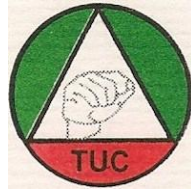


# LABOUR UNIONS AND ENTERPRISE STRATEGIC BUSINESS PLAN

BY



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**PRESENTED AT THE**

**10TH ANNIVERSARY LECTURE OF  
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NIGERIA LNG LIMITED (NLNG) BRANCH**

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## PROTOCOLS!

**“Orthodox economics holds that unions reduce market allocative efficiency by driving wages above free market levels, which in turn reduces employment below free market levels. However, most recent studies find unions are associated with higher productivity ... Neutral or negative effects on productivity associated with unions generally occur when labour-management relationships are poor. Thus an important factor in evaluating the costs and benefits of unions appears to be the relationship between workers and management; the quality of that interaction influences whether a union will enhance or diminish productivity” U. S. Congress, Office of Technology Assessment<sup>1</sup>**

## 1. INTRODUCTION

Let me start by thanking the Nigeria LNG Limited(NLNG) Branch of Petroleum and Natural Gas Senior Staff Association of Nigeria(PENGASSAN) for organising this 10<sup>th</sup> anniversary lecture which inter alia has provided a forum and opportunity for all of us (labour and management) to share thoughts on how to make things better in NLNG,PENGASSAN, Rivers State and Nigeria. The theme for this year’s anniversary **-"Decade of Partnership and Oneness"** is not just commendatory but also instructive. This is because it reminds us of the fundamental role played by the partnership between Labour and management in the making of the success that is NLNG today and urges us to ensure that we continue in, and improve on that partnership in the years ahead especially in the Post-recession Nigerian and World Economy. Similarly, the timeliness of the theme cannot be overemphasised. For instance, we know that a Post-recession Economy is a fragile economy which still requires a lot of attention in view of the enormous challenges ahead. It is as delicate as the handling of a patient showing signs of recovery from a very serious illness. You will agree with me that if the patient is not properly taken care of, his/her situation may relapse even into a worse condition. This underscores the need for the improvement in the existing cordial relationship and partnership between the workers represented by PENGASSAN and NUPENG and the Management of the NLNG Limited.

Let me state that I am delighted to be here today especially in view of the importance of the Nigeria LNG Limited to the Rivers State and Nigerian Economy in the harnessing of our Natural gas endowment for economic development. Another reason why I am delighted to be here is that this anniversary lecture is a further confirmation of the Nigerian trade union movement’s determination to transform itself into a truly knowledge-based organisation that recognises the importance of partnership and good labour-management relations in the achievement of both the enterprise objectives and the workers aspirations. The theme of the anniversary and the paper I was asked to present clearly support this new paradigm in labour-management relations. It was also in consideration of this new trade union philosophy that the Trade Union Congress of Nigeria (TUC) Rivers State Council ,organised a 3-day workshop in collaboration with the Federal Ministry of Labour and Productivity Port-Harcourt in September 2010 on **"Contemporary Issues In Labour-Management Relations: Implications For Industrial Output, Investment And The Nigerian Economy"**, which was aimed at sharing practical strategies that will develop and sustain a peaceful and harmonious industrial relations environment in the Niger Delta States and our dear country through the identification of emerging issues and their challenges, application of social dialogue and effective dispute resolution practices, promotion of co-

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<sup>1</sup> “Pulling Together for Productivity: A Union-Management Initiative at US West, Inc”. U. S. Congress, Office of Technology Assessment, September 1993,Pg 29 .Also see (a)Dale Belman, "Unions, the Quality of Labor Relations, and Firm Performance," in Unions and Economic Competitiveness, Lawrence Mishel and Paula B. Voos, eds., Armonk NY: M.E. Sharpe, 1992: 41-107(b) Richard Freedman and James L. Medoff, What Do Unions Do?, New York: Basic Books, 1984 and (c) Christos Doucouliagos and Patrice Laroche, "What Do Unions Do to Productivity? A Meta-Analysis," Industrial Relations 42, 2003:

operation and partnership among the industrial relation actors and mutual respect for their rights and responsibilities.

Kindly permit me at this stage to go straight into the meat of today's discourse, which is –“LABOUR UNIONS AND ENTERPRISE STRATEGIC BUSINESS PLANS”. **Let me however at this point make some attempts at providing working explanations of the following which are key to the understanding of the paper:**

- a) Enterprise
- b) Strategic Business Plan
- c) Labour Unions

### **1. Enterprise:**

An enterprise is a company organized for commercial purposes; business firm, entity or organization.

### **2. Strategic Business Plan:**

A strategic business plan is an internal document that (1) outlines an organization's overall direction, philosophy, and purpose, (2) examines its current status in terms of its strengths, weakness, opportunities, and threats ( SWOT Analysis), (3) sets long-term objectives, and (4) formulates short-term tactics to reach them. Strategic business planning involves the use of various business analysis techniques such as SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats ), PEST analysis (Political, Economic, Social, and Technological), STEER analysis (Socio-cultural, Technological, Economic, Ecological, and Regulatory factors), and EPISTEL analysis (Environment, Political, Informatics, Social, Technological, Economic and Legal) in the honest and holistic review of the organization's internal and external business environment so as to establish its strategy, or direction, and how its resources , including its capital and people, will be allocated to pursue the chosen strategy. This will usually result in the making of three types of business plans according to Nwachukwu C.C. (1988:37)<sup>2</sup>:

- Plans for doing current business: These are the plans that are necessary for the day to day activities of the enterprise
- Plans for continuing in business: These are plans that deal with the changing character of the customer's business, with changing habits and expectations of workers and society at large
- Plans for business development and growth: These include plans to exploit new market opportunities and to exploit new product lines and services.

**Essentially the whole idea of business planning is to ensure the long-term survival and growth of the enterprise by enabling it decide in advance where it wants to be in the short, medium and long-term, articulating a clear demonstrable road map to these destinations and sharing these decisions and roadmaps with all those that are expected to contribute to their achievement.**

Kindly permit me to respectfully observe, that of all the resources available to management, the most significant in terms of achievement of business plans is the human capital. The distinguishing factor about human capital is that human beings have emotions, ' hearts and minds' and no enterprise can achieve their strategic business plans without winning the 'hearts and minds' of their workers.

