

MGT201 – Human Resource Management

Unit 6: Employee Rights and Benefits – Labor Relations Movement

Page 1 of 5

Now that we covered all the items commonly associated with HRM (job analysis, recruitment and selection, training and development, performance analysis and compensation, benefits, and motivation) we move onto employees' rights and privileges and labor management relations.

Employee Rights and Privileges

First, we need to understand the difference between a right and a privilege.

Rights are things that a person can do without any permission required from authority, although in the workplace some are limited rights as noted below. Privileges are things that individuals can do based on permission from authority. The only difference between the two is that a right cannot be taken away but a privilege can.

Accepted employee rights consist of:

Right to Privacy (limited) –employee expects their place of employment to protect their personal or private information (i.e., medical information, financial data, etc.) and that this information is not shared with others). The Right to Privacy in the Workplace is considered a limited right. As far as the employee's rights of privacy within the workforce the company may have regulations in place to search lockers, desks, etc. Or, if the employer feels there is a danger to others the employer may search areas considered an employee's space (within the workplace). Krell (2010) point out that HRM has the responsibility to protect employee information and that all this information needs to be clearly spelled out in an Employee Handbook.

Right to Free Consent – Refers to the right of an individual to know and understand what they are going to do and the consequences of that action to others.

Right to Due Process – An employee has the right to due process – if an employee is accused of some misdeed, they are entitled to a fair procedural process.

Right to Life and Safety – Employers have the responsibility to provide a safe workplace.

Right to Freedom of Conscience (limited) – Employees should not be asked to do something that is against their ethical or moral values – what is considered beyond socially accepted



behavior. However, employees are not allowed to infringe on the rights of a customer based on their religious or personal beliefs. To prevent this from happening employers, especially those in private business, need to have detailed employee handbooks explicitly spelling out that employees cannot discriminate against customers based on their own religious or political beliefs.

Right to Freedom of Speech (limited) – The First Amendment allows free speech. However, after years of legal cases, Free Speech in the workplace is limited. Per Dolgow (2012), there isn't any "free speech" for the employee. Even though employers can take action against an employee from expressing political opinions, they (the employer) can express political views and even encourage employees to support a candidate.

Right to Workplace Safety – Employers are required to provide a safe, secure and healthy workplace as per the Occupational Safety and Health Act (OSHA).

Rights to Equal Employment Opportunity –Federal laws requires that employees are entitled to a workplace that is free from discrimination and harassment. They are protected under the many Federal Acts that safeguard them against prejudice and unfair treatment. (Scott, n.d.)

Right to Access Information – Employers are required to provide employees (upon request) copies of their personal file including medical records. Also, the employee has the right to request any information that may affect their work environment. (Scott, n.d.)

MGT201 – Human Resource Management

Unit 6: Employee Rights and Benefits – Labor Relations Movement

Page 2 of 5

Employee Privileges

As noted in Unit Four benefits such as paid vacation, holidays and sick time are not mandated by Federal law. Also, pension and retirement, educational reimbursement, life insurance, health care insurance are based on the discretion of the company and considered privileges. Most employee benefits are in fact privileges and not a right – this is as per current law.

Labor Relations

The Industrial Revolution began in Great Britain in the late 1700s and moved to the United States in the mid-1800s. Soon after the Civil War ended in 1865, the U.S. emerged as one of the industrial giants. The whole infrastructure changed as railroads were built, factories and mills were constructed bringing with them a demand for unskilled labor. This labor was filled by a massive migration from the rural areas of the U.S. to the cities and by increased immigration. This new labor force included children and women.

The Industrial Revolution created a new class of American, wealthy industrialists (known as the “Captains of Industry” or as “Robber Barons”) and a prosperous middle-class that supplied the growing population. However, the millions of employees who worked in the mills and factories were poorly paid, worked in unsafe conditions 10 to 14 hours a day, lived in poverty and had no security. Their pay was so little that their wives and children were forced to work in the very same unsafe conditions. Very little of the fortunes being made by the industrialist went to the workers. With the abundance of labor (ongoing migration from the rural areas and immigrants arriving daily) the workers were considered expendable and paid considerably less than their worth.

Company towns were developed in Massachusetts, Rhode Island, and other NE areas. It was not uncommon for a company to own a whole town, all the housing (tenements) and grocery stores. By controlling every aspect of an employees’ life, the employees soon were in debt to the company and stuck working at the same low paying job.

There was very little an employee could do to improve their situation. Help was cheap and easily replaced. If an employee protested, they were fired. There weren’t any government

regulations to protect employees. If an employee was disabled or killed on the job, their families were left without any support or the very minimal pay the children or mother could provide from working in the very same unsafe conditions at significantly lower pay.

The Early Labor Movement (n.d.) states that

Between 1860 and 1910 the population of the US tripled, and so too did the industrial workforce. New types of commercial enterprises sprung up to stand alongside the pre-Civil War textile factories.

Naturally, the demand for workers was high, but in this time of heightened immigration the supply of laborers ready to make their way in a new country was even higher. This helped empower industry bosses and meant working condition were far from ideal.

However, there were some who were unwilling to accept the way big businesses were run, particularly as it was making a profit at the expense of the workers. The first organization is acting as a federation to encompass American unions was the National Labor Union which came into force after the Civil War but was reasonably short-lived.

The largest union at the time was the Order of the Knights of St. Crispin. Representing the shoe industry, the Order attempted to halt the rising trend for the mechanical or unskilled production line which looked set to replace master cobblers.

The ethos of the Knights was to include anyone involved in the production, which helped its numbers grow. The union was well organized under the control of Terence Powderly and enlisted politics to help fight its various causes.

