

DISCUSSION PAPER #2008-02

Title: Will the Unionized Workplace
Attract and Retain New Talent?

Author: Ken Kaiser, MBA, CHRP
Faculty, School of Business
British Columbia Institute of Technology
Principal, Ken Kaiser and Associates
kaiser@kkassociates.com

Published: June 2008

WILL THE UNIONIZED WORKPLACE ATTRACT AND RETAIN NEW TALENT?

Ken Kaiser is a faculty member in the School of Business at the British Columbia Institute of Technology, where he teaches in the Human Resource Management Program. Mr. Kaiser also manages a human resource and labour relations practice in Burnaby, B.C. He is a Certified Human Resource Professional and a member of the British Columbia Human Resources Management Association and the British Columbia Industrial Relations Association.

INTRODUCTION

Employers are struggling to attract and retain younger professional employees, many of whom resist joining or are prepared to leave organizations that are not capable or willing to embrace their workplace values and beliefs.

The research is plentiful in describing how dramatically different the Gen X (ages 26-40 years) and Y (ages 16-25) cohorts view their role in approaching and shaping the workplace. These different values, combined with skill shortages in all occupations, have employers focused on strategies to attract and retain this demographic.

These employer strategies are carefully assessed by the current stream of post-secondary graduates, many of whom pore over the 'Best 50 Employer' magazine articles to see which organizations best meet their selection criteria. They know they are in a sellers' market. They interview the employer, not the other way around, and share their views about the employer community with their colleagues. Once hired, they monitor the internal workplace culture against their need for positive relationships, autonomy, mentoring, work-life balance, security, pay and the opportunity for advancement.

Do unionized organizations in British Columbia face a greater challenge in the task of attracting and retaining new post-secondary graduates? Does the often adversarial nature of the union-management relationship translate into a culture that is perceived as negative and inconsistent with Gen X-Y workplace values? To what extent does a perceived negative workplace culture affect their decision to join or stay? What can employers and unions do to reshape any negative perception that may exist?

These are questions I have posed in human resource management and labour relations classes in post-secondary institutions and with industry training workshop participants for several years.

When asked to characterize the term "union-management", students almost invariably choose descriptors such as "conflict," "politics," "us vs. them," "power," "strike," "grievances," "animosity," "dysfunctional," "distrust," and "hidden agendas." While not an accurate perception of relationships in many unionized organizations, these are views that are nevertheless consistently held by individuals with post-secondary training.

When graduates talk about their workplace preferences, they report they want to join organizations that present interesting work in addition to an environment that offers flexibility, challenge, autonomy, and advancement. They are prepared to resist workplace environments that are highly structured and rule-bound or that are filled with insecurity and conflict.

Given two equal employment opportunities, these graduates say they would prefer to join a non-union organization rather than a unionized counterpart. This is not because they are anti-union but rather because they perceive unionized organizations to be inefficient, rule-bound, and slow to change. They also believe such organizations divert disproportionate resources to adversarial processes. Furthermore, graduates are concerned potential work disruptions in the private sector will limit an employer's

ability to compete because strained relationships eventually translate into production inefficiencies and lost customers.

These Gen X and Y cohorts have grown up watching their parents being “downsized” in the workplace. Consequently, they know job security is no longer an automatic part of the employment bargain. This does not mean that job security is unimportant to Gen X-Y. To meet job security needs this generation adopts a self-management approach to career stability. This clearly implies moving from organization to organization to develop a career portfolio so that if and when the “pink slip” arrives there is more to the portfolio than only one or two jobs or employers. It is in this context that non-union organizations are perceived to present the best opportunities for career stability because of the positive workplace cultures they are perceived to have.

