Conflict Management

Union Relations

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Union Relation- Conflict Management

One of the most important procedures to learn as a management team member at UPS is how to use conflict management skills to resolve issues with labor union employees. The notion of labor unions was completely new to me because every career I've worked in before was with small businesses, so understanding the concept of unions and how to approach issues was imperative for the success of my operation. Merriam Webster's dictionary defines a labor union as an organization of workers formed for the purpose of advancing its members' interests in respect to wages, benefits, and working conditions. The National Labor Relations Board was created by President Theodore Roosevelt in 1935 as part of the National Labor Relations Act to oversee enforcement of the laws governing union drives, strikes and labor-contract negotiations in the private sector. The NLRB is primarily in charge of union elections and handling unreasonable labor practices. UPS is an organization that actively promotes employees from within, so the majority of members in the management team began as union members then moved up in the ranks which helps build a common understanding of the work environment. The reason I joined UPS in the first place is because of the outstanding benefits they provide for part-time union employees such as; health benefits, 401k and tuition reimbursement. The starting wage of a package handler at UPS is approximately $8.50 an hour which is reasonable considering the guaranteed annual raises and additional benefits received. Considering the hazardous warehouse work environment UPS spends millions of dollars a year to train their employees in safe methods.
Many employees are content with their position at UPS including pay rate, benefits and the recognition programs the company promotes; although some union employees are not satisfied with their current position and lash out towards management as a result. During union meetings which are held throughout the year members discuss issues regarding work conditions, wages and benefits and reach consensus on whether or not they’re reasonable.

Concerning security rights the NLRB also served as the arbiter of employer/employee disputes over surveillance of union activities (Lane 250). Most recently employees have use the company acronym UPS to create T-shirts and stickers that read unfair production standards. Management’s response to these claims is simply to state that employees are expected to work at a given pace throughout the sort which is met by the majority of its employees, so direct reports who cannot reach these standards are not working to the best of their abilities.

During the first couple weeks as a supervisor at UPS, upper management stresses the importance of notifying them if conflict occurs where a direct report fail’s to follow an order. Conflict can be defined as the actual or threatened use of force in any continual social relationship. Specifically, in collective bargaining the typical manifestations of force are: the threat or carrying out of a strike and lockout; the threat of carrying out of cessation of face to face negotiations; the threat or carrying out of slowdowns, sabotage, physical seizure of property, or verbal abuse toward negotiators of the other party(Dubin 501). In order to protect the company from employees abusing time throughout the work shift each section of the operation has an expected rate associated with the task to be completed, if the employee is not meeting that rate then further training is needed. The given rate for example sort rate per hour has been tested to be attainable through research in numerous hubs, so if the employee constantly fails to meet expectations a warning letter will be issued. Labor and management develop an agreement that details the rights of labor, the responsibilities of management, and the ultimate relationship between the two.

In August of 1997, the international brotherhood of teamsters, the United States largest trade union, conducted a nationwide strike against UPS, the country’s largest package delivery company(Rothstein 469). The strike took place after UPS was unable to reach consensus on a new collective bargaining agreement to replace the old one which expired. Teamster’s members had spent months planning the strike developing campaigns and addressing their most important
concerns regarding company terms. The strike was unexpected by many, especially considering the fact that so many unions attempted strikes recently and failed. UPS pleaded to President Bill Clinton to declare a nationwide emergency and order teamsters to end the strike and return to work which he denied. Many Americans supported the Teamsters strike against the parcel company. In the UPS case, the combination of a near monopoly position, and intense quality training, together with a well planned publicity campaign, assured customer sympathy with union drivers (Rothstein 474).

One of the dilemmas of the contemporary union movement is that the ability to negotiate and enforce contracts depends largely on the power of the unions to control certain segments of the labor market (Durenberger 8). During the strike UPS did try to deliver emergency medical supply packages to customers with management employees driving package cars, though there were not enough managers to handle the amount of volume a normal sort receives. Union members demanded that more full-time positions be available which corporate felt was not a good idea because after the first four hour sort efficiency begins to deteriorate, so part-time employees are more productive than full timer's. UPS was following a cost cutting strategy that was widely adopted by union employers in the 1980's, to reduce payroll without risking confrontation with their unions, many firms adopted two tier wage structures, where existing employees compensation levels were protected or even increased, while new recruits were granted fewer benefits and paid less (Rothstein 477).