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<sup>2</sup> Nwachukwu, C.C. (1988). *Management Theory and Practice*. Onitsha: Africana-FEP Publishers Limited

### 3. Labour Unions

According to Section 1(1) of the Trade Unions Act CAP 437 Laws of the Federation of Nigeria 1990, a trade union means:

**“Any combination of workers or employers, whether temporary or permanent the purpose of which is to regulate the terms and conditions of employment of workers, whether the combination in question would or would not, apart from this Act, be an unlawful combination by reason of any of its purposes ‘being in restraint of trade’ and whether its purposes do or do not include the provision of benefits for its members”**

From the above definition, it is clear that employers as well as workers (employees) are free to have their trade unions. This, indeed, is in line with ILO Convention 87 on The Freedom of Association and Protection of the Right to Organise, Sections 40 of the 1999 Constitution of the Federal Republic of Nigeria and Article 10 of the African Charter on Human and Peoples’ Rights (Ratification and Enforcement) Act which give both workers and employers the right to join trade unions for the protection of their interest. Expectedly, in Nigeria, both employers and employees actually have their trade unions. Employers’ organizations in Nigeria include

- A. Nigerian Employers Consultative Association (NECA): This represents employers on labour-related issues.
- B. Manufacturers Association of Nigeria (MAN): the business association in the country, with the widest membership network; mostly manufacturers.
- C. Nigerian Associations of Chambers of Commerce, Industry, Mining and Agriculture (NACCIMA): an umbrella organization of several city-level chambers. Examples include PHACCIMA(for Port-Harcourt),LACCIMA
- D. Nigerian Association of Small and Medium-sized Enterprises: NASME: members are mostly small manufacturing companies.
- E. Nigerian Association of Small-Scale Industrialists (NASSI): members are mostly very small entrepreneurs; recognized by government in policy dialogue.

In addition to the above, there are also employers’ associations on industrial lines. Examples include:

1. National Union of Agriculture and Allied Employers
2. Nigeria Employers Association of Banks, Insurance and Allied Institutions
3. Oil Producers Trade Section (OPTS)
4. Construction and Civil Engineering Employers Association of Nigeria.

Similarly employees also have their own trade unions, which in Nigeria are largely along industrial lines. These various employees unions also known as labour unions are all affiliated to either the Nigeria Labour Congress (NLC) or the Trade Union Congress of Nigeria (TUC) .In the oil and gas industry for instance, the workers are organized under PENGASSAN and NUPENG. NUPENG is affiliated to NLC while PENGASSAN is affiliated to TUC. Essentially the Nigeria Labour Congress (NLC) is the labour centre for the Industrial Unions and Junior Staff Unions while the Trade Union Congress of Nigeria (TUC) is the labour centre for the Senior Staff Associations. The two labour centres just like the affiliate unions work together in the larger interest of Nigerian workers.

In summary therefore we can define labour unions taking a cue from the law as:

***Any combination of workers, whether temporary or permanent the purpose of which is to regulate the terms and conditions of employment of workers, whether the combination in question would or would not, apart from this Act, be an unlawful combination by reason of any of its purposes ‘being in restraint of trade’ and whether its purposes do or do not include the provision of benefits for its members.***

## 2. LABOUR UNIONS AND THE ENTERPRISE

**“Freeman and Medoff (1984) sought to explore why unionized firms are more productive...? They found that about one-fifth of the union productivity effect stemmed from lower worker turnover. Unions improve communication channels giving workers the ability to improve their conditions short of “exiting.” Lower turnover means lower training costs, and the experience of more seasoned workers translates into higher productivity therefore...an innovative employer working with a progressive union can achieve high levels of productivity and world-class competitiveness.” - Harley Shaiken<sup>3</sup>**

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According to Afonja and Pearce (1984:200)<sup>4</sup>, **“Labour is a visible part of social change which cannot be neglected primarily because of its contributions to national development”**. This fact has also been recognized by various authors and is well known. For instance it is a trite in African History that labour unions played a very fundamental role in the independence of African Countries. Speaking on the role of trade unions in the transformation of African countries at the African Union/OATUU Partnership Forum, in April 2007, Hassan Sunmonu<sup>5</sup> noted that:

**“The independence struggles of many African countries cannot be complete without mentioning the role of African workers and trade unions. It is also a matter of pride that a number of the founding fathers of the former Organization of African Unity (OAU) were trade union leaders. Not only did they use trade union tactics, but also, the trade union platform to launch the struggle for independence... It is in appreciation of this, that the Government of Osagyfo Dr. Kwame Nkrumah built a massive 6 storey building, “Hall of Trade Unions” in the Centre of Accra, for the Ghana Trades Union Congress.”**

Evidently, the role of labour unions in national development and transformation is well known and accepted. What has been the subject of debate is whether at the micro or enterprise level, labour unions play any positive role in the growth and prosperity of business entities. This debate has also been encouraged by orthodox economic theories which were based on the believe that labour unions reduce market allocative efficiency by driving wages above free market levels, which in turn reduces employment below free market levels. This view of labour unions which did not agree with contemporary empirical evidence gave rise to

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<sup>3</sup> Harley Shaiken(2004), *“The High Road to a Competitive Economy: A Labor Law Strategy”*, Center for American Progress, June 25, 2004, pp. 7-8. <http://www.americanprogress.org/atf/cf/%7BE9245FE4-9A2B-43C7-A521-5D6FF2E06E03%7D/unionpaper.pdf> .Please take note that the underlined word “therefore” is mine.

<sup>4</sup> Afonja S and Pearce T.L.(1984) *Social Change in Nigeria*:Longman

<sup>5</sup> Hassan A. Sunmonu(2007) ,”*Harnessing African Trade Unions’ Contribution To Political, Social And Economic Initiatives Of The African Union: Past, Present And Future – Oatuu’s “ Paper Presented To The African Union/Oatuu Partnership Forum, OATUU Conference Hall, Accra, Ghana, 3 – 5 April, 2007*

elaborate research studies by some scholars into the relationship between labour unions and enterprise productivity.

The findings of these studies indicate that contrary to the feelings of resentment of labour unions by some employers, that there exist a positive relationship between labour unions and firm productivity (Brown and Medoff, 1978<sup>6</sup>; Clark, 1980<sup>7</sup>; Nickel et al<sup>8</sup>, 1989; Gregg et al., 1993<sup>9</sup>). These findings are also supported by the Harvard thesis on labour union and productivity which states that that unions can contribute to increasing productivity by giving workers a “voice” at the workplace and “shocking” management into better practices. Challenged by these results, the Policy Studies Institute of Westminster University also sought to understand the relationship between labour unions and enterprise productivity and so undertook its own study. Research findings from the Policy Studies Institute threw a new light on what unions do in those British workplaces where they continue to have a presence. According to the report,

“Unions emerge as an important, and positive, influence not only for the employees they represent, but also in cooperating with management's priorities...additionally; workplaces with a union presence are much more likely to have a range of "high performance work systems", which are at the centre of firms' drive to increase productivity and customer service. These systems include two-way communications, team-working, staff incentives, interchangeable employees, and continuous training and development. While apparently supporting management's agenda, unions are also continuing to deliver a superior range of benefits for employees.”<sup>10</sup>

To further confirm the authenticity and relevance of these studies and their conclusion, Asteriou and Monastiriotis (2001)<sup>11</sup> examined long- and short-run relationship between unionism and productivity using

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<sup>6</sup> Brown C. and J. Medoff (1978), “Trade unions in the production process”, Journal of Political Economy, Vol.86, pp.355-378.