TWO HYPOTHESES FOR DISCUSSION

Are these sentiments and perceptions also held by senior management and union representatives? Do they agree this Gen X-Y demographic is targeting positive workplace cultures? Do these leaders see the same negative implications for attraction and retention that appear to flow from the perception unionized organizations are less preferred than non-union ones? Should these views from post-secondary graduates be given serious attention or do these values and beliefs merely represent the fleeting “talk” of a young generation? If we conclude these perceptions do in fact shape job and employer choices, what are the implications for the unionized sector facing fierce competition for talent?

To bring clarity to these questions, a series of face-to-face interviews were conducted with 12 senior individuals holding positions in the transportation, pulp and paper, and education sectors; in trade unions in both the private and public sectors; and in the adjudicative community.

The issues for discussion were framed in two hypotheses:

- (1) Given the workplace values held by post-secondary graduates in the 16-40 age group, does it follow that unionized organizations may not be perceived as preferred employers given their culture is incompatible with these values?
- (2) Are unionized organizations which place a priority on developing and maintaining positive union-management relationships more likely to create preferred workplace cultures and therefore more likely to attract and retain post-secondary graduates?

The interview format was unstructured, utilizing open-ended questions. The interviews uncovered differences of opinion but also common threads that warranted presenting these findings to a broader audience.

Participants were candid, pensive, reflective, and evaluative. Traditional union-management philosophies and politics were remarkably absent in the interviews. What stood out the most in these discussions was the genuine interest everyone showed in offering their perspective.

DO VALUES DICTATE CHOICE?

The first hypothesis, that unionized workplaces would be especially vulnerable to skill shortages since they are perceived as holding dysfunctional workplace cultures, received a varied response.

The following are anecdotal comments offered by interviewees:

All participants strongly acknowledged the workplace values held by Gen X-Y post-secondary graduates are indeed very different than those displayed by Boomers. With very few exceptions, all agreed with the earlier characterization of their workplace values. They added this workplace demographic is much more relationship centered than previous generations, noting that they are especially at ease in developing and maintaining relationships, and are averse to situations where relationships are undermined.

Many recognized the principle of culture and its impact on employment choices. Respect, dignity, fairness, and honesty were confirmed as important workplace values. Interviewees agreed this demographic displays a low tolerance for conflict, ambiguity, and politics, especially when these conditions represent obstacles to personal contribution and advancement. In this context, one interviewee reported the first hypothesis would have made no sense to him three years ago, but reflected that both his daughters had recently left their chosen careers, each requiring post graduate training, over the bickering, politics, and (strike-prone) insecurity of their former unionized environments.

Some felt these “new” workplace values and beliefs will eventually be refined by the rigours and discipline of the “real” or traditional workplace. They further posited culture always outweighs individual influence, not the other way around. They suggested new graduates will eventually mature as they did, especially when their formal training becomes dated. Both factors would tend to lessen any differentiation between union and non-union workplaces.

There was also recognition that skill shortages in unionized organizations will be influenced as much by occupation, training, geography, and business conditions as they may be by perceptions of organizational culture.

Again, in the context of skill shortages, some felt post-secondary graduates may well hold the values reported but they also represent a minority of people working in many organizations. The resistance to rules, conflict, and dysfunctional cultures may not be shared by all Gen X-Y employees in unionized organizations, especially those without post-secondary training who are attracted to traditional job security as defined in bargaining units.

On balance, however, there was strong support for the idea skill shortages and demographic preferences will create a competition for talent for those employers who require employees with post-secondary training. However, there was not complete acceptance for the first hypothesis that unionized workplaces will find it more difficult to attract and retain post-secondary than their non-union counterparts.

DO RELATIONSHIPS INFLUENCE CHOICE?

The second hypothesis questioned whether unionized organizations that placed a high value on developing and maintaining positive union-management relationships were more likely to create preferred workplace cultures - and therefore obtain a greater capacity to attract and retain post-secondary graduates.

Many participants felt the state of union-management relationships, or the level of trust between union and employer representatives, impacts the workplace and the success of the organization well beyond the issues of attraction and retention. They were forthright in saying trusting relationships between union and management representatives were the key to meeting the important goals of efficiency, reduced accidents and absenteeism, and profitability. One interviewee asserted positive union-management and employee relations was the key to their survival, ranking higher than any other strategic initiative.

