



## Disgruntled & Disengaged Employees Will Want a Union

Recently there has been a lot of discussion about the Employee Free Choice Act (EFCA). It appears that the law will be debated this summer in Congress. If passed, the EFCA will change significantly the process of union recognition. Below is a summary of the main points:

- Eliminates Secret Ballot Election Requirement
- Requires “Card Check” recognition
- Much easier to organize - 50% + 1 signed card = Union
- Imposes substantial penalties (\$20,000!) for unfair labor practices
- Mandates interest arbitration on request
  - 90 days to negotiate
  - 30 days to mediate with FMCS
  - If no agreement: FMCS interest arbitration
  - Arbitrator decides terms and conditions
  - Two year automatic contract
  - No employee vote on contract

Regardless of what you think about unions, if you want to preserve your right to deal directly and individually with your employees you must be prepared to act proactively and lawfully. Regardless of what you believe about a union representing your employees, if people are disgruntled and disengaged your liable to get a union and you are losing money through lost productivity. If people are not fully engaged with your workplace practices, they will either leave, slow down (i.e. leave in place), or will want third party representation. Consider the following management practice research.

Recent research clearly shows that 22 percent of employees have left their jobs because of “poor relationships with their managers,” according to a survey of 1,308 people. In addition, 25 percent blame their departure on “ineffective leadership,” while 30 percent quit to pursue other opportunities because their jobs weren’t challenging their skills. Twenty-one percent said they jumped ship because their contributions weren’t appreciated. A glaring weakness - Nearly 60 percent of employees say they are not “fully engaged” in their work, causing a sharp decline in morale and productivity, and a corresponding rise in turnover.

On the flip side, a Watson-Wyatt study shows the growing respect for effective management practices by showing line managers, senior management, and investors the strong link between superior human-capital practices and increased shareholder value. Three key findings from the Watson-Wyatt HCI study can be used to make this case:

- **Superior management practices are leading--not lagging--indicators of financial performance.** This means that effective management practices drive positive business outcomes more than positive business outcomes lead to good management practices. Changes made now will help companies recover more quickly and emerge stronger when the economy rebounds.
- **Shareholder returns are three times higher at companies with superior management practices than at companies with weak practices.** During the boom years of the late 1990s, that difference was significant, but not nearly as large. It’s even more important to focus on human-capital superiority in tough times.
- **Not all practices are created equal.** Some create a lot of value. Others actually diminish it. Companies must examine programs and practices to ensure they are adding to shareholder value.

Communication is critical to maintaining a productive and engaged workforce. Here are the top five communication mistakes that managers make by Dana Bristol-Smith:

**Mistake #1** - Managers don’t explain **why** the situation is happening.

**Result** - This tells employees that they aren't valued or important enough to be given the whole story and can lead to distrust.

**Mistake #2** - Managers don't take into consideration and don't address how employees will feel about the change/situation.

**Result** - This can create resentment and lead to poor morale.

**Mistake #3** - Managers downplay sugar-coat or evade bad news so that employees really don't hear or understand its importance.

**Result** - This can lead to **big** surprises later.

**Mistake #4** - Because of their own anxiety, managers don't make eye contact.

**Result** - This can be interpreted as not telling the truth.

**Mistake #5** - If there is bad news, they send it via email instead of delivering it in person.

**Result** - Bad news becomes even worse because people feel their manager doesn't care about them. Email can be a very impersonal way to deliver important messages.

To keep employees engaged here are some suggestions:

- **Executive Buy-in:** without support from top management, any initiative is doomed
- **Publish, Post, Talk & Act:** get your messages out to people; be consistent. Then do something; don't just talk about it.
- **Supervisor Education & Supervisor Skills Workshops:** as you see from the above research, most people leave bosses, not companies. The most important link to keeping employees engaged is your supervisors.
- **Employee Education:** investing in your workforce is a sure way to keep them interested, engaged and a great way to boost productivity.
- **Carefully Select/Evaluate Supervisors:** in addition to investing in your supervisors skills, make sure you are clear about the competencies you need. Take time and spend the money to appropriately select supervisors. Next, evaluate their performance accordingly based on the competencies you have identified.
- **Talk About Change Early and Often:** when a change in the workplace is eminent, get out in front of the change and talk to your folks.
- **Competitive Wages/Benefits:** make sure your wages and benefits are in line with your industry and your business goals.
- **Give Employees a "Voice":** examples - Employee Communication Committees; routinely solicit and fix grievances; Employee surveys, interviews and fix the issues; Effective Open Door (Hotlines, Blogs)
- **Progressive Discipline Policy with Appeal Rights:** review your problem resolution practices and corrective action policies. Include a final appeal process to ensure due process.
- **Employee Recognition Programs:** develop recognition programs for employees; recognize and reward for the right reasons.
- **Orientation Program:** your on-boarding process should inform as well as help people succeed.
- **Employment Practices & Policies:** critically analyze your company policies and management practices for alignment; i.e., do you walk your talk consistently.
- **Create Many, Strong Bridges to the Community:** make sure the community know about you and knows what you are doing to support the community.

For additional information about the EFCA, workforce management or productivity give us a call.

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