



Cornell's Center for Advanced Human Resource Studies

Targeted Benchmarking on Collective Bargaining & Positive Employee Relations Practices



CAHRS Partners have the opportunity to benchmark with other partner companies on HR topics of interest. The benchmarking is typically conducted with 5-7 other CAHRS Partners selected by the company that initiated the request. The CAHRS office identifies the appropriate connections at selected companies, and the benchmarking company then schedules 1:1 phone calls to explore their questions.

Examples of recent requests include: Sponsorship Initiatives, Organization Designs and Structures, Diversity Metrics, Talent Management Practices, Competency Models, and a variety of HR Policy Questions (e.g., Relocation, Cost of Living, Airline Mileage Usage).

CAHRS partners find this qualitative approach to benchmarking highly valuable for revealing novel insights and practices, as well as for building their networks. At the conclusion of the process, the benchmarking company shares an anonymized summary of its findings with the participating companies and CAHRS, who then make it available to all partners to benefit from the learning.



Executive Summary:

This report summarizes benchmarking information gathered from meetings with three CAHRS participating companies. Each company has been anonymized, Company A-C, in the report for confidentiality purposes. Subject matters discussed with participating CAHRS partners included: preparing for collective bargaining negotiations; collective bargaining negotiation best practices; positive employee relations program structures; and stakeholder accountability measures for enforcing positive employee relations ("PER") expectations.

Participating companies reviewed the initiating firm's new Labor and Employee Relations (LER) drafted bargaining resources/templates including its Responsible, Accountable, Consulted and Informed (RACI), bargaining task timeline and negotiations proposal tracker, confirming that their companies used similar resources to keep negotiation stakeholders organized and accountable. Notable variances were shared between companies on the subjects of collective bargaining agreement structures, first chair negotiator identities, bargaining start dates and formalized PER components.

Information gathered from companies will be used to make informed decisions about labor relations practices and strategies that best fit this partner company's needs.

Collective Bargaining Agreement Negotiation Practices

Feedback and best practices received from Companies A-C about collective bargaining agreement negotiations preparation and bargaining are included in this section.

Describe the company's collective bargaining negotiation preparation process.

Company A

- Company A starts the bargaining negotiation preparation process two years out for CBAs on a six-year term.
- Company A starts the bargaining negotiation preparation process one year out for all other CBAs and one year out, focuses on a strike plan. Six months before the expiration, they are mostly finished with negotiations planning.
- Recommended beginning with a RACI to identify bargaining decision makers and stakeholders.
- Then, Head of Labor Relations meets with senior HR and Ops leaders to form a negotiation steering committee to define bargaining objectives, focusing on high-level bargaining strategy and not the minutia. This group sets economic parameters/spend authority ranges for negotiations and identifies "no go's" for bargaining (i.e., no reopening pension, no neutralities, etc.).
- After meeting with the steering committee and understanding their objectives and strategy, Head of Labor Relations meets with local HR and Plant Management to: identify what they are hearing from the union; identify what is causing challenges; rank 1-5 for must haves where P1 is what they would take a strike over and P5 is what they would like; and think through what the union's proposals will be and how to respond.
- Company A goes to the table for their master CBAs, covering more than one location, two months before CBA expiration and, for discrete CBAs, they go to table one month before expiration.

Company B

- Company B starts the bargaining negotiation preparation process six months to one year prior to CBA expiration dates.
- The Head of Labor Relations meets with site HR and various stakeholders separately to review their goals and status of goals.
- Company B hosts a union relations seminar once a year for plant leaders and front-line leaders. It is a four-day training session. One day is devoted to a full collective bargaining exercise (wages and benefits). It shows how challenging bargaining is. They also have a mock strike to test how supervisors and managers would handle.

Company C

- Company C starts the bargaining negotiation preparation process by completing benchmarking research for economics. It primarily uses Bloomberg.
- Then, the Head of Labor Relations engages senior leadership to understand the business' objectives, particularly economic goals.
- The Head of Labor Relations meets with union pre-negotiations directly to see what is front of mind for them. Company C's first and second chairs have historically met with the union's district director and whoever would be at the table for the union.

What type of resources does your company use to guide the preparation process, to stay organized and to keep the bargaining team on track?

Company A

- Company A uses a bargaining proposal tracker similar to the initiating firm's proposal tracker.

Company B

- Company B uses an "action plan tracker" which is similar to the original company's bargaining task timeline. Their tracker identifies action steps, owners, due dates action stuff status and a comment section.
- Suggested at table best practices: Start with plan for the day and what was agreed to at the previous session. At end of bargaining, say what you have a tentative agreement (TA) on, who owes what? Give a daily update to top stakeholders. Keep content high level other than on wages. Do this as a meeting and not in writing.

Company C

- Company C uses a bargaining task list, similar to the bargaining task timeline document, and they meet monthly to discuss tasks to be completed. Use of a bargaining task list is new for Company C and was created due to identified business need for greater organization.
- Company C has a position that assists with bargaining by completing workstream management, document storage, data organization, making labor presentations and keeping the bargaining team organized.

Who typically first chairs negotiations?

Company A

- Usually someone from the HR CoE (Labor Relations) first chairs negotiations for Company A. The HR Manager and someone from Ops sit at the table. Recommended considering excluding Ops from the table because of how long bargaining can take and Ops' need to run the business. Legal and Total Rewards are in the back room.
- Company A does not use outside counsel at the table because they have expertise in-house.

