

Understanding the Unionization Decision

Chapter Overview

Achieving union representation does not happen by itself. The essential ingredient required is the will of workers who choose to be represented by a union. Throughout Canada the default situation is a non-union workplace.

This chapter represents the first of five chapters which look at the role of actors in the industrial relations (IR) system. The chapter begins by discussing two general rationales that help us understand why employees would choose to unionize. The first is the economic rationale; the second is the voice rationale. Then, a brief look at situations where the choice to unionize has already been made follows.

Next, we look at recent surveys dealing with the expectations workers have about unions and discuss differences between Canadian and American workers. Moreover, since the future of unions is inexorably linked to young workers, some interesting research findings about this unique group are examined and discussed. From the group level we move to the individual level, which is where the choice to unionize is ultimately made.

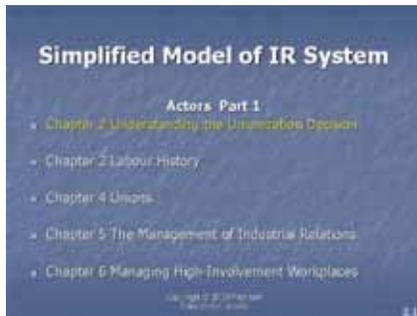
In the last part of the chapter, we attempt to answer the question: What factors predispose individuals to choose union representation and what environmental opportunities need to be in place for unionization to occur? Various factors contributing to the opportunity and propensity of individuals to unionize are explained. These explanations, in addition to the various rationales provided in the first part of the chapter, help round out our understanding of how and why unions form in the predominantly non-unionized Canadian workplace.

The chapter concludes with the introduction of a general model of the unionization process and its three distinct phases. The model helps put into context where the decision to unionize happens in the sequence of events leading up to the culmination of successful union representation for workers.

Lecture Outline and PowerPoint® Slides

The Actors in the Model of IR System

Slide 2.1

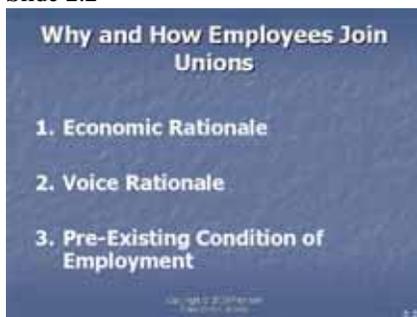


Chapter 2: Understanding the Unionization Decision

- An Industrial Relations Model is comprised of four parts: actors, external inputs, conversion process/interaction, and effects/outcome.
- Chapter two is the first of five chapters that deals with the actors' part of the model.
- The emphasis in chapter two is on workers themselves. IR scholars and practitioners are particularly interested in why workers choose to join unions, what kinds of workers are most predisposed to joining, and what conditions facilitate this process.

Why and How Employees Join Unions

Slide 2.2

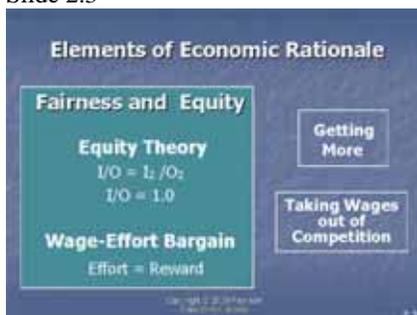


Three general hypotheses used by IR scholars for explanation

- In order to explore the reasons why employees choose to join unions, IR scholars rely on three general hypotheses.
- The first explanation (hypothesis) proposes that workers make their decisions on the basis of economic reasons (economic rationale).
- Another proposed explanation is that workers chose to join unions in order to gain a say (voice) in the way decisions are made in their workplaces (voice rationale).
- The third general hypothesis deals with situations where the decision to join was imposed under some specific or unique set of circumstances.

Elements of the Economic Rationale

Slide 2.3



1. Fairness and equity

- The first element of the economic rationale is the concept of fairness and equity.
- Setting aside the argument about the subjectivity of fairness, what is most important is the perception workers have. In this case, perception is truly reality, with very real consequences.
- According to equity theory, workers compare their own inputs (efforts) to their outcomes (rewards). If this input/outcome (I/O) ratio is relatively close to 1:1, they will likely perceive their employment situation to be fair.
- Workers also compare their I/O to each other to validate their notions of equity.
- On the basis of these evaluations and comparisons, workers may choose to join unions to

rectify perceived situations of economic unfairness and inequity in the workplace.

