

Labor Unions

by Sophia



WHAT'S COVERED

What do labor unions do? What purpose do they serve? This tutorial will cover the history and role of labor unions, as well as how they interact with management. Our discussion breaks down as follows:

1. Development of Labor Unions

Let's begin with the history or development of labor unions. Labor unions started during the industrial revolution because, with the new jobs that the industrial revolution brought, there were new dangers to workers from the factory jobs that were created.

These dangers included conditions like long work hours, meaning 16-, 18-, and even 20-hour days. Unsafe conditions and job security were also a major issue. The age of workers was a concern because the workforce included the very young--8-, 9-, and 10-year-olds--and the very old, who were routinely placed in very dangerous work situations.

The unions rose as a way to protect the workers from these conditions. A **labor union** is an organization that formally organizes and represents workers.



THINK ABOUT IT

We've already mentioned the example of a long workday, but can you imagine working a 72-hour work week as a common practice? Could you survive on \$1 a day, which in 1786, was the very first minimum wage? Workers were getting paid unlivable wages by their employers.



TERM TO KNOW

Labor Union

An organization that formally organizes and represents workers.

2. Role of Labor Unions

The role of unions in the workplace is to give workers a collective voice and to communicate clearly to management. There are two major areas for this type of communication:

- Collective bargaining

- Settling management disputes

Collective bargaining is a process of employees negotiating with employers to establish the terms and conditions of employment. Disputes settlement refers to the working out of a mutually satisfactory agreement between the parties involved.

When unions are using these two forms of communication, they use certain methods to achieve their goals.

Method	Description
Grievance	A formal complaint regarding a violation of the collective bargaining agreement. It could be a single member that brings up a grievance or an entire group. The bottom line is, the employer has broken the agreement that was established between the union and the employer, so now the employees are going to file a grievance.
Mediation	A voluntary process that uses an impartial third party to help resolve the management dispute. In this case, the third party facilitates clearer communication. The union and management aren't talking <i>at</i> each other; rather, they're talking <i>with</i> each other in order to resolve these disputes. This method is especially useful when management disputes get very contentious and companies want to make sure that they're solving the problem instead of simply having two parties yelling across the table at each other.
Arbitration	A voluntary or mandatory process, depending on the union contract with the employer. Often, items go to arbitration if they can't be resolved through mediation. In arbitration, a third party acts as the judge and makes a legally binding ruling based on the agreement that the management team and the union have in place. This means that whatever the third party judge rules, both parties have to abide by it.



TERM TO KNOW

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3. Labor Union Tactics

There are several tactics that unions use if they simply can't resolve their grievances or disputes with a company or management.

- **Strike:** A strike is generally considered the most effective. Workers basically temporarily stop working until their demands are met, which puts the company in a real bind because no work is getting done. All the workers are off the job until that particular issue is resolved.
- **Picket:** In this case, union members and their supporters will stage a public protest outside the business to bring awareness of the grievances that the union members have with the business.
- **Boycott:** Union members and their supporters organize to keep the public from purchasing certain products or using certain services. When workers stage a boycott, they are trying to affect the bottom line of the business by having people be aware of the problem with the company and then convincing their supporters and the general public to not buy a particular product or not use a certain service that the company provides.

- *Lockout:* This is a management option for dealing with management disputes. A lockout occurs when management responds to a dispute by temporarily stopping employees from working until the demands are met; they can also potentially hire strike breakers to come in and work in the striking workers' places.

IN CONTEXT

For about 20 months, employees of the Crystal Sugar Company were locked out by management. It began with a dispute and evolved into a strike. Eventually, though, the employees were simply locked out of the business altogether. This meant that the employees couldn't work and earn money, and they were unable to support their families. In effect, management used the lockout as a way to strike back against the employees.

4. Future of Labor Unions

So, what is the future of unions? This is actually an interesting question because currently, labor unions are in decline. One of the reasons for the decline is that there are increased practices to ensure worker safety, both on the part of the government and on the part of organizations. Organizations have a better understanding that when they have an injured employee or unsafe working conditions, it affects their bottom line because they don't have that employee available to work.

There have also been individual cases of unions acting for their own personal gain. For instance, cases of union officials misusing their power or skimming money from the union bank accounts that are filled by the dues from union employees. You can see how this would be bad for a particular union.

Also, companies are off-shoring more and more production, and there is a public view that unions simply aren't that effective anymore. Now, it's unlikely that unions are going to disappear any time soon, but the simple fact is that no one knows what the future will hold for labor unions.



SUMMARY

Today we learned about the **development of labor unions** during the industrial revolution. We explore the **role of labor unions** as well as some **labor union tactics** that they use to settle management disputes. Lastly, we discussed the **future of labor unions** and how they face an uncertain future, at least here in the U.S.

Good luck!

Source: adapted from sophia instructor james howard



TERMS TO KNOW

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