**AFTER THE MERGER: D-BART INDUSTRIES**

**Scenario B**

**Graduate Team Handout**

Since the merger of Davis Manufacturing and Bartlund Technology, HR Director Wendy Wright has discovered significant differences in the management approaches of the divisions that were formerly two different companies. She has found it particularly challenging to align management practices in the unionized Davis facilities with the former non-union Bartlund facilities. Just when she thought she was starting to get a handle on it, Ted Davis called her with news of possible changes in the unionized Pocatello Division. She could tell just by the sound of his voice that he was delighted to report that Pocatello employees were talking about decertifying their union. Ted has been open about his intention to get the union out of all D-Bart facilities, and he believes that if one division decertifies, the rest will follow. He thinks Pocatello might be the first one.

Employees there have become polarized about the issue. There is a strong employee contingent that wants to decertify, while another equally strong contingent claims that Pocatello will never give up union representation. Everyone is talking, and rumors are everywhere. Those supporting decertification have spread the word that compensation and benefits are better at D-Bart’s non-unionized facilities. Although D-Bart has tried to discourage employees from talking about compensation, the conversations are not slowing down. Wendy suspects that Ted has encouraged this speculation, and she worries that his actions could lead D-Bart to allegations of unfair labor practices.

As if that wasn’t enough, several division managers have told Wendy that they see a serious level of discontent among former Bartlund employees, who were used to decentralized decision-making and a hands-off management style. In contrast to Bartlund, they see Ted Davis as rigid and controlling. They say his top-down management style is stifling creativity, and they are calling him “the general” behind his back. It has become especially hostile in Centralia, where employees are also concerned about layoffs and a possible plant shutdown. Centralia Division Manager Mary Haggerty called Wendy this morning to let her know that employees there are starting to talk about unionizing.

“Wendy, you’ve got to do something,” Mary said. “If Centralia votes to unionize, Ted Davis will be furious. It’ll cost us our jobs!” After much discussion, Mary and Wendy agreed that their top concern was keeping Ted happy, and that meant keeping the union out of Centralia.

With that in mind, Wendy has called in your team of labor relations consultants to advise her on D-Bart’s union issues. She has asked you to prepare a report that answers the following questions:

1. How should D-Bart address the labor issues occurring at the Pocatello and Centralia facilities?

2. What can D-Bart do to encourage a union-free workforce throughout the organization without engaging in unfair labor practices?

**AFTER THE MERGER: D-BART INDUSTRIES DEBRIEF  
Scenario B  
Graduate Teams**

**PLEASE NOTE: This page and the pages that follow must not be given to the graduate teams. This information is for judging purposes only.**

1. **How should D-Bart address the labor issues occurring at the Pocatello and Centralia facilities?**

Employers must remember that employees have the right to organize and bargain collectively with their employers. Employers must not engage in activities that appear to undermine employee rights. D-Bart must not interfere with either the decertification process that may occur in Pocatello or the possible union ratification in Centralia. There are some actions employers can take, however, even while allowing employees to exercise their rights under the National Labor Relations Act.

**Recommendations**

1. ***Develop a policy on unionization.***

The policy should:

* Remind employees of the company’s commitment to uphold the law and protect employees’ rights.
* Reiterate the company’s commitment to respect, dignity and equity to all employees.
* State that it is D-Bart’s desire to maintain direct and personal relationships with employees without the need for third-party intervention.
* Remind employees that D-Bart is not anti-union, but that D-Bart is pro-employee.

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| The following is a sample policy offered on the SHRM website regarding union avoidance (retrieved March 2, 2011, from www.shrm.org/TemplatesTools/Samples/Policies/Pages/UnionAvoidancePolicy.aspx).  ***Sample Union Avoidance Policy***  [Company Name] is committed to treating our employees with respect and dignity and providing them with excellent benefits, optimum working conditions and competitive wages. We understand that at times employees have concerns and suggestions for improvements. We encourage all employees to speak up and take advantage of the open-door policy our managers follow. We listen to our employees and take their comments seriously.  The direct personal relationship between our employees and their managers ensures the best environment to achieve our individual and company goals. We believe that a third-party influence would erode our established, successful employee-manager relationship. A union would not benefit our employees, our customers or our company. |

1. ***Educate employees about the effect of unionization.***

The communication must be honest and encourage open dialogue:

* Remind employees that they are free to join—or not to join—the union, but tell them that D-Bart hopes they will choose not to join.
* Remind them that the law protects their right not to join a union just as it protects their right to join.
* Remind them that they are not required to talk to union organizers.
* Educate employees about the cost of belonging to a union in terms of dues, initiation fees and assessments that may occur. Wherever possible, give employees specific examples from competitors in the local community.
* Compare wages and benefits of non-unionized companies with unionized companies, where wages are lower and benefits are less desirable.
* Inform employees about the union’s strike history, reminding them that a strike can result in lost wages without supplementation from unemployment insurance.

1. **What can D-Bart do to encourage a union-free workforce throughout the organization without engaging in unfair labor practices?**

To keep out unionizing activities, organizations must foster a climate that is supportive of employees. In an employee-friendly organization, there is no need for “anti-union” tactics because employees have little desire to unionize. Unfortunately, D-Bart is struggling with the aftermath of merging two diverse employee groups, and it may be some time before they achieve comfort level across the organization.

**Recommendations**

1. ***Monitor employee satisfaction***

D-Bart’s employees have been through significant changes since the merger. It is recommended that D-Bart engage an outside organizational development consultant to gauge the pulse of employees through brief surveys and interviews. Find out what it is employees dislike and take steps to correct problems and improve the workplace.

1. ***Train supervisors to effectively manage employees***

Establish guidelines. When dealing with union issues, be sure supervisors understand what they can and cannot do or say regarding employees’ rights to engage in union activities. Remind them that they represent the organization in their interactions with employees and train them how to respond properly.

In addition to ensuring that supervisors understand union issues, conduct management training for all supervisors and managers. Ensure they understand their responsibilities for employer/employee relationships in the organization and that they are skilled in all aspects of employee relations and performance management.

1. ***Ensure that discipline and enforcement of company policies is equitable across the organization.***

When policies and disciplinary procedures are inconsistent, management should expect issues with equity and employee morale. An organizational culture of respect and equity depends on consistency and cannot be achieved when policies are arbitrarily or haphazardly administered.

1. ***Ensure that wages, benefits and other working conditions are equitable or better than local standards.***

If it has been a while since D-Bart has conducted a salary survey in its local labor markets, it may be time to update compensation information with a current survey. D-Bart must ensure its rewards package is comparable to other organizations in its communities and in its industry. If rewards are not comparable to those offered by similar organizations, there will be employee discontent and loss of valuable talent.

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