- The wage–effort bargain may be thought of as a simplified version of equity theory in that it only deals with the individual’s evaluation of his/her own situation, and not the comparative evaluation which takes place between colleagues.
- Every worker has his/her own notion of what constitutes “an honest day’s pay for an honest day’s work,” and this forms the basis of an unwritten contract between employers and their employees. For IR scholars and practitioners alike, the perceived violation of this contract, or bargain, helps explain why workers might choose to join unions.

Elements of the Economic Rationale

Slide 2.4

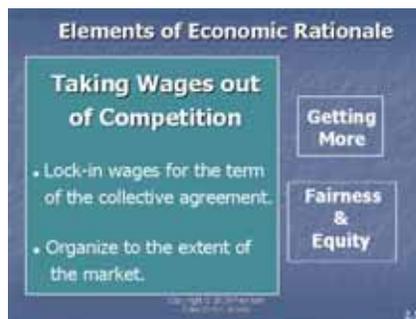


2. Getting more

- Workers who are unionized earn higher wages and enjoy superior benefits (e.g., vacations, sick days, extended health coverage, etc.) compared to their non-unionized counterparts. They are more likely to have pension plan coverage.
- These facts lead some to conclude that workers choose to unionize to increase their bargaining power so they can maximize the economic rewards they receive at work.

Elements of the Economic Rationale

Slide 2.5



3. Taking wages out of competition

- The decision to join a union may be thought of as buying insurance against firms that might be tempted to gain a competitive advantage based on their lower wage bill.
- A union negotiates wages and locks-in the rates in a contract, which cannot be changed during a specified time period. This offers some security for workers, and pressures management to find more creative ways to achieve a competitive advantage in the marketplace.
- Another way unions take wages out of competition is by

organizing an entire sector so that no one competitor has an advantage over the other. This compels all firms in a given sector to compete on some other basis, such as service, quality, speed of repairs, product choice, etc.

Elements of the Voice Rationale

Slide 2.6

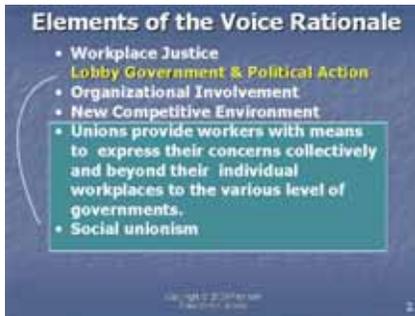


1. Workplace justice

- Aside from notions of economic fairness, all workers possess a sense of what constitutes fair treatment and due process, which they expect to receive at work.
 - Most employees expect that if rules, procedures, or policies are in place these will be applied consistently by managers.
 - Most employees likely expect their managers to act or make decisions based on reason and not arbitrary indefensible motives (e.g., intimidation, pettiness, revenge, harassment, etc.).
- Most employees also expect that if conflict or situations of misunderstanding arise they will have an opportunity to tell their side of the story before management imposes solutions or punishment.
 - If these basic principles of workplace democracy do not meet the workers' expectations, they may seek to join a union in order to establish these principles, thereby gaining a "voice."

Elements of the Voice Rationale

Slide 2.7



2. To lobby the government and for political action

- Beyond the workplace level, employees who join unions also gain access to a mechanism which can be used to lobby governments and provides an opportunity to become active in the political process.
- At this level, such involvement is referred to as "social unionism."

The Elements of the Voice Rationale

Slide 2.8



3. For organizational involvement

- Choosing to join a union provides employees the opportunity to become more involved in organizational affairs, such as policy development and the establishment of new or improved work rules and procedures.
- Employees who are deeply committed to issues, such as the prevention of harassment and discrimination, have voice and are given opportunities to improve working conditions.

NOTE: See and discuss Case 2, Exhibit 2.4 on page 37 as an example of "voice," which unions provide for their members.

