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Cori McNeilus  
*University of Northern Iowa*

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# Labor Unions: A Part of our Past or Future?

by Cori McNeilus

In the past two decades unions have fallen upon hard times. Although the total labor force has been increasing since 1970, the number of union members in 1988 (17 million) (Bauman 1989, p. 4) is below the 1970 level of 21.4 million (Kovach 1985, p. 850). The percentage of the work force in labor unions has fallen from a high of 42 percent in 1954 (Carrel 1989, p. 545) to 16.8 percent in 1988 (Bauman 1989, p. 4). Furthermore, the percentage of workers belonging to unions is expected to decline to 10 percent by 1995 (Taylor, 1989, p. 31).

Several factors have contributed to the decline of labor unions. They include the shift from blue-collar industry dominance to white collar service industry dominance; increased foreign competition; the increased number and percentage of women and minorities in the work force; increased government and management power over unions; and the decreased effectiveness of union leadership. As a result of these factors, union membership has fallen and the economic power and political influence of organized labor has been drastically reduced.

## Industry Changes

In recent years, the composition of available jobs in the United States has been changing as a shift has occurred from a predominately manufacturing-oriented economy to a service-oriented economy. Currently, U.S. manufacturing employs approximately 40.5 million workers as compared to approximately 69.5 million workers in wholesale, retail trade and service industries (Bauman 1989, p. 7). It is predicted that there will be no net increase in manufacturing jobs in the next ten years (Willis 1988, p. 14). As a result, manufacturing's contribution to Gross National Product will be less than 17 percent by the year 2000 (Willis 1988, p. 14) as compared to 25 percent in 1970 and 18 percent in 1987 (Economic Report of the President 1989, p. 320). The number of manufacturing employees who are unionized has been falling both proportionately and absolutely. In 1961, 73 percent of blue collar industry was unionized compared to 51 percent in 1984 (Carrel 1989, p. 521).

Historically, service and white collar workers have not been as receptive to unions as manufacturing employees. Of all the service and white collar workers in the work force only 10 percent are unionized (Taylor, 1989, p. 31). This is a frightening figure for unions since the AFL-CIO's Committee on the Evolution of the Workforce predicted in 1985 that by 1995, 75 percent of all workers will be in the service industries (Carrel 1989, p. 545). In order to increase membership, union leaders must unionize white collar and high tech sectors.

### **Global Changes**

In an increasingly global economy, U.S. industry is confronted with increased foreign competition. Increased consumer preference for foreign goods has led U.S. industry to make several efforts to lower costs. Some companies have moved plants to the Sun Belt states where there is more anti-union sentiment and more right-to-work legislation. Lower labor costs in these nonunion areas allow companies an improved chance to compete with foreign goods.

Some business enterprises are also becoming multinational in an effort to find lower labor costs. Traditional union bargaining techniques fail to work against multinational corporations. For instance, if the workers strike, the company can transfer production to a division in another country, thus broadening the company's power base.

Another global change affecting unions has been the increased growth of foreign companies producing in the United States. Japanese automakers Nissan and Toyota, for example, both have production facilities in the nonunion South. Unions failed to organize Nissan in Tennessee in July 1989 after trying for the previous six years. This failure was partially blamed on the fact that Nissan workers earn wages and benefits similar to union workers and have not been laid off for the past ten years (Taylor 1989, p. 31).

### **Demographic Changes**

Union membership has also fallen victim to changing demographics. It is predicted that between 1990 and the year 2000, 83 percent of new workers will fall into the overlapping categories of women, minority groups, and immigrants. In 1960, 30 percent of all adult females worked compared to over 50 percent in 1985 (Craver 1985, p. 211). As female participation as a percentage of the labor force increases, the problem of organizing women arises for unions since unionized women workers were only from 13 to 16 percent of the labor

force between 1978 and 1985. This is compared to 28 percent for men during this same time period (Kovach 1985, p. 852).

A large proportion of women workers are located in administrative, service, and high-tech fields that have not historically been organized by unions. Many women also work part-time, temporarily, or change jobs more often than men and therefore do not view unions as helping them in the long run. In addition, many women want child care and job training rather than traditional union wage increases and job security. These factors may explain why women, an increasing percentage of the work force, are not highly unionized.

Minorities and immigrants, on the other hand, may resist unionization because they fear it will cost them their jobs. Faced with cultural obstacles, less education on average, and English as a second language, immigrants often simply want to have job security. Paradoxically, this group strongly resembles the groups which fostered the birth of unionism. On the positive side, minorities and immigrants desire job training to enhance their job security (Willis 1988, p. 15), a situation which provides unions with an opportunity to increase their influence.

### **Unions' Failure to Adapt**

Today's workers tend to want different forms of compensation than their earlier counterparts did. Previous union gains in wages and job security enable today's young, better educated workers to seek additional fringe benefits, personal satisfaction, and improved work environments. However, this has not been accompanied by a change in union leadership rhetoric and ideology which is still rooted in industrial tenets (Day 1989, p. 19). Many union leaders are still using organizing techniques of the 1930s and 1940s designed for blue collar workers. The majority of today's union leaders also seem to lack the drive and enthusiasm to get workers to participate. This may be due to leaders viewing their positions as simply jobs rather than causes for which to fight (Kovach 1985, p. 855). The result has been leaders losing contact with both existing and potential members and unions striving for survival as a business rather than as a means of protecting workers (Oliver 1989). This lack of responsiveness to a changing environment has resulted in lack of appropriate union organization, lack of a united front, outdated ideas, and shortsightedness.

