



WHY YOU NEED RWP LEAD

# 12 IMPACTS OF A DIVIDED WORKPLACE



## Why You Need RWP LEAD

How often do we think about the actual cost when employees turn to a union for a sympathetic ear? When conflict arises, all companies hope that the issue would be brought to the appropriate leader, discussions would ensue, and a fair resolution would be reached.

When people are not heard, or no one takes the time to explain the “why” of a rational decision, the controversy may be taken to a third party—a union representative. Controversy is the fertilizer for union growth. Unions must have an adversary to exist. In reality, it is a parasitic relationship. The union must have the company continue to exist for it to survive, or it must go in search of another host.

Keep reading as we identify the full cost of unionization, and check out The Leader’s Challenge at [RWPLEAD.com](http://RWPLEAD.com). Register for our class scheduled for September 20–23rd, in Phoenix, AZ.



# Impact #1

Negative employee relations are costly. A telltale sign of this is the number of complaints increasing. The complaints will not only be internal, but will also include the EEOC, OSHA, DOL, and the NLRB.

These all carry an increased cost to investigate and respond. There are also accompanying legal fees incurred because of the complaints. All the time and money used to address these complaints are resources that are not invested in the employees or the company. In addition, the underlying issue(s) may not be addressed.



## Impact #2

You just discovered that you have more complaints, and they keep pouring in. Your attorney's fees are mounting with no end in sight. Now you need to look at your attendance, turnover, tardiness, worker's compensation claims, and short-term disability claims. You also may notice a decline in productivity.

You may start to identify some slight upward changes in the statistics for these areas. These are also indicators of an underlying problem that may be growing significantly. None of these changes add dollars to the bottom line, and they reduce the opportunity to pass dollars on to your employees.



# Impact #3

Now, the problems have continued to escalate to the point that you learn that employees are discussing issues with a union. Some employees have already signed a union authorization card. What is this going to cost on top of what you are already spending to deal with these issues?

Your leadership is going to require training on how to deal with a potential election campaign, and that training must be done quickly. You will need your outside counsel or consultants to administer the training. You have also confirmed that there is a decline in productivity. More dollars off the bottom line.



# Impact #4

With the organizational threat pending, you need to conduct a serious evaluation of your front-line leadership. Do they still see the business through the eyes of an hourly worker, or do they possess the level of business acumen needed to persuasively discuss the current circumstances with their employees? Do they grasp the significance of the current situation, and can they effectively communicate the concepts learned in their training?

The front-line supervisor can either be immensely helpful or equally damaging. If they are sympathetic to the union, you have lost the vote of that workgroup. For the front-line leader to be an exceptional advocate for the company, they must be aligned with the company values, understand the goals of the company, and be comfortable communicating the company's position while being compliant with all labor laws.



# Impact #5

The campaign is real. Now, you've received notice of an election from the NLRB. Notify your finance department to prepare for an electronic transfer of funds to your labor attorney and your labor consultants. You are going to need them immediately, since you are in a critical time-sensitive situation.

Do your HR and local leadership know how to manage this situation? If they are not fully prepared this late in the process, your company's chances of having a successful campaign are exceptionally low. Your chances of success would be like remodeling your house without the use of an architect or contractor. It always costs more and takes longer to repair the damage, than to do it correctly the first time.



## Impact #6

Now, the campaign for union representation is underway. You can expect the amount of grievances, complaints, EEOC charges, allegations of OSHA violations, and unfair labor practice charges filed with the NLRB are going to start rolling in. The union's objective is to keep management, HR, and Legal occupied, thus limiting their involvement in the union campaign while the cost continues to mount.

Do not let your leader's relationships with your employees decline to this level. To save money overall and to protect your company, you need to be proactive and invest in your leader's education and skills.



# Impact #7

The election was held, and you lost. Now you sit with your attorneys, exploring legal avenues to void the results of the election. You find none, so now you must strategize how to deal with your new business partner. You must prepare for and participate in contract negotiations. This will involve company leaders, lawyers, HR, and your employees participating on the union side. Congratulations, you are now paying all of these participants. It costs less to have positive employee relations.



## Impact #8

During contract negotiations, it is highly likely that the number of complaints, grievances, unfair labor practices, EEOC and OSHA charges will resume with the volumes increasing. It is a tactic of leverage used by the union to “encourage” you to make concessions at the bargaining table.

All the complaints, charges, grievances, etc. regardless of validity, must be investigated and a formal response tendered. You may have to hire extra staff to manage the volume, or outsource this harassment to a law firm or consultants. More \$\$\$ is lost in this process.



# Impact #9

Now you have a contract, and you have all your leadership trained. Have the costs stopped? No. You have not developed your contingency strike plan. The main leverage that a union has is a strike. If they utilize that weapon, what will be your response? You need to have a response well before you need it. And do not forget the extra security you will need in the event of violence.

This will cost more than just money. Your company reputation and customer relationships are on the line. It could take years to fully recover.



## Impact #10

The unfortunate reality is that once you finally negotiate a contract, the cost does not go away. The grievances and complaints do not magically end. The investigations and responses must be filed. Additionally, you must now pay for the cost of arbitration.

You must also train your leaders on the workplace rules that were agreed to in the contract. You must educate them on the new grievance process, and the role of the union steward. The work environment has significantly changed. This training and the new grievance process increase costs.



# Impact #11

Don't lose sight of your contingency strike plan, because the odds are fairly good that you'll need it. This is an extreme action that hurts all parties. The total impact can not be understated. Financially, it can be devastating for the company and the families of the employees. Relationships with customers and employees can be changed forever. This is survival mode!

The financial impact can be calculated and recorded on a P&L statement. It can take years to get back to the revenue you had achieved before the strike. A lot of companies never recover. The company is gone, the jobs are gone, and the union moves on to the next target.



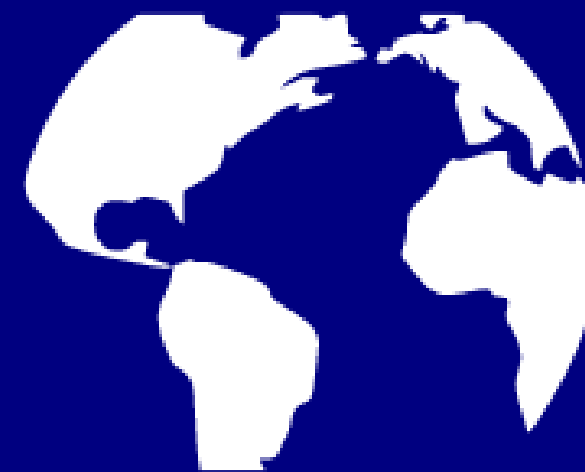
# Impact #12

We've just covered many costs that can occur when employee relations break down. But, we have not yet covered them all. What about the ongoing cost of reduced productivity? According to the Employment Policy Foundation, the unionized company's output per employee is 2.4% less than a non-union competitor.

According to the book "Union Proof – Creating Your Successful Union Free Strategy," author Peter J. Bergeron states that the operating cost of a unionized organization is estimated to be 25% – 35% higher than a union-free organization. Could your company withstand a 25%-35% increase in operating cost? Most companies can't, and history records that truth.

Is that a formula for business success? Lower production plus 25% – 35% increased cost = why so many unionized companies struggle to remain competitive. Which of course puts the employees job security at risk. Of course, the union never addresses that risk with a potential member.





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This is why you need RWP LEAD!

## **RWP LEAD – The Leader's Challenge**

Contact us to arrange an educational  
program for your company.

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