The Elements of the Voice Rationale

Slide 2.9



4. In response to the current competitive environment

- By joining a union workers may get an opportunity to exercise some degree of control over the future of their employment by having a say (voice) in implementation of new work processes or technologies.
- New provisions in collective agreements can be negotiated to allow workers input on improving productivity and efficiency and lessen the likelihood of plant shutdowns or relocations to third-world facilities.

Pre-existing Condition of Employment

Slide 2.10



First Condition

- In some situations, the decision to join has already been made.
- New employees may be hired into positions within an existing bargaining group and are automatically represented by a union because of previously negotiated union security arrangements with the employer (union shop).

Second Condition

- Existing employees who are not represented by a union may be deemed in-scope (bargaining unit members) because of promotions, demotions, re-organizations, or Labour Relations Board decisions.

Third Condition

- Provincial and federal governments may mandate that a union represent a particular group of employees in a profession.
- For example, in many provinces, in order to be hired as a public school teacher one must be certified by a teacher's association, which also acts as exclusive bargaining agent (union).

What Workers Want Unions to Do for Them

Slide 2.11

What Workers Want from Unions
Canadian and American Surveys

- All responses workplace-level-related
- 1. Bread and butter issues
- 2. Fairness/equity/democracy
- 3. Greater participation in management decision-making that affect them

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All survey results point to workplace-level issues

- In many ways, what workers want and expect unions to do for them mirrors the various elements within the three broad rationales used to explain why they chose to join unions in the first place.
- The differences between the expectations of American and Canadian workers are negligible.
- Overwhelmingly, the responses from US and Canadian workers as to what they want from unions are workplace-related and not what would be defined as falling into the realm of social unionism.

How Young Workers Feel About Unions

Slide 2.12

Young Workers and Unions
Lowe and Rastin (2000)

- At time of graduation most high school & university students neutral about joining unions
- About 3 years after graduation

HS Grads	University Grads
43% likely to join	34% likely to join
27% unlikely to join	46% unlikely to join

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Findings of the Low and Rastin Study (2000)

- The desire to join unions among young workers entering the workforce varies according to the length of time after graduation and level of education.
- Upon graduation, most university and high-school-educated students are neutral about their likelihood of joining a union.
- A few years after graduation their neutrality wanes and is replaced with definite opinions about their likelihood of joining or not joining unions.

How Young Workers Feel About Unions

Slide 2.13

Young Workers and Unions
Gomez et al (2002)

- Desire for union membership higher for youths (57%) than adult workers (50%)
- Youths less likely (6%) than adult workers to support seniority clauses
- Youths 3X more likely than adults to favour unions if a family member is also a union member

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Findings of the Gomez et al study (2003)

- Aside from level of education and the number of years after graduation, there are additional characteristics which are unique to young workers.
 - Young workers expressed a stronger desire for union membership (57%) than adult workers (50%) did.
 - Contrary to popular belief, young workers are only slightly less likely than adult workers to favour seniority clauses, even though such clauses tend to favour senior employees.
- While all workers were more likely to prefer unionization if family members were also unionized, this tendency to be influenced was 3 times more pronounced among younger workers.

The Role of Propensity in the Unionization Decision

Slide 2.14



Four factors which influence the propensity of individuals to unionize

- Propensity refers to an individual's preference based on his/her personal experiences, beliefs, attitudes, and perceptions. Propensity pre-disposes an individual's likelihood of making a particular choice.
- Workers who experience job dissatisfaction are more likely to unionize than workers who are satisfied.
- Workers who believe unions can do a lot to help them are more likely to unionize than workers who believe unions can do little to help.

- Those with favourable views about unions, warranted or not, are more likely to support unions than others who have unfavourable views of unions.
- Workers are more likely to support unions whose image and conduct is consistent with their own. For example, professors are more likely to support university faculty associations (unions) that conduct themselves as professors would and not like a union representing transportation workers. Similarly, truckers are more to support a union whose image and conduct is like themselves and not professors.

The Role of Opportunity in the Unionization Decision

Slide 2.15



Four factors that affect the opportunity individuals have to unionize

- In contrast to propensity, opportunities reside outside the individual and are found in the environment, at the workplace-level and beyond.
- Some industries or sectors of the economy are historically easier to unionize than others are. For example, organizing workers in mining, forestry, or government is easier than it is in insurance, banking, or real estate.