Several industry and union leaders interviewed felt the emphasis on positive union-management relationships is not necessarily a topic for discussion solely between the “parties.” They report employees at all levels are seen as increasingly uncomfortable with the inefficiencies and poor morale created when union-management relationships go sour, especially when these outcomes are ignored by employer and union leaders.

Interviewees were quick to acknowledge the workforce is better informed and “see” the effect relationships can have on their own livelihood. At the ground level, one employer representative reported some local union presidents have demanded their business agents spend more time thinking about how to make the business more successful rather than spending time on chronic under performers and costly arbitrations.

An interesting perspective shared by many was a view the parties are tired of the traditional adversarial grind; a process that has in many circumstances produced an unacceptable allocation of human resources, adjudicative costs, and relationship damage. Neither party wants disputes, Labour Board appearances, or arbitrations. One employer participant mentioned years ago the number of grievances outstanding was seen as measure of vigilant and effective employee relations. Such a condition is now viewed as the mismanagement of obligations and evidence of a strained relationship. As another interviewee put it, years ago we could adopt a tough bargaining mandate and adhere to it no matter what. Now the objective is get the same deal but do not impair the relationship along the way.

In conclusion, improving union-management relationships as a strategic initiative to elevate attraction and retention success in unionized environments was generally confirmed by all participants. The question raised by the second hypothesis was whether these relationships influence the choice or cause post-secondary entrants to join or leave. An affirmation was clearly the sense. Frankly, the specific question raised by the second hypothesis was somewhat dwarfed by an overriding belief that the state of union-management relationships goes well beyond finding and keeping professional employees; the state of these relationships impact productivity, quality, safety, profits, and in the eyes of some, survival itself.

ROADMAP PERSPECTIVES

An unanticipated product of the discussions around the second hypothesis was a participant focus on strategies for changing impaired relationships. How is it some succeed and others struggle? Why do relationship dynamics tend not to improve until the parties are faced with crisis? If there is a real desire for change, who should lead and who should follow? While unintended, it would be a loss to this enquiry if the seasoned responses to these questions were not reported. These views represent for many a “roadmap” perspective on how relationship change can or does occur.

It was of interest to note the word “trust” was frequently used as the standard for positive union-management relationships. All interviewees held a steadfast belief that successful union-management relationships frequently exist because of a trust relationship between one union and one management individual. These one on one relationships are closely guarded, but also vulnerable to the advocacy orientation of the adversarial model. Retirement, promotion, and resignations were seen as the most significant threats since these events separated individuals from trusting relationships that may have taken years to develop.

Participants also acknowledged two key players may draw on their relationship to resolve difficult issues. However, the idea of creating a broad culture that envisions a union-management partnership focused on genuine problem solving and business

success is much more evasive. One of the most critical elements for success is support or alignment, in some cases direction, from senior management and union officials.

For employers who have their hands on the wheel, this support is absolutely critical, especially for the champions down the line. Participants were frank in saying real change and improvement in union-management relationships will not manifest themselves in day-to-day interactions without firm direction, encouragement, and support from the very top.

When asked why change can be difficult, many said the relationship hurdle is twofold. As outlined above the first step is giving value to the importance of trusting relationships. Second is recognizing many leaders in management and on the union side do not know or understand the art of relationship building. When pressed to engage in developing relationships, they are often insecure, and the last thing they are going to do is reveal their lack of confidence or know-how.

The result is employer and union leaders may avoid risk by conjuring up reasons why they should be tough or enforce the status quo. As one put it, the easiest management or union response in the workplace is to say "No". Saying "No" is conveniently effective when the motivation is to keep the status quo, avoid problem solving, or to show who is in charge.