<sup>7</sup> Clark K. (1980), “The impact of unionisation on productivity: a case study”, Industrial and Labour Relations Review, Vol.33, pp.451-469.

<sup>8</sup> Nickell S., S. Wadhvani and M. Wall (1989), “Unions and productivity growth in Britain, 1974-86: evidence from Company Accounts data”, CLE Working Paper No.1149, LSE..

<sup>9</sup> Gregg P., S. Machin and D. Metcalf (1993), “Signals and cycles: productivity growth and changes in union status in British companies, 1984-1989”, Economic Journal, Vol.103, pp.894-907.

<sup>10</sup> “Unions benefit employers as well as employees” by Policy studies institute of University of Westminster September 14<sup>th</sup> 2005. The full findings of the research are published in an article in the September issue of Industrial Relations Journal (<http://www.blackwellpublishing.com>). The article, authored by Michael White of the Policy Studies Institute, is entitled “Cooperative unionism and employee welfare”. The research was funded by the Economic and Social Research Council as part of its Future of Work research programme. The findings are based on a nationally representative survey of 2000 workplaces.

<sup>11</sup> Dimitrios Asteriou and Vassilis Monastiriotis (2001). ‘Trade Unionism and Growth: A Panel Data Study’. Henley Business School University of Reading. Also see Asteriou, D. & Monastiriotis, V. (2004). ‘What do unions do at the large scale? Macroeconomic evidence from a panel of OECD countries.’ Journal of Applied Economics, VII, 1, 27-46.



a panel of 18 OECD countries over a 32-year period. The sampled countries are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Netherlands, Norway, New Zealand, Sweden, Switzerland, UK and USA. Their results provide robust evidence of a positive impact of unionism on productivity as both the long- and short-run effects of trade union on productivity are positive and statistically significant. They also offered some evidence suggesting that country-specific factors, like the strategies employed by the national trade unions and the degree of coordination among them and between them and the employers, might play an important role at the short-run. **Basically these various authors have stressed that on the balance, Unions contribute positively to firms' productivity through their efforts at reducing labour turnover and workers insecurity, as well as increasing managerial efficiency. They explain that these positive impacts of trade unions on productivity occur in part because unions function as a collective voice for its members in resolving disputes, improving working conditions and assisting the firm in the onerous tasks of managing the workforce.** Usually, as is often the case, unions express the collective voice of the workers mainly through a process called the 'Collective Bargaining Process'. The Collective bargaining process is a method whereby workers through their representatives, usually, a trade union, and their employers negotiate the conditions of service of the workers, resolve disputes and agree on all other rules guiding the relationship between the workers and the employer. It could also be seen as the process of working out a modus operandi between the employer and the representatives of the workers in matters pertaining to both parties. As Harry Arthur (1985)<sup>12</sup> explains:

**"collective bargaining replicates the processes by which conflict is and should always be resolved in a democracy; it projects democratic values into the workplace; it preserves the autonomy of social forces as against the pervasive influence of the state; it is faithful to - but makes more acceptable by its mobilization of countervailing power - the conventional marketplace techniques of economic ordering in a capitalist economy; it ensures the participation, and thereby the moral commitment, of those most directly concerned with outcomes; it represents a significant advance over abusive and oppressive unilateral employer control."**

Another aspect of these findings is the change and transformation that has taken place in labour unionism between the time the orthodox economists propounded their economic theories of labour unionism and contemporary times. This has also been noted by Ogbeifun (2007:233) when he said that:

**"the modern concept and practice of trade unionism is a complete departure from the mundane and medieval perspectives. Today, trade union activity is for highly responsible, articulate, visionary, principled, diplomatic and focused minds and not for mediocrities to mislead the ignorant. Fostering a dialectic relationship, as opposed to stakeholdership and partnering in the workplace, is no longer fashionable."**<sup>13</sup>

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<sup>12</sup> Harry Arthur(1985) "Understanding Labour Law: The Debate Over Industrial Pluralism" in (1985) Current Legal Problems.

<sup>13</sup> Ogbeifun, Louis Brown (2007). The role of Labour Unions in the Oil and Gas industry in Nigeria: A Practitioners Perspective. Concept Publishers.

Arising from these new findings, many researchers have gone further to explain how labour unions benefit the Employers and business organizations. Essentially there is an agreement that Labour Unions can help the organisation by improving workers morale since they enable them have a collective voice to address their complaints and receive better benefits and compensation. It is a trite in Management Theory and universally supported by empirical evidence that a motivated workforce is an asset which impacts positively on organisational performance, efficiency and effectiveness. Truancy, absenteeism and labour turnover will be low in such an establishment, in addition to the institutionalisation of positive organisational culture. Labour unions can also assist the employer in true market intelligence since they are able to tell the employers the truth and not just what they want to hear. There is also ample evidence that labour unions have always partnered with the employers in influencing state policies to engender industrial growth and increased investments. Consequent upon these benefits of labour unions to the enterprise and the economy, enterprises and economies of nations now thrive on retention of quality labour, industrial democracy and public reputation of labour practices.

Please also refer to appendix 1 of this paper to see more on how labour unions benefit the employer and business.

### 3. LABOUR-MANAGEMENT RELATIONS

**“Toyota's labour-management relations are based on mutual trust between labour and management. Following a labour dispute in 1950, mutual trust between labour and management was adopted as the foundation of labour-management relations in the joint labour and management declaration concluded in 1962. Since then, repeated discussions have led to deeper understanding and trust between labour and management.”<sup>14</sup>**

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Now that we have all seen the significant roles which can be played by labour unions in the growth and development of the business enterprises, in the achievement of enterprise goals and objectives, as well as in the development of the national economy and social change generally, it is necessary for us to focus on how to ensure that we reap the benefits of labour unions in our organisations through the practice of quality and good labour-management relations.

Please kindly permit me to inform us that labour - management relations, for the purpose of our discussion, refers to the bipartite relationship between employers (in your case NLNG Management) and unions (in your case PENGASSAN and NUPENG) in an enterprise production process. We know that since the main aim of management (representatives of the owners) is to increase returns on investment (profit) through the maximization of productivity and the minimization of costs, while that of the aim of workers is the maximization of welfare and wages (costs) to enable them take care of their personal needs and where possible wants; It is not difficult to see the conflicting interest of management and labour. The truth is that these divergent positions of management and labour if not properly reconciled will generate conflict which may be in the form of strikes, lock-in, go slow and so on embarked on by the workers; and salary stoppage, lock-out, retrenchment, write-off of union leaders etc as punitive measures by management.

