11, consider how globalization and its various elements have impacted these human elements. Explore the level, practices and effects of international trade, foreign direct investment, international investment portfolios, and immigration. Consider the debates over free trade versus fair trade, the different roles of the WTO and the ILO in regulating the global economic environment, and the roles of free trade agreements, transnational collective bargaining and corporate codes of conduct.

As globalization intensifies it is also critical as to consider the differences in labor relations practices across the globe. The systems of labor relations across the globe vary considerably from many of the components you have become familiar with in the US labor relations system. For example, the concept of exclusive representation is a uniquely American concept. Union density, certification methods, bargaining levels, legal regulations, CBA coverage, and many other facets of the labor relations process vary throughout the globe.

### **Looking Forward**

As we progress into the 21st Century and are confronted by an increasingly global and dynamic economy, all parties – unions, employees, managers, companies, society and governments – must consider what we will look to labor relations to do? What should unions do going forward, what will their role be in the relationship between worker and employers? What should managers do within this relationship? What position should companies take to be innovative, sustainable and competitive in this economic environment? What should society and governments look for from this relationship?

Unions could take a number of different directions, from continuing down the path of the traditional American union direction of business unionism, to shifting to social movement unionism, empowerment unionism or even more cooperative partnership forms of unionism. Check out Figure 13.1 in Budd to learn more about Directions for U.S. Labor Unionism.

Likewise, employers must make decisions about the directions they will take in the new economy. Will they continue to view their role as primarily if not exclusively profit generators? Will they view their responsibility as primarily to shareholders or adopt a more stakeholder focused approach? Will employers view workers as a commodity, partners or as human beings whom they owe some level of responsibility? Figure 13.2 from the Budd text depicts some of these decisions.

Finally, we must consider the future of labor relations from a broader societal perspective. What should the future of labor relations look like? Should the NLRA be strengthened, weakened or transformed?  Should state CB laws be expanded, contracted, modified in some shape or form? How should we look to Strike the Balance in the relationship between employees, their representatives, and companies and their managers? Budd Figure 13.3 looks at Directions of U.S. Labor Law.