In spite of these drawbacks, it was uniformly recognized supervisors and shop stewards in single departments or work groups will independently develop proactive union-management relationships without senior management or union support, but these situations generally do not serve as learning points for the rest of the organization. They do, however, attest to the power of relationships and how they can flourish independent from an otherwise adversarial culture.

In terms of a roadmap all agreed that open disclosure at the senior union-management level was the critical first step. Employee participation was viewed as a hollow gesture without full and genuine disclosure of competitive circumstances. More and frequent information was then seen to lead to increased understanding and a willingness to move from advocacy to problem solving.

One participant mentioned their organization was making available outside resources to provide employees more information and ideas to either do, or analyze their jobs more effectively. Another organization has engaged local union representatives in ongoing problem solving discussions at the shop floor level, in some cases with paid time. Business and financial statement training is being offered to bargaining unit employees at another operation. The bottom line sentiment is that disclosure has to be something more than what is revealed every three years at the bargaining table; it's a strategic free flow of operational information that is shared as a means of problem analysis and increasing the understanding of how the stakeholders can work together.

While the parties agreed the employer takes the lead, many were quick to acknowledge unions are often more advanced and pro-active than employers when it comes to improving workplace relationships. In a sense they are good at it. They are immersed in problem solving and advocacy at every turn. It also serves their purpose as it potentially brings more influence their way and it reduces their adjudicative workload.

Finally, there was a perspective offered that adversarial union-management relationships are what we know, come to expect, and have learned to manage. Those holding this view suggest strategic initiatives to change impoverished union-management relationships will have limited result because of the adversarial design and behaviours that flow from the *Code*.

SUMMARY OF FINDINGS

The background to this study is the present and future skill shortages that are imposing significant challenges to employers' capacity to attract and retain top talent. This condition was posited against the workplace values of the post-secondary trained Gen X-Y cohort. Two hypotheses were then formed to answer whether or not unionized organizations, in particular, would find it a greater challenge to attract and retain this demographic over their non-union counterparts.

A summary of the findings is as follows:

It is my view post-secondary graduates hold views of the workplace that are dramatically different than the boomer generation. Their core workplace preference is advancement. Money is in close competition but the opportunity to build a career portfolio often rises to the top. Their workplace environment or culture is also given considerable weight.

Cultures which are dysfunctional, rule bound, or political present obstacles to career advancement. Many in the 26-40 age range have experienced the loss of divorce and the pain of seeing the careers of their parents severed. In lieu of traditional job and career security their strategy is to build self-managed career portfolios. Interesting and challenging work is the proving ground. Positive workplace cultures are the preferred vehicles.

Given this different set of needs and preferences, the first hypothesis asked whether unionized organizations might face a more difficult task, given increasing skill shortages, of attracting and retaining post secondary graduates. With the often unfavourable perception of relationships in unionized environments, would these perceptions be of sufficient importance to dissuade graduates from joining a unionized employer? Based on interviews with senior employer and union representatives, this hypothesis received moderate support.

The second hypothesis asked whether unionized organizations which enjoyed successful union-management relationships were more likely to create preferred workplace cultures, and therefore acquire a greater capacity to attract and retain post secondary graduates. This hypothesis received substantial support. Successful union-management relationships and indeed first class employee-employer relationships, were viewed by most as critical vehicles to organizational success. While participants acknowledged pro-active relationship management impacted culture and improved one's ability to attract and retain, the rationale for a placing emphasis on workplace relationships was organizational effectiveness, in all its manifestations, which for some translated into survival.

The interviews produced insight and opinion on relationship success and roadblocks. There was enthusiastic interest but less agreement concerning the best way to change adversarial or dysfunctional workplace dynamics in the unionized workplace. Open disclosure, trust, leadership, and providing resources were all viewed by all as critical. Less evident was a roadmap employers, unions, and employees could rely upon. There was uniform recognition many trusting relationships turn on the open disclosure, understanding, and trust between two key players. When this relationship was removed through personnel changes, there was a concern about whether the broader relationship would flourish or deteriorate. And in some there was doubt whether it was possible to overcome traditional behaviours that reinforce the adversarial makeup of the unionized environment.