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<sup>14</sup> Toyota Labour-management Relations policy .see :[http://www.toyota.co.jp/en/environmental\\_rep/03/jyugyoin.html](http://www.toyota.co.jp/en/environmental_rep/03/jyugyoin.html)



Instructively, one thing that is clear in this relationship (and often overlooked when relationship get soured) is that both labour and management get their returns from the enterprise and so should protect it. This is because without the enterprise, there would be no management, no workers and therefore no labour (Union). Another is that if both parties(i.e. labour and management) focus on increasing the cake(value added) to be shared rather than concentrating only on how to get more from the existing cake, then each party will have more to take home. This means that both parties (labour and management) actually have areas of mutually beneficial common interest. Emphasis should therefore be placed more on those areas of common interest rather than the areas of conflicting interest. Emphasizing the areas of common interest however requires building an atmosphere of mutual trust, open communication, dialogue, cooperative behaviours and partnership in good times, in bad times and all the time. Moreover there is ample evidence from empirical studies that participative and co-operative labour-management relations improves productivity, increases product and service quality and reduces absenteeism and industrial accidents.

The lessons and implications of sound and harmonious labour-management relation practices based on empirical evidence are very clear – organisations and governments (without exception) cannot succeed in the areas of quality, efficiency and productivity without winning the 'hearts and minds' of their workers. Organisations and governments (without exception) cannot win the hearts and minds of their workers if they are at war with their workers or the union(s) that represent them. Labour Unions also have a role in their representation of employee interests' .They (labour Unions) should contribute constructively to improved quality and productivity as these are demanded by an ever increasingly competitive economic environment. In this way they will also be contributing to the traditional objectives of trade unions - employment security, quality of working life and wage increases. These should be the foundation of labour-management relation in any organisation in today's dynamic society.

**The paradox however is why despite all the empirical evidence in support of sound and harmonious labour-management relation practices, such practices are not more widespread.**

Permit me to also draw our attention to another determinant of labour-management relations which is often over looked- good governance and credible election. To this end, let me use this opportunity to remind us that without credible elections and good governance, Labour-Management Relations in Nigeria will continue to have more than proportionate challenges when compared with what obtains in other countries. This is because Labour-management relations do not exist in a vacuum and is in fact regulated by the laws made by the government and the general disposition of government towards enthroning an atmosphere of industrial peace and harmony. Moreover empirical evidence has shown that when those in government are truly elected by the people (rather than imposed on the people)they will embark on people oriented projects , review the laws that affect workers including those that will impact on labour-management relations , as well put in place policies that will tackle poverty and unemployment and ensure that in line with Section 17 (3) (b and c ) of the 1999 Constitution of the Federal Republic of Nigeria the conditions of work are just and humane.

**Consequently, and in line with TUC's determination to ensure good governance and credible elections, I want to beg all of us to participate in the forth coming voters registration exercise and be genuinely part of the struggle**

for credible elections in Nigeria. Let me also request that we work tirelessly to ensure that people who are elected to hold public offices at all levels in this country are those who will serve the people and who will be accountable to the people. Let me assure you that TUC will give you all the support we can.

Please kindly permit me to appeal to all of us to commit to promoting good labour-management relations practices in our various places of work as well as contribute our quota towards ensuring that the 2011 elections are credible.

#### **4. LABOUR-MANAGEMENT RELATIONS AND THE ACHIEVEMENT OF ENTERPRISE STRATEGIC BUSINESS PLAN**

**“ Since the 1980s the emphasis in theory, and in the practice of some companies, has been on strategic human resource management i.e. viewing human resources as a competitive advantage, so that human resource policies need to be integrated into corporate strategic plans. ”<sup>15</sup>S. R. de Silva**

The discussions on labour-management relations and in fact our discussions so far all show that labour unions contrary to the erroneous views held by some persons including some workers who have been discouraged from joining the unions, have a positive impact on the productivity and success of an enterprise. However for any enterprise to harness these positive contributions of labour unions on productivity, it must first practice and sustain good labour-management relations. The case study of NUMMI and Saturn demonstrate how union partnership with management can lead to increased productivity, institutionalisation of positive work culture and motivated workforce. The United Auto Workers, in cooperation with NUMMI and Saturn, **(Please see appendix 2 on the success of workers participation in NUMMI and Saturn for details. There are also similar examples in Nigeria)** produced high quality cars and expanded their U.S. market share. Similarly the Amalgamated Clothing and Textile Workers Union helped Xerox rebound from near bankruptcy to win the Malcolm Baldrige quality award in 1988 and double its share of the U.S. copier market by 1992<sup>16</sup>. The American Flint Glass Workers, in a partnership with Corning, have dramatically improved ceramics quality. Here in Nigeria there are there also growing number of successful union- management partnerships. A good example is the partnership between TUC, PENGASSAN and NUPENG and the OPTS in influencing the Federal Government to come out with programmes to douse the insecurity in the Niger Delta, leading to the Federal Government proclamation of Amnesty.

Based on the foregoing, it is therefore expected that management should embark on a deliberate policy of good labour-management relations. Such a policy will interalia integrate the workers and the unions that represent them in the strategic business planning process. This approach will more than anything else reassure the workers and the unions that represent them that they are in indeed an important stakeholder and partners in the workplace. It will also create an atmosphere of mutual trust which as we have seen is critical to the achievement of organisation or enterprise objectives. Mutual trust will also mean that there is open communication between the workers and the management

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<sup>15</sup> “Elements Of A Sound Industrial Relations System” Published by International Labour Organisation

<sup>16</sup> U.S. Congress Office of Technology Assessment. US-Mexico Trade: Pulling Together or Pulling Apart?, Washington DC: U.S. Government Printing Office, October 1992), p. 44.

and that the important roles performed by the Union leaders in the strategic human resources management process are recognised by top management and rewarded. This new approach in the USA, for example, provided the lesson that merely having:<sup>17</sup>

**“Some forms of employee involvement such as Quality of Work life and Quality Circle initiatives do not transform organizations or sustain themselves, without employee involvement at all levels of decision making, including strategic decision making.”**

It is therefore evident from empirical evidence and our discussion so far, that the full involvement of employees and the unions that represent them at all level of strategic decision making will no doubt lead to better realization of those plans as the employees will see the plans as their own and work with their ‘hearts and minds’ to ensure that they are adequately realized. In addition, such an involvement will clearly give rise to the recognition of the important roles performed by the labour unions and their leadership in the achievement of enterprise strategic business plans by top management, enable top management proactively develop the quality of leadership in the labour unions and encourage the Unions to work harder for the mutual interest of the enterprise and the workers especially in view of the new global realities in the marketplace.