After a fifteen day strike the teamsters won with a settlement that included increases in wages, pension programs and full time opportunities for many employees. This victory for the teamsters union shocked the American people as many union strikes that preceded the event were not successful for laborers.

Present day union management relations tend to be more structured with special procedures for both parties to follow when a disagreement occurs. RBO is an innovative approach that was developed by the Federal Mediation and Conciliation Service to create labor-management peace in an environment where there was great antagonism between the parties. The approach attempts to satisfy both parties using the help of federal mediators to develop an acceptable relationship from both perspectives, hence the name Relationships by Objectives.
The RBO technique was developed as a conflict resolution process for labor-management relations. Many have compared the techniques of RBO to the concept of MBO which is "Management by Objective" where managers determine future objectives, or goals and devise plans on how they can be accomplished. RBO's encompassed much of the same procedures such as the development of goals and plans of action to achieve these goals, but in a different setting and with different participants (Young 52). The setting would be in a poorly oriented labor management situation where both parties display negative attitudes toward one another and union/management officials are the ones who determine how to manage conflict.

The RBO approach has been considered to be the fairest way to handle union/management conflict because representatives from both parties are treated as equals, unlike the MBO process where one party is in control. Basically, the parties jointly develop their goals for labor peace and then by a variety of actions work together to achieve these goals in their own designated areas of responsibility (Young 52). The first RBO program was implemented at a Georgia Pacific plant in Woodland, Maine in 1975 where its successful outcome led to the development of RBO as a nationwide service program. Generally RBO programs consist of lead management officials, local union officials and trained FMCS mediators who help modify relationships outside of contract negotiations. A preliminary step in the program is where members from each party are split into mixed groups to watch a film that dramatizes the inherent problems of poor union-management relationships in the work area and the parties are encourage to compare their own relations to those seen in the film.

Next, the teams are told to reach consensus on what they hope to accomplish from the RBO program. Then they are asked to respond to the film by: analyzing the attitudes of the supervisor and union stewards, list the problems in the union-management relationship and make recommendations for how the relationships could be improved (Young 53). The overall goal of this exercise is for both parties to understand the relationships from the opposing parties' perspective.

The first step in the RBO process separate union and management representatives in groups where they are asked pertinent questions such as what could the other party be doing to improve relations. After the group members respond to the questions develop a list of goals that are ranked in accordingly to their importance to the parties.
The second step consists of the parties analyzing these goals together in order to reach consensus on their objectives. In step 2 integrative bargaining takes place where each party realizes that they have numerous mutual objectives and from this information the mediators group goals into common categories. Step 3 both parties try to reach agreement on one common list of objectives that they believe will repair the work environment. In steps four through six union and management representatives develop action steps to implement the objectives of the RBO program. Once again they are split into mixed teams to determine the best way to approach implementing the new designs without offending union, or management employees. The seventh and final step is where areas of responsibility are assigned and a time frame for implementing the action steps is created. Problem solving takes the adversarial nature out of the process; it is not limited to issues spelled out in the contract and emphasizes union and management working together to solve the problem (Durenberger 150).

The RBO development process is a costly time consuming method, so it would only be used if the relationship between management and unions is in dire need of reparation. Once the process has been implemented into a workforce federal mediators will follow up with the parties to assess the progress of the program giving additional suggestions if needed. The federal mediators play an important role in assisting the two parties to find the optimal solution that can be perceived as beneficial on both sides. It is imperative to the success of this method that the mediator addresses each parties concern equally with expert knowledge of union management relations. Basically the RBO permits decisions to be influenced from the plant floor where they are to be implemented and this is the major reason for their apparent acceptance and success (Young 56). Having an opinion from a mediator ensures that both parties’ perspectives will be taken into consideration allowing for a fair interpretation.

