

Union Collaboration Boost Efficiency and Productivity



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For decades, unions have been experiencing declines in membership. However, many pundits think the trend is about to turn. We are beginning to see grassroots labor organizing taking place across the country. In 2019 Uber and Lyft drivers took to the streets to protest low wages, long hours, poor working conditions, and a lack of benefits. Fast-food workers across the country held a day-long strike for a \$15 minimum wage.

Organizations that never had to contend with unions before are seeing their employees vote to organize. Presidential campaigns have unionized as have newsrooms. These are not your typical blue-collar workers organizing, but white-collar workers who see the advantages of collective bargaining.

While the desire to improve a worker's lot in life is a union constant, this new generation of labor organizers has different goals than those of the past. Their desire is to establish better non-discrimination policies, create formal training and opportunities for advancement, have a share in company profits, and play an active role in company decision making.

For a long time, there has been tension between unions and management—each seeming to have conflicting interests. However, research has shown that when the two collaborate, there can be an increase in productivity and efficiency. It is that collaboration that we will explore in this white paper. With manufacturing anticipating an employee deficit in the millions in less than five years, it's an employee market. It is in everyone's best interest to work together.

COLLABORATING FOR **ECONOMIC VIABILITY**

Believe it or not, unions may be the answer to manufacturing's labor woes. Smart unions have long since realized that strikes and boycotts are not always an effective way to negotiate. In today's global economy, manufacturers can not only open shop in countries where labor is cheap, but a strike or boycott can have the opposite effect desired. In an article in Industry Week, Philip Wilson, president of the Labor Relations Institute, said that manufacturers around the globe could quickly fill any holes created by the US supply chain.

In that same article Scott Paul, CEO of The Alliance for American Manufacturing, said he sees a move toward collaboration between unions, companies, and economic development organizations.

"While many people associate unions with securing higher wages and better benefits, which is still true, unions are now much more aggressive in seeking capital investments for plants to modernize domestic facilities," said Paul.

This is quite a shift from the idea that technology would unilaterally replace an entire workforce. Yes, certain workers are being replaced by robots, but those jobs tend to fall within the three D's—dirty, dull, and dangerous. Unions and workers alike are realizing the jobs manufacturers need to fill now and into the future are not just more interesting, but they pay more as well.

According to research from the Society for Human Resource Management (SHRM), 83 percent of human resource professionals say they had difficulty recruiting suitable candidates. The study found carpentry, plumbing, welding, and machining are the technical abilities most lacking in the workforce. Data analysis, science, engineering, medical, and finance are other areas seeing a shortage of qualified workers. Getting workers ready for Industry 4.0 is another area where collaboration between unions and companies has an advantage.



COLLABORATING FOR RECRUITMENT AND TRAINING

Not only do unions see less turnover in their workforce, but unions can also help with recruiting workers. This can save a company hefty recruiting costs. As for that shortage of skilled labor—unions can help with that as well. Unions are in a unique position to train their members in new skill sets easier and more economically than individual companies can.

In Singapore, the Industrial & Services Employees Union worked with their unionized companies to set up Company Training Centers. The companies benefit by keeping their workers' skills current, and the workers get better wages and better job prospects.

Here in the US, Sikorsky Aircraft, located in Stratford, Connecticut, and the Teamsters union have partnered to train future aerospace employees. This partnership has resulted in a Department of Labor certified pre-apprenticeship program for high school students.

In a report in the Hartford Courant, Rocco Calo, secretary-treasurer of Teamsters Local 1150, said, "It's recognizing a credential. Not just at Sikorsky, but anyone in the supply chain, too."

Sikorsky and the union work together to recruit students at vocational and high schools. The seed is planted during students' sophomore years; then, during their junior year, they are invited to tour Sikorsky's plant.

It's clear this program was put together by people who understand what it takes to be an aerospace engineer. While the criteria to participate includes grades, attendance, attitude, and community service, grades are the least important. The Courant article states that is because master mechanics may not test well, but they can tear an engine apart and build it up with their eyes closed.

Getting youth interested in a career in manufacturing is one thing, but keeping them there is another. This new generation has different priorities than those who came before them.

COLLABORATING TO FULFILL THE WISHES OF A NEW GENERATION

As you work together to recruit new workers, both unions and companies must adapt to the wishes of a younger workforce. Yes, they are still interested in monetary compensation, but they have other priorities that rank just as high as wages.