Interestingly, an International Labour Organisation (ILO) Study<sup>18</sup> in the Caribbean reports that several enterprises in the Caribbean have used these methods to adjust to the new realities of the global marketplace in what has been described as ‘**The High Road Principles**’. Please see appendix 3 for details of the High Road Principles practiced in the Caribbean. We can clearly see that the High Road strategies correspond with ILO standards such as the core International Labour Standards embodied in the Declaration on the Fundamental Principles and Rights at Work; and the concept Decent Work, the standards relating to human resource development and collaboration at the level of the enterprise. The High Road approach can be defined as competitiveness based on innovation in products and processes, total quality orientation, improved human resource quality, better work organization, and labour-management co-operation and enhanced capacity to adapt to constantly changing economic environment. This approach envisages the adoption by business enterprises of techniques of strategic management, environmental management and protection and strategic human resource management.

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<sup>17</sup> Thomas A. Kochan and Robert B. Mckersie "Human Resources, Organizational Governance, and Public Policies: Lessons From A Decade Of Experimentation," in Thomas A. Kochan and Michael Useem (eds.) Transforming Organizations (Oxford University Press, N. York, 1992) at 169-187.

<sup>18</sup> International Labour Organisation ([http://www.ilocarib.org.tt/Promalco\\_tool/productivity-tools/manual06/m6\\_4.htm](http://www.ilocarib.org.tt/Promalco_tool/productivity-tools/manual06/m6_4.htm))

## 5. CONCLUSION

“ If industrial relations are good, with management and unions working together to produce a bigger ‘pie’ as well as ‘fighting’ over the size of their slices, productivity is likely to be higher under unionism. If industrial relations are poor, with management and labour ignoring common goals to battle one another, productivity is likely to be lower under unionism. ”<sup>19</sup> Freeman and Medoff

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As we have all seen from our discussion so far, the quality of labour-management relations in any enterprise determine whether the enterprise will harness the positive contributions of labour unions on productivity and by extension, the achievement of the enterprise strategic business plans or whether the enterprise will not benefit from the labour unions. It is essentially a case of what you sow is what you reap. If management sows a deliberate policy of good labour-management relations they will reap the positive benefits of labour unions as the labour unions will partner with the management and ensure that the strategic business plans are achieved. If however management sows the evil seed of adversarial labour-management relations or the counterfeit of good labour-management relations such as passive labour-management relations or the culture of engaging labour unions only when there is crisis, they should hold themselves responsible for the poor business results that will accrue to the enterprise.

Another counterfeit of good labour-management relations that should be avoided by management is the use of the partnership with the labour unions merely as a vehicle to announce management's predetermined and fixed positions on specific issues that are part of management's agenda with no willingness to consider what is important to labour. True Labour-Management Partnership will not be achieved when meetings are devoted primarily to management expressing its final views on issues and where management is unwilling to alter, modify, or improve those views as a result of their partners' (labour) input. Good and quality Labour-Management relation should also mean that management does not search for legal justifications to avoid addressing issues that their Union partners feel are important to employees. Such an approach dooms partnership to failure. In addition, senior management should not avoid contact with the Labour Unions when contentious issues are on the table, by delegating such onerous duties to subordinate staff, which typically lacks the authority to resolve the issues.

Kindly permit me to restate that involving employees and their union representatives as true partners in identifying problems and crafting solutions better serves the Enterprise Strategic Business Plan. Top Management is encouraged to move in this direction by encouraging Management at all levels to provide employees, through their elected representatives, the opportunity to shape decisions in the workplace that influence the work employees perform. This process which is sometimes referred to as pre-decisional involvement (PDI) promotes good labour-management relationship. Rather than having management make decisions and then

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<sup>19</sup> Freeman and Medoff(1984).What Do Unions Do?Pg. 165

negotiate with the union, the PDI process involves the union early in the decision-making process, when issues are at the formative stage. When PDI is used, the union and management work together as a team to resolve issues to their mutual satisfaction and interest. Pre-Decisional Involvement (PDI) is a fundamental component of good and quality Labour-Management Partnership and at the heart of Strategic human resources management.

Again, kindly permit me to restate that an environment of good labour-management relation will deepen the mutual trust between the management and the labour unions, improve communication by erasing the barriers to honest communication, increase productivity, win the 'hearts and minds' of workers, erase some old fashioned stereotypes about labour unions as strike agents, reduce the fear of some workers regarding joining the union/participating in union activities as well as change completely the erroneous perception by some Managers that Union leaders are averagely unproductive persons who should not be trusted with high value creating responsibilities in the workplace.

When management undertake activities that promote adversarial labour-management relations or engage in the counterfeit of good-labour management relations, the message they give to the workers and to the Unions that represent them is that the Union is an enemy that should be crushed, defeated, destroyed or at best used and dumped. Of course the workers and their unions will be under heavy pressure to react to such unsavoury messages. In the end the enterprise, management and labour unions will all be losers

My distinguished audience, kindly permit me to summarise this paper by saying that nothing can better serve the enterprise business plan and by extension, the long term interest and growth of any enterprise than an environment of good and genuine labour-management relationship. To this end, let me give us a few list of what we can do to promote sound labour-management relations in our work places:

1. Both parties (Management and Labour) should respect and implement signed collective agreements and any understanding reached with each other. Management and union representatives should have necessary mandate to negotiate and commit to agreements reached. They should also have the appropriate authority to resolve disputes and safeguard employees' interest
2. They should focus on building and maintaining mutual trust and salubrious relationship in all their dealings with each other. Mutual trust, mutual respect and understanding are key qualities which promote open and constructive dialogue, and strengthen bonds. They enable the parties to appreciate each other's constraints and concerns; and work together to meet challenges for mutual benefit. Integrity, honesty and good faith are the pillars of good inter-personal relationships, which are the building blocks of successful consultation and co-operation. While differences of views are inevitable, these moral principles will strengthen trust and bring about amicable resolution of differences.
3. Management should engage the union early enough on all issues that may likely affect the workers. The Unions should also engage their members early enough to obtain their mandate, buy-in and understanding. Both parties should work together to resolve issues fairly, effectively and expeditiously. They could seek mediation where necessary as well as establish an effective procedure to resolve grievances.
4. Management should ensure that the conditions of work are just, fair, humane and decent

5. Management should treat Union leaders with respect. A situation where some members of management treat Union leaders as averagely unproductive persons who should not be trusted with 'sensitive' positions in the organisation is very dangerous for the organisation, raises doubts as to the sincerity of management in their relationship with the labour unions and will no doubt hurt the labour-management relations in that organisation. The truth is that sound labour-management relations thrives where management actively embraces the Union leaders as an integral part of the organisational leadership that should be recognised and rewarded for their contributions to the achievement of organisational goals and business plans. This is clearly different from when management elects to embrace or encourage compromised union leadership. Management and the Union should come out with a clear manner of how to recognise the roles of the Union leadership in the management of the workforce in the annual appraisal system. Similarly Union leaders should also show respect to management in the way they communicate and carry on their trade union activities. This however does not mean that they should not state the position of their members, but they should do so with courtesy.
6. Management should respect the rights of workers; and Workers and labour unions should take note of the prerogatives of the employers .Employers should however be humane in how they use their prerogatives
7. Both parties should not compromise on the Health, Safety and Security of workers.
8. Both parties should respect the extant labour laws and the international labour standards as a minimum.
9. Communicate! Communicate!! Communicate!!!
10. Both parties should be transparent in all their dealings with each other; avoid hidden agenda and work with integrity. Be a patriotic citizen of our dear country
11. All parties should be patriotic and good citizens; we should be part of the struggle for good governance and credible elections.

