

Unions Making a Difference for Business

Unions are an essential part of a strong democracy and play a crucial role in America's public and community life. Not only do they give workers a voice on the job and help negotiate fair benefits and wages for their members, but they also use their political and economic resources to raise the floor for everyone who works for a living.

Unions, by fighting for higher standards for workers, businesses, families, the environment, and public health and safety, have helped to build the middle class and make sure the economy works for everyone.

A union presence can have significant benefits for business. As CEO Bill Zahner, of architectural metal company A. Zahner, put it, "I know that working with the union can save dollars and get me the most talented work." Unions not only make workplaces safer and more productive, but also raise professional standards and work with management to keep companies in business. Unions:

Make the workplace more productive. Across the economy, unions raise productivity by 19% to 24% in manufacturing, 16% in hospitals, and between 17% and 38% in the construction sector.¹

Partner with companies to increase efficiency and productivity.

- Since its workers organized in 1995, specialty rose producer Jackson & Perkins has seen an increase in productivity and a decrease in tardiness and absenteeism.
- The International Association of Machinists partnered with Harley-Davidson Motor Company to create a High Performance Work Organization, in which workers and managers shared ideas about how to increase both the safety and productivity of factory tasks.
- Through solutions adopted by labor-management committees, waiting periods for emergency room radiology services have fallen by 40% at Maimonides Medical Center.

Make workplaces safer. Union workers are often better trained on health and safety rules and union workplaces are more likely to enforce Occupational Safety and Health Administration (OSHA) standards.²

- In 2003 Alabama Power and the International Brotherhood of Electrical Workers (IBEW) partnered to create a safety program called Target Zero. Since the program's introduction, Alabama Power's reportable accidents have nosedived from 500 to 50 per year.

Work with management to keep businesses up and running.

- In the mid-1990s, the North Philadelphia Health System experienced an economic downturn and nearly had to close its doors. Unions stepped in and helped secure the money and political backing needed to keep the facilities open.
- In 1994, the IUE (along with the Steel Valley Authority) worked with the General Cable Company in Pennsylvania to save a plant from closure. Since, General Cable has thrived, and this facility was recognized as one of North America's "Best Plants" by Industry Week.³
- A partnership with its unions helped propel Harley-Davidson Motor Company back to success after being on the brink of bankruptcy. By working together with its employees and their unions, Harley-Davidson was able stay in business and keep jobs in the United States.

Decrease turnover. Because unions improve communication in the workplace, workers can improve their situation without leaving, and unionized plants have less turnover.⁴

- After a labor-management partnership was established at SCA Tissue North America, the employee turnover rate decreased by 29% in one of its high turnover locations.
- Turnover decreased 20% during the first year of the union contract at Brightside Academy, an early education provider.

Raise professional standards and increase opportunities for worker training.

Workplaces with unions are more likely to offer formal training,⁵ and many unions operate their own training programs.

- Dwayne McAninch, CEO and Chairman of McAninch Corporation, recognizes the value union labor brings to the company because, “they do an excellent job of training, testing, and certifying their members... We have high standards and so do they...”

1. 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

2. David Weil, "Enforcing OSHA: The Role of Labor Unions," *Industrial Relations* 30.1 (1991): 20-36.

3. Thomas Croft, "Saving Jobs and Investing in Labor's Future: The Steel Valley Authority," *Perspectives on Work*, Summer 2004.

4. Belman; Harley Shaiken, “The High Road to a Competitive Economy: A Labor Law Strategy,” *Center for American Progress*, June 25, 2004, pp. 7-8.

5. Harley J. Frazis, Diane E. Herz, and Michael W. Horrigan, “Employer-Provided Training: Results from a New Survey,” *Monthly Labor Review* 3–17; May 1995.