Perhaps this less than stellar leadership has contributed to the weakened public image of unions. Since 1957, the Gallup Poll's public approval rating of labor unions has fallen from 76 percent to about 55 percent in 1988 (Willis 1988, p. 14). This is partially due to young

workers who view many of the traditional leaders as unorganized, arrogant, and unresponsive to their needs. Also, some people blame union demands for the decline in the manufacturing industry. Indeed, according to Craver, the expensive wage contracts prior to the 1981-82 recession may have been part of the cause of the recession (1985, p. 211).

Another aspect of unions' declining public image has been evidence of some unethical union leadership and several widely publicized instances of corruption. Former Teamster president Jackie Presser was indicted in 1988 for racketeering and embezzlement. In August 1988, fourteen New Jersey union officials were charged with labor racketeering, conspiracy, and bribery in connection with the construction industry. More than \$147,000 was allegedly used for bribery purposes (ENR August 1988, p. 13). In another case, Robert Holmes, a top Michigan Teamsters official who retired due to a racketeering lawsuit, will still receive an annual pension of \$205,964 (Lippert 1989, p. 3A).

### **Management and Public Policy Changes**

As a general rule, management today is more conscious of safety and health issues and is therefore more responsive to the needs of the worker than during the formative period of unions. Today, many companies have fair grievance procedures, a pleasant work environment, valid performance reviews for merit raises, and improved communication between management and workers (Carrel 1989, p. 545). Combined with unions' previous successes in changing laws, many of the improvements that unions traditionally fought for are now realities. These successes include child labor laws, social security benefits, unemployment compensation, health insurance, pension plans, minimum wage laws, occupational health and safety regulations, and equal employment opportunities. As a consequence, it might be argued that government, rather than the unions, is performing the function of protecting workers rather than the unions (Oliver 1989).

Another example of decreased union power is the increased use by management of anti-union consultants. Hired to instruct management on how to avoid unionization, consultants sometimes recommend unlawful techniques. In recent years the cost for management of unfair labor practice suits has been in many cases less than the cost of unionization. In 1970, approximately 4,000 workers were unlawfully discharged. In 1980 over 10,000 workers were unlawfully fired. Even when the companies were ordered to reinstate the workers, only 40

percent of the workers accepted, and of those 80 percent left within two years (Craver 1985, p. 214).

Also contributing to the erosion of union power during the 1980s was the fact that many of the agencies administering the National Labor Relations Act and the Labor-Management Relations Act were faced with cuts in budgets and in the number of enforcement personnel. This decreased the number of unfair labor practice cases that were heard by these agencies. Also, several Reagan appointees to these agencies took a more pro-management stance and in some cases reversed previous long-standing decisions. According to recent rulings, if a company files a bankruptcy petition, it can break its union contract and demand concessions if done in good faith. In addition, the National Labor Relations Board reversed the 1984 Milwaukee Spring Decision II case and stated that a company can transfer production to a nonunion plant during the life of a contract if it is done for financial reasons and not anti-union reasons (Kovach 1985, p. 853).

### **Conclusion**

In 1981 Reagan fired the striking members of the Professional Air Traffic Controllers Union. In the midst of the 1982 recession, the United Auto Workers agreed to \$3 billion in wage concessions rather than lose their jobs. During this same period union contract wage increases in general fell from 6.6 percent in 1982 to 2.8 percent in 1984 (Kovach 1985, p. 854). In 1989 the Eastern Airlines strike was followed by the company declaring bankruptcy. Twenty thousand union members lost their jobs. During all of these events, public support was not on the side of the unions. Altogether these events suggest the loss of union power regardless of the environment in which they happened.

As the nation enters a new decade, labor unions must look forward and adapt to changes rather than try to fit new people, ideas, and demands into traditional molds. Unions could serve a vital interest in representing workers and acting as a buffer between employees and management, but they must be flexible. One possibility would be for unions to strive for global unionization. Unions might try to develop ways to protect workers who are displaced due to cheaper foreign workers or focus on ways to retrain those who are in a changing work climate. Also, unions might work harder to create child care facilities and flex-time benefits.

Rather than a confrontational role, unions should strive toward participative management and enhancing the partnership between workers and owners. This new cooperative role could assist busi-

nesses in maintaining a competitive edge and workers in maintaining job security. Union-inspired employee involvement in daily decision-making would help to increase worker self-esteem and productivity through job enrichment (Craver 1985, p. 218).

Although unions may seem unresponsive to a changing work environment, they are not oblivious to the challenges facing them. Changing their modes of thinking may take time but unions are already making progress in certain segments of the workforce. For example, between 1987 and 1988, the International Union of Electronic Workers has won over 80 percent of its organizing campaigns as compared to the national average of 40 percent (Verespej 1988, p. 57). This trend could continue if unions adapt to changes in demographics, increased foreign competition, the shift to service industries, and to today's tougher legal and regulatory environment. They must change their ineffective leadership, work to improve the public perception of unions, and begin to work more effectively with a more responsive management. The 21st century could hold a promising new role for unions.

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