CONCLUSIONS

My conclusions embrace many of the observations made by the Gen X-Y post-secondary graduates and the employers and unions who will engage them:

This Gen X-Y stream of talent sees the workplace as a proving ground. For the reasons canvassed earlier I am of the view that both union and non-union workplaces that hold a perceived adversarial culture are at a disadvantage in competing for these trained professionals.

My interactions with post-secondary graduates reveal a relationship-centered generation which is averse to antagonism as a steady diet. They appreciate union-management relationships can have a positive or negative impact on defining culture. They are quick to identify organizations with long standing union-management conflict, and acknowledge changing these dynamics is not easy. I believe they will evaluate their employment choices against these beliefs.

I concur with our interviewees that unionized organizations that enjoy “positive” working relationships with their unions and employees stand a much better chance of competing not just for talent but for achieving greater efficiency and productivity. In a sense this area was both the most uniform and important outcome of the study. If we were to say relationships impact everything, there is no disagreement here with our employer and union leaders.

Again I side with the views of our interviewees who say improvement strategies are best realized by setting the mandate at the top. Moving against culture is difficult. Notwithstanding, all confirmed examples where two key players have through their own relationship shaped trusting and dynamic union-management relationships with one another and within their own work group.

Even so, there remains a level of doubt as to whether adversarial workplace dynamics can, and even should, be changed. On this point, I do not believe we have a choice. In the context of the hypotheses put forward in this paper, this talent cohort is evaluative by nature. They are comparison shoppers born out of a time of unprecedented growth and good fortune. In light of increasing skill shortages, the evidence suggests many employers are evaluating and reshaping their culture, workplace practices, and organizational design to attract and retain this demographic. It follows employers must address the state of their union-management relationships if they are impaired.

SOME FINAL THOUGHTS ON RELATIONSHIP CHANGE

Given that this topic dominated interviews, I felt sharing the views, perspectives, and ideas on how to obtain relationship change would be an important final comment.

There was a realistic view the parties need to accept one another’s mandate. For the union, it is the recognition of their role to represent and to influence outcomes. For the employer, it is the recognition of their need to obtain productivity and efficiency.

In my view, traditional advocacy interactions (grievances, arbitrations, collective bargaining) are necessary but do not generate the type of behaviours needed to form and sustain trusting relationships. These interactions may be profound areas of debate or precedent but do nothing for respect, integrity, efficiency, and profitability. The parties need to focus as well on problem solving interactions in areas such as training, innovation, and attraction and retention, where disclosure and understanding can flourish.

There was complete acceptance for the view genuine exchanges over time build an understanding of what each party needs to maintain respect and integrity.

Understanding eventually cultivates a trust relationship, which is a powerful instrument for change and well-being.

There was recognition the employer leads change initially and the union follows. In some cases, the union provides the leadership. The union in particular, reflected in its leadership and members, is an immense source of good will, guidance, know-how, and support.

And while shared by some, my view is next to trusting relationships culture is the most powerful source of change and momentum. Culture change is driven from the top. Leaders must communicate clear expectations and provide generous support. The employer must accept risk and be prepared for mistakes; the union must in some cases accept more risk and accept employer mistakes.

I believe many employers and their unions are quietly practicing these strategies and reaping enormous benefits. They openly admit they have set backs. If post-secondary trained individuals utilize perceptions to make employment choices, or pursue a career path, these employers and their unions will be more aligned to the talent marketplace.

I also believe employers and unions in BC are more open than ever before to the idea of changing workplace dynamics and productivity. This openness was demonstrated by the interviewees, those members of the BC labour relations community who came forward so freely at my invitation and who offered their candid views and insights on this topic.

ACKNOWLEDGEMENTS

Many thanks to all the interviewees for their time and insight and to Peter Seidl, my colleague at the British Columbia Institute of Technology, for his review of this paper.