



Post Office Drawer 121255
West Melbourne, FL 32912-1255
Phone: 321-345-5094
Fax: 321-345-5428
Web: www.TreatyConsulting.com
Blog: www.BlameBusters.com
Twitter: [@DrGregHowes](https://twitter.com/DrGregHowes)

Organizational Dynamics That Promote Efforts to Unionize

Dr. Greg Howes, DM, MBA, PgMP, PMP
President & CEO
DrGreg@BlameBusters.com

Abstract

Many posit that the unionization of business is neither good for the business, the employee, nor the economy as a whole. Certain organizational dynamics promote the desire of workers to form collective bargaining units. These dynamics fall into the categories of company and immediate supervisor behaviors, which include the dimensions of fairness and benefit. The management of the organization has the ability and responsibility to create the organizational dynamics that promotes organizational health, and by engaging appropriately, can eliminate the dynamics that promotes unionization.

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Organizational Dynamics That Promote Efforts to Unionize

Labor unions position additional layers of management within organizations, limit employers' ability and obligation to lead, and lower profits and harm the economy. The consensus of empirical studies is a negative correlation exists between labor unions and profits (Laroche & Wechtler, 2011). However, this is not the only undesirable impact of unions. Unions reduce re-invested in the business, lower the number of jobs in the economy, increase the number of business contractions, slow the amount of revenue growth, cause an increase in job losses, and slow the overall economic growth (Sherk, 2009).

Considering all the negative impact of labor unions, it is reasonable for businesses to want to understand what promotes employees' desire to unionize. Lawler (1986) states the majority of unionization efforts in the United States are started by employees approaching an union and asking for assistance in establishing an collective bargaining unit. It is apparent that organizational dynamics drive employees to unionize, but what are those dynamics and how can they be reduced or eliminated? What are the organizational dynamics that promote efforts to unionize?

Discussion

Milton suggests the research on why workers unionize focuses on unfair treatment and dissatisfaction with terms and conditions of employment (2003). It is evident that dynamics *within* the organization are a primary force that promotes workers' desire to unionize. There are many dynamics that are important in an organization like how much vacation is provided, does the organization have profit sharing, and is the company committed to employee training (Buckingham & Coffman, 1999). Although these are important, an employee's relationship with his or her immediate supervisor is *more* important (Buckingham & Coffman, 1999). The

dynamics that promote workers to unionize can be viewed from a company or manager (immediate supervisor) perspective and likely will include the dimensions of benefit and fairness.

The organization dynamics that promote efforts to unionize can be categorized into what the company and what the immediate supervisor does or doesn't do. Additionally, inside of each of these categories, we can look at fairness and benefits. When discussing the company, the focus is on actions the executive management team takes for the collection of employees. When considering immediate supervision, the focus is on the relationship that is formed at a personal level and the day-to-day interactions that take place. Fairness, considers fairness between employees within and outside the company, and between the workers and management. Benefits, considers total compensation, to include the benefits of security, belonging, identity, etcetera.

The research is clear: Organizational dynamics are the prime mover for promoting or checking efforts to unionize, and management has the ability and responsibility to shape those dynamics. The literature is rich with research on the organizational dynamics that promote efforts for workers to unionize (e.g., Bronfenbrenner & Hickey, Voos, Rohan, and others). By understanding the organizational dynamics that drive the desire of employees to unionize, management can develop strategies to check them.

The Company

When discussing the company, the focus is on actions that executive management takes for the collective benefit of employees. A review of the literature suggests that the following dynamics promote efforts to unionize, and management would be wise to develop strategies to ensure these dynamics are not present if maintaining a non-union environment is desirable.

- I. *Dealing with workers unfairly.* Equity theory posits that employees will determine fairness by comparing their benefit with the benefit of others and will adjust the behavior according (Steven Lattimore McShane & Von Glinow, 2013). This can manifest itself in many ways from paying workers significantly below the average wage for similar work in the local area, to treating management with higher trust, to just not taking time to demonstrate respect by saying hi when passing.
- II. *Inconsistent and infrequent communication.* Employees need to have ambiguity removed from their work-lives and this requires frequent communication. Jack Welch stated that when he was implementing change at GE that he would talk about what was happening until he couldn't stand to hear himself talk anymore, and then he would talk some more (Welch & Welch, 2005). This communication needs to be candid, multifaceted, and use all the tools available throughout the organization. An inadequate and rudimentary communications strategy will not provide adequate feedback channels to management or methods to monitoring activity (Lawler, 1986).
- III. *Prescriptive directions on difficult decisions when consensus could be reached.* With very difficult decisions, it is often easier to make the decision without consensus and time constraints will often require a quick response. However, involving employees in these difficult decisions can foster commitment to the organization while reaching a better decision. Employees that feel they are able to participate in the management of the organization are less likely to support unionization efforts (Pasternak, 2001).