This new generation is empathetic to the needs of others. They are demanding non-discriminating hiring practices and equal opportunity for all when it comes to advancement. Millennials and Gen Z expect to have access to comprehensive training programs that provide an upwardly mobile career path.

These new generations don't just want a 401K; they want socially responsible retirement plans. They care how their money is invested and what types of companies it is invested with. They are also demanding access to opportunities traditionally only offered to management. Workers sitting in cubicles and on the plant floor want access to the same stock options and bonuses that are provided to the executive team.

As we move toward smart factories and safer factories, employees want a voice at the table when it comes to implementing new equipment and procedures. For example, autoworkers rebelled when the exoskeletons they were required to wear for safety ended up causing back problems.



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Today's workers won't settle for a management structure that mandates changes. They want to have a voice. That's not necessarily to say they want the final say in decisions. Still, they do want their opinions to be acknowledged and accounted for.

Implementations that management considers a safety measure and positive for employees may raise privacy concerns with workers. For example, a safety vest that monitors employee vital signs in the event of an emergency, or cameras equipped with sensors to alert employees when they are entering a hardhat area may cause concern.

These measures may be seen by management as positive steps taken to protect workers. However, the employee may want to know how the information is stored and protected against theft. They also want guarantees for how it is to be used. Not accommodating their need to know may result in pushback when trying to implement these measures.

Open lines of communication not only keep your workers happy, but collaboration can make your organization more efficient.

COLLABORATION BREEDS PRODUCTIVITY

In a seminal study of the relationship between management and unions on productivity, researchers Sandra E. Black and Lisa M. Lynch at MIT concluded that when both sides are in alignment when solving problems, the result is an increase in productivity. A productive factory is a competitive factory, and unions have just as much interest in creating efficiencies as the organization does.

When you work with unions in implementing new productivity measures, you find that you have more participation as they can act as agents of change. You don't have to convince each employee; you just have to convince the unions. They will then take on the job as agents of change to move the process forward.

A barrier to this success is when management resists the partnership with the unions. There can be many valid reasons for this resistance due to a history filled with strife. Still, if your unions have made the changes we talked about above, then you will likely be rewarded for extending an olive branch.

Another barrier to success is an organization's desire for control over everything or to have the last word. This isn't just about sitting at the table with unions when you make these decisions but working in the time that allows for employee feedback on new procedures. Black and Lynch's study also found that when part of employees' compensation is linked to firm performance, there is higher productivity.

Of course, a seat at the table and improved employee compensation structures can be implemented without the help of a union. But Black and Lynch found that unionized organizations that have adopted these new or "transformed" employee relations practices of joint decision making coupled with incentive-based compensation have higher productivity than other similar nonunion plants. At the same time, businesses that are unionized but rely on traditional labor-management relations have lower productivity.

In another study, this time out of the University of Melbourne, Carol Gill looked at the union's effect on the implementation of High Performance Work Practices (HPWP). Gill found evidence that supports the theory that unions have a positive impact on the success of the adoption of HPWP. A couple of ways unions can help is by capturing and disseminating information efficiently, and by providing a stable workforce.



TIMECLOCK PLUS'S **ROLE IN COLLABORATION**

While we cannot help you with many of these negotiations and changes, making you more efficient is our goal. TimeClock Plus is about freeing up resources so your people can focus on their core competencies. Essentially, we give you back your time and help you make sure your employees are paid for theirs.

Whether your operation is large or small, TimeClock Plus can equip your organization with complete and scalable solutions needed to effectively manage your labor costs, increase productivity, and mitigate labor regulation non-compliance risk.

No matter how complicated your labor agreement is regarding compensation, we can help.

- ✓ Cost Codes
- ✓ Shift Differential processing
- ✓ Auto-calculate OT or DT
- ✓ Manage the prevailing rate for government contracts
- ✓ Job Costing

Our system is designed to accommodate just about any labor agreement. However, we will make sure that your specific requirements can be implemented through our system before you invest. Our sales team will analyze your agreement. If we are not the right fit for you, we'll tell you.

WHY TIMECLOCK PLUS?

TimeClock Plus paves the way for industry standards by creating a more workable, friendly solution to solve timekeeping challenges and ensure compliance. With over 30 years of experience in the development of timekeeping services and solutions, TimeClock Plus creates and organizes one of the most effective, almost every need imaginable, along with configurable options of our software, TimeClock Plus is able to meet all of your needs and exceed your expectations. Paired with a support team that is always ready and available to assist you and your company, TimeClock Plus offers a simpler, more human solution to an everyday problem.

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