**Finally, Management should always remember that the viability and success of the enterprise/organisation are not only concerns of management but also of employees and their labour Unions. They should therefore confide in the labour union and treat workers as partners in the production process. Both parties (Management and Labour) should have a shared vision of corporate interests, goals and strategic business plans. The shared vision approach unifies the interests of the parties and directs them to place long-term objectives above short-term gains, wider interests above sectional interests, and co-creates win-win solutions that fulfil the needs and purpose of management, trade unions and employees.**

**Let me thank you for your kind attention and appeal to both the management and labour unions in NLNG to commit to the improvement and sustenance of good and genuine labour-management relations as an important component of the NLNG Strategic business plan. May God Almighty bless us and help us to do His will on earth!**

**Solidarity forever!**

**Comrade Hyginus Chika Onuegbu JP, FCA<sup>20</sup>**

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<sup>20</sup> Comrade Hyginus Chika Onuegbu is the Rivers State Chairman of the Trade Union Congress of Nigeria (TUC). He is also a member of the International Labour and Employment Relations Association(ILERA),a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), an Associate of the Chartered Institute of Taxation of Nigeria(CITN) and holds an M.Sc Economics Degree. He is also a Justice of the Peace (JP).He can be reached at the Rivers State Secretariat of the Trade Union Congress of Nigeria



## APPENDICES

### Appendix 1:

Kindly permit me to reproduce Shane Ambro(2010)<sup>21</sup> short paper on “ How Do Labor Unions Benefit Employers?” as a summary of the benefits of labour unions to business enterprise. Also see the last appendix to this paper by AFL-CIO titled “Union are good for business, productivity and the economy”.

#### Box 1- on “ How Do Labor Unions Benefit Employers?”

**Increased Morale:**While there are many factors that affect morale, having a union can help improve morale because the workers have a more unified collective voice to address complaints and receive better benefits and compensation. If the workers know that they are being represented at the bargaining table, then perhaps they may also see their employers as people who will take better care of them as workers.

**Invested Employees:**Another benefit of employers is that the employees will, by nature, be more invested in their work since they have a collective voice speaking for them. If employees are having their voice heard and are receiving ample wages and benefits, then truancy and absenteeism can be expected to drop, thereby increasing production. There will also be a lower rate of turnover, reducing the time and cost of training new employees, which in the end will also increase production and save the company money.

**Following Policies:**According to the Policy Studies Institute, corporations with unions are more likely than similar non-unionized [businesses](#) to successfully implement certain policies...

**Performance:**In addition to having better retention, employers can also be expected to have a higher range of high performance systems. As a result, a corporation will increase productivity and customer service. Different components of high performance systems that can specifically be affected by the presence of the union may include teamwork, staff incentives, interchangeable employees, continuous training and two-way communication. Additionally, the presence of [health](#) insurance means that staff will have better health care coverage, reducing illnesses, sick time and lost production.

**Safety:**Studies show that the presence of unions increase the degree of safety at a workplace, according to the AFL and CIO. According to the American Rights at Work study by Baugher and Roberts, "Only one factor effectively moves workers who are in subordinate positions to actively cope with hazards: membership in an independent labor union." This is because union members have a voice to address

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<sup>21</sup> Shane Ambro(2010)" How Do Labor Unions Benefit Employers?" eHow Contributor updated: September 24, 2010

## Appendix 2:

Please see Box 2 below on the success of workers participation in NUMMI and Saturn. There are also similar examples in Nigeria.

### Box 2. NUMMI and Saturn: Two Successful Worker Participation Initiatives<sup>22</sup>

California-based New United Motor Manufacturing Inc. (NUMMI) arose from an auto plant closed by General Motors Corporation (GM) in 1982 because it was not competitive. The Fremont, California plant's productivity ranked among GM's poorest; quality was low, and absenteeism, drug and alcohol abuse high. Strikes and sickouts closed the plant four times between 1963 and 1982 and the grievance backlog often numbered more than 5,000. In a joint GM-Toyota venture, the plant was reopened in 1984 to produce Toyota Corollas under the Nova name. Under an agreement with the UAW signed in September 1983, 85 percent of the workers were selected from those laid off from GM-Fremont. By 1986, productivity at NUMMI exceeded that of any GM plant and nearly equalled Toyota's Japanese Plant. Quality was also the highest among GM plants, approximating the Japanese level. Critics of union-management cooperation at NUMMI have described the system in 1988 as management by stress. They argued that Toyota controlled the joint venture, that team leaders were selected by the company based on their attitudes and willingness to convince workers to adopt company goals, that the pace on the assembly line was too fast, and that the company put undue pressure on workers to achieve perfect attendance. Their study of the plant also suggested that union representatives lacked adequate time to conduct union business and that the problem-solving procedure (which is used instead of a grievance procedure) worked in favour of management. Despite these criticisms, the majority of UAW--represented NUMMI employees continues to support the joint venture. Today, absenteeism has dropped from between 20 and 25 percent to between 3 and 4 percent, while participation in the employee suggestion program has grown from 26 percent in 1986 to 92 percent in 1991. The fraction of workers describing themselves as satisfied or very satisfied in response to company surveys has risen steadily to more than 90 percent.

**The contradiction between the criticisms and workers' apparent satisfaction may be explained in part by several factors.**

First, management has honoured its commitment to a no-layoff policy included in the original contract with the UAW. In 1988, poor sales of the Nova brought capacity utilization down to 60 percent. Instead of being laid off, workers were given training. The Nova was phased out, and the plant began building Corollas, Geo Prizms, and, beginning in late 1991, Toyota trucks. This kind of employment security was a welcome change to the workers who were laid off between the closing of the GM-Fremont plant in 1982 and the opening of NUMMI in 1984. Second, the union protested management's selection of team leaders, and union and management negotiated a joint union-management selection process, based on objective tests and performance criteria. Finally, and perhaps most important, management recognizes that sustained productivity and continuous improvement depend on workers' motivation. As a result, management and union continually discuss and negotiate decisions, primarily at the shop floor, but also at higher levels of management. Thus, although the work is highly structured and standardized, along the lines of Taylorism, worker motivation has been maintained. This is because analysis and structuring of the work is done by workers who have been trained by industrial engineers in techniques of work analysis and improvement rather than by the engineers alone.