- IV. *Not constructing an employee identity that is associated with the non-union organization.* Employees must have a sense of belonging: an identity in which they can relate. Milton (2003) suggests that employees will join unions when it confirms their identity. To prevent this requires an engagement strategy. If employee do not receive a sense of belonging and identity to the organization that is led by management, they will get it from somewhere and that somewhere may be from union organizers.
- V. *Inadequate articulation of the importance of the individual employee's importance and welfare to the overall objectives of the firm.* The basic element in preventing labor unionization programs is a clear articulation of a corporate philosophy of the importance and welfare of the employee to the overall objectives of the firm (Lawler, 1986). This commitment to the employee needs to be real and cannot be feigned, should be part of the organization's mission statement, and should be articulated frequently and demonstrated consistently.
- VI. *Not screening new-hires for their favorable views of non-union shops.* Organizations that do not wish to become unionized should state so explicitly, which includes explaining this position to new hires in order to see if they support the culture that the organization is building.
- VII. *Not explicitly and implicitly building a culture that fosters employee commitment and corporate identity.* The culture of an organization is its personality, and the culture should be developed through the leadership of the organization's management. Culture includes the values, beliefs and assumptions that are held, the stories that are told, the language that is used, the rituals/ceremonies that are

performed, and the structures that are built (Steven L. McShane & Von Glinow, 2003). Management must lead the construction of a culture that aligns all of these, or someone else will and that someone may be a union organizer.

- VIII. Not establishing high quality personnel programs that replace what unions would provide.* One of the key contributions of a union shop is clear understanding of how personnel are evaluated, promoted, and paid, and how grievances are raised. A key element in reducing the desire of employee to unionize is the establishment of a personnel program with well-structured internal labor markets and compensation systems, albeit under management control (Lawler, 1986).
- IX. Not linking business performance to employee compensation.* Creating an environment where employees feel part of the organization and a relationship to its leadership is important to preventing the desire to unionize. One way of creating this connection is by linking employee compensation to the performance of the organization. Using a balanced scorecard, which looks at performance on the dimensions of financial, customer, internal business processes, and learning and growth (Kaplan & Norton, 1996, 2001, 2006, 2010), is an excellent way to measure performance.
- X. Lack of pay that is not slightly above the local industry average.* Most companies that stay non-union do it by having sophisticated employee relations policies, which includes paying somewhat over prevailing union wages (Rohan, 1976).
- XI. Inadequate employee benefit program.* A compensation package that provides for the basic needs of the employee will go a long way to prevent unionization. You don't need more than five benefit programs to stay non-union, and *not* having a

long-term disability benefit provides potentially provides union organizers an highly emotional rallying cry (Rohan, 1976).

XII. Infrequent employee engagement surveys. Employee surveys are very inexpensive to administer, provide an mechanism for employees to give both positive and negative feedback, and according to Rohan (1976), can give 3 – 4 months advance notice of union activity. An additional benefit is employees are able to participate in setting the direction of the organization, which also helps check unionization. However, this is only true if manage acts prudently by taking action on the results of the surveys and ensuring the employees are aware of the actions.

The Immediate Supervisor

The major instrument used by consultants in preventive labor relations is the development of robust human resource management systems (Lawler, 1986), and the immediate supervisor is the key element in those systems. An employee's relationship with her immediate manager will determine how long she stays and how productive she is (Buckingham & Coffman, 1999). The immediate manager is responsible for much of the dynamics that takes place in an organization, and the behaviors they exhibit and the relationships they build are most important. It is not that the employee-focused initiatives are unimportant, it is just that the immediate manager is more important (Buckingham & Coffman, 1999). Buckingham & Coffman found a strong correlation with certain behaviors that promote employee dissatisfaction and the power that immediate managers play is that construction (1999). The literature suggests a correlation between employee desire to unionize and employee dissatisfaction, and preventive labor union consultants focus much of their efforts on organizational behavior theories (Lawler, 1986). Thus, it is reasonable to conclude that the organization dynamics fostered by the immediate manager

that drive employees to leave and to perform poorly are the same ones that would promote efforts to unionize, and this work supports that position. By understanding the behaviors that immediate managers take that promote dissatisfaction and poor performance, and understanding the organizational dynamics around them, the entire manage team can check the dynamics that promote unions to organize.

