

**Ken Moore Associates Presents**

**Commentary**

**Why I Am Against The Employee Free Choice Act**

**I am opposed to the passage of the Employee Free Choice Act for the following reason:**

**Unions have not demonstrated that their presence adds value to my business model, benefits to my customers and clients who keep me in business, and sustains competitive advantage in a vastly uneven global playing field.**

**Consider these issues:**

**1. Unions are unable to stem the tide of, or capitalize on, global economic and cultural shifts.**

**The economy has become global in nature and technologically advanced with the advent of the Internet and its affiliated capabilities. A customer can buy an automobile built in the U.S. from a dozen manufacturers. This provides freedom of choice which is vital to our way of life. Companies such as Chrysler, Ford and GM must compete in a global marketplace against companies like Toyota, Daimler, Hyundai and Renault. Beer production in the US is dominated by three major breweries resulting in the consolidation of hundreds of smaller breweries that employed thousands of people, many of them unionized.**

**Culturally, research shows that today's Generation Y – those born after 1985 - is one that is constantly wired into the 24/7 world and is not likely to be constrained by a 3-year contract at 40 hours per week and where job behavior is restricted. They cherish their freedom to move about freely, develop their professional and social networks, pad their resume with additional skills, and participate in decision-making events. Employees are increasingly demanding that their employers provide a work environment that typically cannot be negotiated in a contract session. They do not look to the union to provide it. Rather, they look to the organization and to the community for these satisfiers. And, they are mobile enough to go to wherever it is provided.**

**2. The playing field is not level**

**At the end of World War II, the US had virtually no meaningful international competition. Europe and Japan were devastated by the effects of the war. We were free to establish our own economic rules without regard to external competitive pressures. Ford, GM and Chrysler competed against each other for automobile sales, Mobil Oil battled Texaco for gasoline, Holiday Inn and Sheraton competed for**

the motel/hotel business, and Boeing competed against Lockheed-Martin and McDonald-Douglas for commercial airplane sales. Then serious competition arrived.

European and Asian economies rebounded and began to challenge American superiority. Unfettered by American work rules, laws, and the so-called legacy costs, foreign operations were able to provide the same or better quality of goods and services as their American counterpart, but at a much lower cost per unit. American industry flocked to these off shore sites. Conversely, foreign companies began to invest in American industries by demanding conditions unheard of in American unions. And they got it from grateful communities and states eager for investments.

### **3. Unions are a victim of their own successes.**

Unions have successfully fought for fair wages, safer working conditions, health and pension benefits, and against child labor. As a result, the US government took over those causes and eliminated strong union bargaining tools. Aggressive legislation such as OSHA virtually eliminated safety issues as a material bargaining chip. The 1964 Civil Rights Act, subsequently amended to include strong enforcement measures, eliminated the need for unions to agitate against discriminatory practices. The Equal Pay Act attempts to achieve parity of equal pay for equal work between men and women. Employees who are affected by workplace issues now seek redress through the courts rather than the unions.

### **4. More intelligent and informed workforce.**

Employees have learned that unions do not have the power to deliver on their promises without jeopardizing the sustainability of the company and their jobs. They understand the complicity that unions have had in the wreckage of many vital industries in our society. More damaging, they see the unions' inability to stop or reverse the trend. Access to informational websites, blogs, media, and newsletters, etc. is available to anyone who wants it. For every argument in favor of a particular position, there are scores of sites for opposing arguments. Employees understand that the only legal power a union has over a company is the threat of withholding work, i.e. the strike. And that action ominously contains unacceptable risks of success and failure.

### **5. Abusive and exploitative owners and executives rarely exists.**

Government intervention has seen to much of this. Competition for talent has seen to the rest of it. The union's historic approach was to change the nature of executive power into one of a benevolent leadership where everyone wins. Unions provided effective checks and balances. Guess what? The unions succeeded beyond their wildest dreams. Management became smarter, more benevolent, more understanding of human capital and its value in business and society. Competition

**for talent is fierce. Companies who wish to hire the best and the brightest must prove to those applicants that they are worthy of the needs of the workforce as well as the needs of other stakeholders.**

**The Employee Free Choice Act is but one element in the union's efforts to retain relevancy in a fast changing and somewhat uncontrollable economic climate (see AIG, Citicorp, & General Motors). Job security can no longer be negotiated into a contract. It must be earned by smart leadership on all sides against brutal and unrelenting competitive and political pressure.**

**Unions must do everything in their power to avoid Pyrrhic victories. What good is a generous contract when the company is sliding into bankruptcy? Organizational leaders and owners do not need adversaries from their labor suppliers. They need help in solving very complex problems. If unions can provide that help, more companies would welcome their participation.**

**Word Count: 942**