The Saturn car is the product of GM's first new division in 66 years and was a bold gamble, proclaimed at its inception as "the key to GM's long-term competitiveness, survival, and success." Saturn was explicitly undertaken to leapfrog the competition posed by Japanese auto makers. In this, it faced formidable obstacles, not the least of which was

<sup>22</sup> Source: "Pulling Together for Productivity: A Union-Management Initiative at US West, Inc" . U. S. Congress, Office of Technology Assessment, September 1993, Pg 31-33

widespread belief among Americans that Japanese cars greatly exceeded the quality of cars made by American companies.

In both NUMMI and Saturn, worker participation and Involvement are emphasized. In both companies, workers are grouped in teams that are responsible for organizing their work and setting standards for its accomplishment. In both, the number of job classifications is drastically reduced (from about 100 to 4 at NUMMI), as are management perks. workers at both plants are also assured a high-level of job security.

Saturn has gone much farther than NUMMI in changing traditional labour-management relationships in the auto industry. Fundamental to this change is the greatly expanded role of the union, the United Auto workers(UAW). While at NUMMI union participation occurs mostly on the shop floor, at Saturn it occurs at all levels of management. Team leader Saturn are elected by work units orthmugh union designed elections while at NUMMI they are selected by union and management. Even formulation of the plan that led to Saturn involved extraordinary union participation beginning with the GM-U/WV Study Center that was formed in 1983 to identify new ways to build small cars in the U.S. The study group, or Committee of 99, consisted of 55 union members selected by the UAW and 44 from GM management. The group spent a year reviewing both technical questions and labour-relations issues in the U.S., Germany, Japan and other countries and developed the plan submitted to the GM Board and the leadership of the United Auto Workers that outlined production of the Saturn car. At the Saturn plant, the Committee of 99 implemented changes that covered the range of automotive industry corporate culture-from human resources to engineering. Innovations included consensus management, a platform system that replaced the traditional assembly line, a continually negotiable agreement that replaced the standard, fixed termination date collective bargaining agreement, and job security guarantees for at least 80 percent of employees. Union involvement in decision making is pervasive and includes hiring of workers as well as managers, training, engineering design decisions, selection of suppliers and subcontractors, selection of dealerships, development of advertising and marketing strategies, and recall decisions. All workers receive financial and cost information, which enables everyone to participate in developing ways to increase efficiency and revenue generation.

As one pair of researchers summarized the Saturn experiment, "Nothing on the American scene in the field of labor-management relations compares with the Saturn project's sharp departure from the traditional mode of collective bargaining. Among the most penetrating modern day experiments in joint action at almost every level of managerial decision-making, it represents the most far-reaching innovative development in all U.S. industry." Some analysts believe that the Saturn system, with worker participation at all levels, is more like worker participatory systems in Europe, and more viable in the U.S. than the Japanese-modeled system at NUMM. One measure of success of Saturn is that in the year 15 after the car went on sale it ranked sixth in customer satisfaction, just below luxury cars costing three times as much. In the 1992 Customer Satisfaction Index, Saturn was rated the best domestic nameplate in customer satisfaction and third among all nameplates. Despite the company's sales success, the high costs of the advanced technology used in the plant, and high start-up costs made the division a net loss to GM until recently. In May 1993, Saturn achieved its first monthly operating profit. Saturn management is determined to have the division at least break even, if not make a profit, during 1993.

## APPENDIX 3

**Table 3: High Road Principles Practiced in the Caribbean**

High Road Strategy	Company Strategies
1. Union Recognition, Collective Bargaining and Worker/Management Partnerships	<ul style="list-style-type: none"> <li>• Recognise Unions and demonstrate respect for their officers</li> <li>• Resolve Outstanding Issues</li> <li>• Establish standing facilities for dispute resolution</li> <li>• Establish facilities for non-conflict discussions</li> <li>• Work to develop trust through transparent systems and procedures</li> <li>• Conducting negotiations promptly</li> <li>• Including Unions in strategic changes and developments</li> <li>• Train staff to better manage their Union responsibilities</li> <li>• Eliminate discrimination on the job</li> </ul>
2. <u>Strategic Human Resource Management and Development</u>	<ul style="list-style-type: none"> <li>• Implement training programmes to upgrade skills</li> <li>• Provide opportunities and training for multi-skilling</li> <li>• Introduce performance management, measurement and develop systems</li> <li>• Develop competitive compensation strategies</li> <li>• Develop teams and teamwork</li> <li>• Empower line managers to manage workers</li> <li>• Select high quality and highly qualified staff</li> <li>• Eliminate discrimination in hiring and treatment of staff</li> <li>• Develop, publish and implement defined HR policies and procedures</li> <li>• Develop and share corporate culture</li> <li>• Share improved value created with staff</li> <li>• Develop strategies for redundancies and termination</li> <li>• Develop employee support systems such as EAP, Sick Workers Programmes</li> <li>• Develop non-cash motivators.</li> </ul>
3. <u>Communication</u>	<ul style="list-style-type: none"> <li>• Engage workers and their representatives in the development of company goals, challenges and strategies</li> <li>• Create fora for on-going collaboration with workers and their representatives</li> <li>• Demonstrate commitment to openness at the highest level</li> </ul>
4. Change Management Culture and <u>Organisational Development</u>	<ul style="list-style-type: none"> <li>• Create professional HR departments</li> <li>• Raise profile of Human Resource department in organisation</li> <li>• Document operational policies and procedures</li> <li>• Restructure company and departmental organisation and reporting relationships</li> <li>• Delegate responsibility for managing people to the operational level.</li> </ul>

	<ul style="list-style-type: none"> <li>• Team work</li> <li>• Utilise benefits of multi-skilling</li> </ul>
5. <u>Corporate Citizenship</u>	<ul style="list-style-type: none"> <li>• Minimise negative environmental impacts of operations</li> <li>• Maintain clean and healthy working environment</li> <li>• Develop links with outside community</li> </ul>
6. Strategic Planning	<ul style="list-style-type: none"> <li>• Review and improve work processes</li> <li>• Introduce facilitative technology</li> <li>• Focus on customer service</li> <li>• Implement Quality/ISO systems</li> <li>• Seek strategic alliances</li> </ul>
7. Building Social Capital and <u>Social Development</u>	<ul style="list-style-type: none"> <li>• Improved Working Conditions</li> <li>• Focus on workplace and employee health issues</li> <li>• Introduce Health and Safety Committees</li> <li>• Provide options for work time flexibility</li> <li>• Measure accident free time.</li> <li>• Improve social interactions at work – Clubs, support systems etc</li> </ul>

**Source: International Labour Organisation ([http://www.ilocarib.org.tt/Promalco\\_tool/productivity-tools/manual06/m6\\_4.htm](http://www.ilocarib.org.tt/Promalco_tool/productivity-tools/manual06/m6_4.htm))**

## Unions Are Good for Business, Productivity and the Economy

Home > Join A Union > Why You Need a Union > The Union Difference

According to Professor Harley Shaiken of the University of California-Berkeley,[\[1\]](#) unions are associated with higher productivity, lower employee turnover, improved workplace communication, and a better-trained workforce.