- I. *Not ensuring that workers understand what is expected of them.* As mentioned earlier, employees do not accept ambiguity well because the angst it creates. The relationship foundation that the immediate manager should form is ensuring that the employee understands what is expected of them. When defining what is expected of the employees, it is important not to create too many rules. Too many rules can promote unionization because workers become suspicious that they are designed to “get” them (Rohan, 1976).
- II. *Lack of written personalized statement and commitment of local supervision that employees will be treated with dignity and respect.* One benchmark of a good non-union operation is a written commitment that workers don’t need a union to get good treatment and this statement should be massaged by the supervisor so it becomes theirs (Rohan, 1976). The relationship between the immediate manager and employee is most important, and the supervisor should ensure the employees know they will be treated well by them.
- III. *Not providing the materials and equipment employees need to do their work.* Great managers take aim at ensuring employees understand what is expected of them and that the employees have the necessary tools (Buckingham & Coffman,

1999). People need to know that they can depend on management to support them in their work and ensuring they have the correct tools is a necessity in doing so.

- IV. *Not aligning employee opportunity with employee skill/capability.* People find meaning in life by creating works or doing deeds (Frankl, 1984). It is very important that the immediate supervisor helps the employee find meaning by doing their work, and this requires ensuring skill/capability is aligned with growth opportunities.
- V. *Not encouraging employee development.* Managers that align skill/capability with employee opportunity will lessen desire of employees to unionize. Managers who do this and encourage further development will be relationship and perceived caring, which will further lessen employees desire to create a collective bargaining unit.
- VI. *Not praising employee accomplishment.* “A hard disciplinary program will not bring in a union, but an inconsistent one will” (Rohan, 1976, p. 53). Discipline and reward are just opposite sides of the same coin (Frankl, 1984), and finding reasons to praise is equally, if not more, important than discipline. Immediate supervisors should look for opportunities to praise as hard as they look for ways to critique.
- VII. *Not designing with the help of employee to align business needs with organizational skill.* Preventive labor unit consultants, along with organizational behaviorist, realize that participative management is a key to preventing employees from unionizing. A key attribute that employees gain in a union is the

ability to participate in major decisions, and if management provides this, a key reason for unionizing is eliminated.

VIII. *Not providing a caring relationship for the employee.* Howes (2003) suggests that quality program management actions will increase the perceived caring of individuals and the perceived caring will create higher performance. Additionally, Howes (2005) states that caring is the core of all leadership. By ensuring a caring relationship is created between employee and immediate supervision, the desired to unionize can be greatly diminished.

IX. *Not eliminating peer pressure to join a labor union.* “Positive attitudes toward unions and peer preferences for a union are the two largest correlates for voting for a union” (Liao-Troth, 2008, p. 308). People identify with those they associate, and if a person’s peer wants a union, the person is likely to oblige. This is not to suggest that employees should be separated that support unions, but instead, they should be engaged by their immediate manager in participation with them in order to improve the organization and its performance.

X. *Lack of trust that employee will work in best interest of the business.* It is impossible to build any real relationship without the foundation of trust. Trust must be earned over progressively greater trials and risks. Managers should focus on building an increasing level of trust through candid conversations and consistent and fair behavior.

XI. *Inadequate training on MBO, Human Relations, and building relationships with employees.* As stated earlier in the paper, the impact of the immediate supervisor is more important than employee-focused initiatives. Additionally, managers have

the same needs as other employees. Thus, it is in the best interest of all involved to provide all levels of management with the training, which needs to be experiential in nature, to build deep and lasting relationships.

Conclusion

The organizational dynamics that promote efforts to unionize can be categorized in employee-focused efforts led by the executive management team and by the individual relationships created by the immediate supervisors. These dynamics can be managed in a way that checks the desire of employees to unionize. The literature suggests that by engaging consultants who understand organizational behavior techniques in developing human resource management systems will help in checking the desire of employees to unionize.

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