In order to gain an experienced representatives perspective on how UPS handles disagreements I spoke with a twenty five year Teamsters union steward named Todd Brimley who explained the process. In the beginning a grievance is filed which involves documenting a violation of the company contract. Then union and management representatives meet to determine if the issue can be resolved, if they cannot reach consensus then a meeting with the local level labor board is arranged. If the labor board cannot resolve the issue then co-chair
representatives are contacted to design supplemental negotiated contracts and if the grievance still remains unresolved it goes to arbitration.

The processes of arbitration and mediation are most commonly used to address disputes between union and management members when resolution cannot be reached by management and union representatives. In the United States Arbitration Act, the Labor-Management Relations Act and in numerous state statutes, our legislative bodies have voiced their conviction that voluntary arbitration of disputes is favored and has an important role in a society which seeks the peaceful, prompt and just disposition of controversies involving our citizens (Mills 57).

Arbitration has proven to hold advantages over both strikes and litigation when resolving disputes. Even the U.S. Supreme Court has determined that arbitration is the preferred method of resolution in reaching a workable solution to labor problems. The major advantage of using arbitration over another method is cost because expenses of other methods such as litigation can be costly. During the arbitration process a third party arbitrator is present as well as the representatives of labor and management. A hearing is held where the arbitrator listens to both sides of the issue facing union and management with their testimonies and evidence provided. Afterwards, the arbitrator reviews the evidence, testimony and collective bargaining agreement and considering the principles of arbitration makes a decision. It takes time for the decision to be made which both parties must agree on then it is submitted to the U.S. bureau of national affairs. To avoid litigation and strikes arbitration has become the popular procedure that UPS uses to handle issue with union employees.

Unions create an organized structure within the workplace where rules are created and monitored by both management employees and union representatives. A JIT system is where goods can be produced a delivered just in time in order to eliminate waste. One example of the JIT system would be ordering wallpaper because unlike in the past where companies produce mass amount of wallpaper and a customer could make an immediate purchase today you place the order and it's pulled and delivered in a few days to keep inventory low for the supplier.

The problems that unions have with the JIT system is that there concerned with job security and stability, so a system that will reduce the amount of inventory needed can lead to a reduction of direct reports. Although wages and working conditions are still collective
bargaining issues, massive plant closings and layoffs have made job security the priority item (Inman 19). Union members use jurisdictional boundaries to ensure job security for their worker which means that a new technique implemented into the work area is not in that members job description. Although the union members may feel safe with this notion if their current position is not a bid and they can be moved then they are required to work as directed unless stated otherwise in the contract.

With the implementation of JIT systems management must have direct reports trained to complete different tasks when others are not available, but for union workers this may violate contracts in relation to their job description. It has became obvious to me at work before when volume is light in the operation it creates a perverse incentive for union members to work less productively in order to ensure that they won't be moved to another section. Economists who study unions analyze them as cartels that raise wages above competitive levels by restricting the supply of labor various firms and industries. The fact that new technologies and methods can result in higher productivity levels with less inventory creates conflict in the work environment resulting in deviant behavior among union members whether it be them working slower, or complete sabotage the response usually hurts the organization financially. According to, Anthony Inman “these potential conflicts can be overcome with communication, education and efforts from both management and union employees”.

Management needs to explain the new process they'll be implementing to employees, how it's beneficial and determines how union members feel about this program. The overall goal is to communicate the reasons why JIT systems are needed, to educate employees on the system in order to change their behavior towards this implementation. Changing their behavior toward the new system will be a difficult task because resistance to management is a norm for unions. On way management can change their attitude is to guarantee jobs for a specific period of time to union members and encourage them to get familiar with the equipment.

Observing union/management relationships at UPS has taught me the how important it is to consider all possible ramifications of an action before proceeding to execute. For example, a management employee may see no harm in carrying a package from one area of the building to another, although union members may consider it as stealing time. Following and understanding proper procedures for handling conflict in a union environment is imperative for management
members. Unions and management are vitally interested in the control of policies governing the conditions of employment in the private sectors of the economy achieved through collective bargaining or personal policy (Dubin 504). Of course situations will occur where negotiating, or an outside opinion is needed, by having a well developed contract issues can be handled in an organized manner. After researching union management relations the tension is clear between the two that is why objectives and expectations must be clearly stated to ensure a productive operation.
References

Brimley, Todd. (2011), Personal interview