Company B

- The current practice at Company B is for plant managers to lead negotiations because plant managers have familiarity with the union and are strong leaders. Labor Relations and counsel are in the back room to support. However, Company B is headed away from this model. Labor Relations will likely lead in the future.
- Company B is very prescriptive at the table. They type up what they want plant leaders to say at the table. The conversation is scripted and pre-drafted. They have significant restrictions on what can be said and act under extreme guidance.
- As an alternative approach, recommended considering having a spokesperson based on topic. The Plant leader can cover local matters, and Labor Relations can cover wages/finances and broader company matters.

Company C

- The VP of Labor Relations generally first chairs at Company C. Company C has found that it is beneficial to have someone who knows the union and the plants. Consider having a spokesperson who just reads proposals at the table which strategy being driven by labor relations behind the scenes.

Share management rights sections of CBAs and best practices to get stronger management rights language.

Company A

- Company A already has a strong management rights section.

Company B

- Company B has not put a management rights proposal on the table in a long time.
- Recommended tailoring management rights to address ability to move work, to subcontract and ability to change benefits.

Company C

- Company C already has a strong management rights section.
- Recommended tailoring management rights to address schedules, layoffs, recalls, discharge, hours of work, subcontracts and implementing use of technology.

Share considerations for getting maximum flexibility in CBAs.

Company A

- Recommended considering any constraints with temporary layoffs. When business is down, Company A's Collective Bargaining Agreements (CBA)s allow temporary layoffs without regard to seniority. It is permissible to lay off by line to eliminate bumping.
- Recommended considering raising wages above and beyond a certain amount to any group without bargaining. This helps Company A attract the talent that they need.
- Recommended considering hiring of supplemental employees to meet business needs. Company A's CBAs permit hiring up to 20% of employees as supplemental employees to work during an upswing in demand. Those employees have limited rights and no seniority. Those employees know going in that they are supplemental employees and they view it as a way to get a foot in the door. They convert to full employees after 24 months and become union members then.
- Recommended considering scheduling constraints. Company A's CBAs permit it to create any work schedule they want at any point during the duration of the contract without bargaining.
- Recommended considering including concession language for no-strikes.

Company B

- Recommended that this CAHRS firm ask the business specifically what they need from a flexibility perspective. For example, where are we not able to run the plants with the language that exists? Are there enforcement issues with certain CBA sections or do we need specific language to address certain challenges?

Company C

- Recommended asking what Operations wants to achieve from bargaining. Operations should frame their wishes as must and wants. Get a wish list from Operations, if possible, and Operations should provide data to support why they need the change i.e., absenteeism data, attrition, customer needs, etc.

Share considerations for phasing out existing pension plans for represented employees.

Company A

- Recommended providing data to substantiate that overpayment in benefits limits future hiring. Consider proposing that all new hires will be eligible for a 401(k) rather than pension. Make the 401(k) match robust, i.e. 50-75% to get a deal.
- To phase out a pension, can consider offering a cash balance in the alternative.
- Recommended considering making rest of economics more attractive to get the pension phased out. Give a one-time only contribution to 401(k); get a big bump based on years of service.

Company B

- Recommended setting expectations with bargaining unit members about financial viability of the pension plan. That it is not sustainable and support this with data. Most employers do not have one. Make this a strategic communications strategy. Highlight this repeatedly long before negotiations so that it's not a surprise at the table.
- Have a viable replacement in the wind. Give employees some contribution to sweeten the deal. Consider giving a lucrative package to make the loss of pension easier to accept.
- Can consider taking a tiered approach, freezing pension for new hires first and then ending pension in next round of bargaining.

Company C

- No specific recommendations provided.

Positive Employee Relations Practices

Feedback and best practices received from Companies A-C about positive employee relations practices and accountability measures are included in this section.

Describe your company's positive employee relations philosophy and any formal program implemented.

Company A

- Company A's positive employee relations program prioritizes training (union avoidance 101), site visits, identifying high risk sites (employee survey results, proximity to union sites), and ongoing reviews of comp structures.
- Company A picks 8-10 high risk locations to get boots on the ground to meet with employees to identify risks to mitigate.
- Recommended considering whether a CBA negotiation outcome poses problems/conflict for non-union sites. Give wages equivalent to those sites of what the union members received.

Company B

- Company B communicates to non-union employees its position that it wants to have a direct relationship with employees.
- Company B's program is guided by pillars of leadership availability, employee equity and employee recognition.
- Company B does assessments on sites at least once every three years and gives action items depending on findings.
- Company B trains on its positive employee relations pillars through its leadership course.

Company C

- Company C has a framework of 13 elements that guide its priorities in this area.
- Company C audits plants across the criteria and looks at absenteeism, turnover and any union activity, creating a heat map to assess risk. There are vendors that can assist with this.
- Company C's focus is on supervisor education now and identifying the company's union-free philosophy. Employee education includes what it means to be in a union, what an authorization card looks like and benefits to allowing the company to manage its workforce.

Describe how your company reinforces positive employee relations principles over time.

Company A

- Company A communicates best practices for Operations to implement and informs them of principles that leaders will be held accountable to enforce.

Company B

- Company C includes positive employee relations metrics in leaders' performance reviews. It must be included as a goal and objective. Leaders are measured against those goals and objectives for accountability.

Company C

- Company C audits its locations against its 13 elements of positive employee relations but it does not terminate employees for noncompliance.