Prof. Shaiken is not alone. There is a substantial amount of academic literature on the following benefits of unions and unionization to employers and the economy:

- Economic Growth
- Productivity
- Competitiveness
- Product or service delivery and quality
- Training
- Turnover
- Solvency of the firm
- Workplace health and safety
- Economic development

### Economic Growth

During the period 1945-1973, when a high percentage of workers had unions, wages kept pace with rising productivity, prosperity was widely shared, and economic growth was strong. Since 1973, union density and collective bargaining have declined, causing real wages to stagnate despite rising productivity. This decline in union density and bargaining contributed to the current financial crisis and severe recession, as unsustainable asset appreciation and easy credit to the place of wage increases most workers were not getting [\[2\]](#)

### Productivity

According to a recent survey of 73 independent studies on unions and productivity: "The available evidence points to a positive and statistically significant association between unions and productivity in the U.S. manufacturing and education sectors, of around 10 and 7 percent, respectively."[\[3\]](#)

Some scholars have found an even larger positive relationship between unions and productivity. According to Brown and Medoff, "unionized establishments are about 22 percent more productive than those that are not."[\[4\]](#)

### Product/ Service Delivery and Quality

According to Professors Michael Ash and Jean Ann Seago [\[5\]](#) heart attack recovery rates are higher in hospitals where nurses are unionized than in non-union hospitals. According to Professor Paul Clark, nurse unions improve patient care by raising staff-to-patient ratios, limiting excessive overtime, and improving nurse training. [\[6\]](#)

Another study looked at the relationship between unionization and product quality in the auto industry.[\[7\]](#) According to a summary of this study prepared by American Rights at Work:

"The author examines the system of co-management created through the General Motors-United Auto Workers partnership at the Saturn Corporation...The author credits the union with building a dense communications network throughout Saturn's management system. Compared to non-represented advisors, union advisors showed greater levels of lateral communication and coordination, which had a significant positive impact on quality performance."

### Training

Several studies in have found a positive association between unionization and the amount and quality of workforce training. Unionized establishments are more likely to offer formal training.[\[8\]](#) This is especially true for small firms. There are a number of reasons for this: less turnover among union workers, making the employer more likely to offer training; collective bargaining agreements that require employers to provide training; and finally, unions often conduct their own training.

### Turnover

Professor Shaiken also finds that unions reduce turnover. He cites Freeman and Medoff's finding that "about one fifth of the union productivity effect stemmed from lower worker turnover. Unions improve communication channels giving workers the ability to improve their conditions short of 'exiting.'"[\[9\]](#)

### Solvency

Labor's enemies assert that unions drive employers out of business, but academic research refutes this claim. According to Professors Richard Freeman and Morris Kleiner, unionism has a statistically insignificant effect (meaning no effect) on firm solvency.[\[10\]](#) Freeman and Kleiner conclude "unions do not, on average, drive firms or business lines out of business or produce high displacement rates for unionized workers."

### Workplace Health and Safety

Employers should be concerned about workplace health and safety as a matter of enlightened self-interest. According to an American Rights at Work summary of a study by John E. Baugher and J. Timmons Roberts:

"Only one factor effectively moves workers who are in subordinate positions to actively cope with hazards: membership in an independent labor union. These findings suggest that union growth could indirectly reduce job stress by giving workers the voice to cope effectively with job hazards." [\[11\]](#)

The benefits of unions in terms of safer workplaces are hardly new. According to one most recent study, unions reduced fatalities in coal mining by an estimated 40 percent between 1897 and 1929. [\[12\]](#)

### Economic Development

Unions also play a positive role in economic development. One good example is the Wisconsin Regional Training Partnership, "an association of 125 employers and



unions dedicated to family-supporting jobs in a competitive business environment. WRTP members have stabilized manufacturing employment in the Milwaukee metro area, and contributed about 6,000 additional industrial jobs to it over the past five years. Among member firms, productivity is way up--exceeding productivity growth in nonmember firms."<sup>[13]</sup>

[1] Harley Shaiken, *The High Road to a Competitive Economy: A Labor Law Strategy*, Center for American Progress, June 25, 2004, pp. 7-8. <http://www.americanprogress.org/att/ctf/%7BE9245FE4-9A2B-43C7-A521-5D6FF2E06E03%7D/unionpaper.pdf>

[2] Dean Baker, "The Recession and the Freedom to Organize," AFL-CIO Point of View, Feb. 2008

[3] Christos Doucouliagos and Patrice Laroche, "The Impact of U.S. Unions on Productivity: A Bootstrap Meta-analysis," *Proceedings of the Industrial Relations Research Association*, 2004. See also, by the same authors, "What Do Unions Do to Productivity: A Meta-analysis," *Industrial Relations, Volume 42 Issue 4 October 2003*:

[4] Charles Brown and James L. Medoff, "Trade Unions in the Production Process." *Journal of Political Economy*, vol. 86, no. 3 (June 1978): 355-378.

[5] Michael Ash and Jean Ann Seago, "The effect of registered nurses' unions on heart-attack mortality," *Industrial and Labor Relations Review*, Vol. 57, No. 3 (Apr. 2004), pp. 422-442.

[6] Paul Clark and Darlene Clark, "Collective Bargaining in American Hospitals: The Response of Nurse Unions to the Crisis in American Health Care," LERA, Jan 2009.

[7] Saul A. Rubinstein, "The Impact of Co-Management on Quality Performance: The Case of the Saturn Corporation." *Industrial and Labor Relations Review*, Vol. 53, No. 197 (January 2000).

[8] Harley J. Frazis, Diane E. Herz and Michael W. Horrigan, "Employer-Provided Training: Results from a New Survey." *Monthly Labor Review* (May 1995): 3-17.

[9] Harley Shaiken, cited earlier, quoting Richard Freeman and James Medoff, *What Do Unions Do?* New York, Basic Books, 1984.

[10] Richard B. Freeman and Morris M. Kleiner, "Do Unions Make Enterprises Insolvent?" *Industrial and Labor Relations Review*, vol. 52, no. 4 (July 1999): 510-527.

[11] John E. Baugher and J. Timmons Roberts, "Workplace Hazards, Unions and Coping Styles." *Labor Studies Journal*, Vol. 29, No. 2 (Summer 2004).

[12] William M. Boal, "The Effect of Unionism on Accidents in US Coal Mining," 1897-1929, 'Industrial Relations,' Vol. 48, No. 1 (Jan. 2009)

[13] Annette Bernhardt, Laura Dresser, and Joel Rogers, "Taking the High Road in Milwaukee: The Wisconsin Regional Training Partnership." *Working USA*, Vol. 5, Issue 3 (January 31, 2002).