- The particular characteristics of a given union increase the level of opportunity to unionize. Some unions are more efficient, aggressive, or adept at organizing workers than others.
- The legal-legislative setting also influences the opportunity workers have to unionize. The vast majority of Canadian workers are governed by the labour laws of their respective provinces. The procedures for joining a union, or for that matter who may be allowed to join unions, vary considerably from province to province. It is easier to join or form a union in some provinces (Quebec) than in others (Alberta).
- Employer opposition to union organizing can have a major impact on the success or failure of a union certification campaign. Some organizations take a benign approach to employee unionization, others campaign against unionization within the confines of the laws, and some employers flout the law in order to stay union-free.

Test Items and Class Activities

Suggested answers and/or page references are italicized below each question.

Within-the-text questions

1. What three general explanations are given for why and how workers choose to join unions? *Economic, voice, and pre-existing condition of employment. (p. 25)*
2. Equity theory is used to explain the economic rationale for choosing to unionize. What other non-economic outcomes might affect an employee's perception of fairness? *Any intrinsic rewards such as praise, respect, status, sense of achievement, etc., should be accepted. (p. 28)*
Page 26 contains a brief description of equity theory.
3. According to equity theory, employees develop their perception of fairness by evaluating the ratio of inputs (I) to outcomes (O). In the employment relationship, what constitutes inputs? *Anything an employee contributes to the job would qualify. Typically, this includes time, skills, and knowledge. However, it also includes emotional labour, organizational citizenship behaviours, and opportunity costs. (p. 28)*
4. Explain what is meant by the term "union shock effect." *It refers to the rapid pace of improvement in personnel policies because of recent unionization efforts. (p. 32)*
5. In what ways can the voice gained by unionized workers actually improve the organization? *It enables workers to speak more freely, and help management solve irritating issues. It lowers quit rates by 20–30%, thereby saving management some costs associated with turnover. Voice can also improve productivity by opening channels of communication between workers and their front-line managers. (p. 34)*
6. There are three conditions under which the choice to join a union has already been made. What are they? *1) New employee hired into a bargaining group job; 2) as a result of transfer, promotion, or other re-organization; 3) as mandated by legislation or labour relations board decision. (p. 42)*
7. List and describe the four factors that explain the propensity of workers to unionize. *The four factors are: 1) Job dissatisfaction, 2) perceived union instrumentality, 3) perceived views about unions, 4) self-image. (p.48)*
8. List and describe the four factors that affect the opportunity to unionize. *The four factors are: 1) Type of industry and location of employment; 2) characteristics of the union; 3) public policy setting; 4) the degree of opposition by the employer. (p.49)*
9. What are the three phases described in the unionization process model? *The phases are: 1) Pre-organization; 2) union organizing; 3) post-certification. (p. 51)*

Beyond-the-text questions

10. Re-organizations and rightsizing (lay-offs) are increasingly common in our fast-paced new economy. Can you speculate on the negative implications such management initiatives may have on the existing workforce using the wage–effort bargain concept described on page 26?
11. Please read Case 2 on page 37 and the arbitrator’s decision and answer the following questions:
 - a) In your opinion, what would the aggrieved employees’ recourse have been had they not been unionized?
 - b) Do you have any suggestions as to how the union could have helped solve this issue, on behalf of its members?

Challenge Questions

The following questions are meant to stimulate debate and critical thinking. As such, they are purposely provocative in nature. The value of the answers by students lies in the way they frame their arguments and positions.

12. Debate the merits of the following statements made by Tom Hesse the UFCW representative who was interviewed in the vignette, “A Union Rep’s Views: Notes from an Interview.”

“A union isn’t a business; we have an ideology that allows us to make a broader range of decisions than if we simply wanted to make a profit and grow.”

“We [UFCW] have a moral vision.”

13. Comment or debate the merits of the following statement:

“The term ‘forced unionism’ is based on a myth invented by those with anti-union animus to advance the political agenda of corporatists. Curiously, the fact that most workplaces are by default non-union is never referred to as ‘forced non-unionism.’”

14. Is it legally possible for a newly created union to be granted certification by a labour board even when the majority of bargaining group members are opposed after the initial application has been made? Do you think this is fair?