Events took a turn for the worse in 1886 when the Haymarket riot saw the message of the Knights overshadowed by the death of a police officer in a bomb blast. Public opinion turned against the anarchist movement in general and the Union collapsed.

It was only after the advent of the American Federation of Labor, set up by Samuel Gompers in 1886, and acting as a national federation of unions for skilled workers, that the labor movement became a real force to be reckoned with and took on more of the shape of what is in place today.” (The Early Labor Unions, n.d.).

MGT201 – Human Resource Management

Unit 6: Employee Rights and Benefits – Labor Relations Movement

Page 3 of 5

Unions continued to fight for better pay, safer working conditions, and health care and retirement benefits. It took many years for workers to be allowed to form unions. Federal troops were sometimes called to block union efforts and most of the time the courts agreed with the industrialist.

It wasn't until the 1911 Triangle Shirtwaist Factory Fire when 100 young immigrant women were killed that the union for the Ladies Garment Industry could get the public and the Federal government to slowly reform the workplace.



The Labor Acts that changed the workplace: Norris-LaGuardia Act of 1932

The Norris-LaGuardia Act was the first in a series of laws passed by Congress in the 1930s which gave Federal sanctions to the right of labor unions to organize and strike and to use other forms of economic leverage in dealings with management.

The law is expressly prohibited Federal courts from enforcing so-called “yellow dog” contracts or agreements (under which

workers promised not to join a union or pledged to discontinue membership in one). The ACT barred Federal courts from issuing restraining orders or injunctions against activities by labor unions and individuals. And the LAW PERMITTED the following union activities:

- Joining or organizing a union or assembling for labor purposes
- Striking or refusing to work, or advising others to strike or organize
- Publicizing acts of a Labor dispute and
- Providing lawful legal aid to persons participating in a labor dispute. (Norris-LaGuardia Act of 1932, n.d.)

The Wagner Act/National Labor Relations Act (NLRA) of 1935

By far the most important labor legislation of the 1930s was the National Labor Relations Act (NLRA) of 1935, more popularly known as the Wagner Act, after its sponsor, Sen. Robert F. Wagner (NY-D). This ACT protected the rights of employees and employers to encourage collective bargaining and to curtail certain private sector labor and management practices, which could harm the general welfare of workers, businesses and the U.S. economy. (National Labor Relations Act, n.d.)

Taft-Hartley Act of 1947

Two years after the end of WWII the first major modification to the National Labor Relations Act was enacted. This ACT brought back into balance the employer-union relationship. In the National Labor Relations Act -- also known as the Taft-Hartley Act was passed by Congress in 1947. It was vetoed by President Truman (on the basis that it was anti-Labor) and then reapproved over his veto. Some of the provisions established procedures for delaying or averting so-called “national emergency” strikes, excluded supervisory employees from coverage of the Wagner Act, prohibited the “closed shop” altogether, banned closed-shop union hiring halls that discriminated against non-union members, prohibited strikes

MGT201 – Human Resource Management

Unit 6: Employee Rights and Benefits – Labor Relations Movement

Page 4 of 5

against the government and banned various types of employer payments to union officials. (1947 Taft-Hartley Substantive Provisions, n.d.)

Landrum-Griffin Act of 1959

The last major labor management act was the Labor-Management Reporting and Disclosure Act of 1959. This bill made major additions to the Taft-Hartley Act, including definition of additional unfair labor practices, a ban on organizational or recognition picketing, and provisions allowing State labor relations agencies and courts to assume jurisdiction over labor disputes. The NLRB declined to consider at the same time prohibiting the NLRB from broadening the categories of cases it would not handle.

This ACT deals with the relationship between a union and its members and grants certain rights to union members and protects their interests by promoting democratic procedures within labor organizations. The Act establishes a Bill of Rights for union members; reporting requirements for labor organizations, union officers and employees, employers, labor relations consultants, and surety companies; standards for the regular election of union officers; and safeguards for protecting labor organization funds and assets.

Fair Labor Standards Act of 1938

The Fair Labor Standards Act of 1938 provided a minimum wage, a weekly workweek and restrictions on child labor.

The Fair Labor Standards Act of 1938 was a significant milestone in finally ending child labor, long workdays and providing a minimum wage. It took President Roosevelt many years to get this law passed.

Per Grossman (n.d.) in an excellent article on the Fair Labor Standard Act of 1938, when President Roosevelt was campaigning in Bedford, Mass in 1936 a young girl passed him a note which said

"I wish you could do something to help us, girls....We have been working in a sewing factory,... and up to a few months ago, we were

getting our minimum pay of \$11 a week... Today the 200 of us girls have been cut down to \$4 and \$5 and \$6 a week.

Responding to a reporter President Roosevelt said, *"Something has to be done about the elimination of child labor and long hours and starvation wage."* (Grossman, n.d.)

The Fair Labor Standards Act was finally passed in 1938 after many struggles by President Roosevelt to get Congress to enact a fair bill and the Supreme Court to agree to the terms of the ACT. The Supreme Court felt such an ACT would be unconstitutional.

According To the Department of Labor's article entitled the *"Fair Labor Standards Act of 1938: Maximum Struggle for a Minimum Wage,*

"the initial bill had a 40 cent an hour minimum wage, a standard 40-hour workweek and anything over the 40 hours would be overtime of 1-1/2 times an hour and a minimum working age of 16. The main opposition to the law came from Southern representative who was opposed to any wage-hour law. They refused the 40 cents an hour minimum wage and were as upset about 25 cents an hour and overall received concessions on other parts of the final bill."

As per Mr. Grossman *"During the legislative battles over fair labor standards, members of Congress had proposed 72 amendments. Almost every change sought exemptions, narrowed coverage, lowered standards, weakened administration, limited investigation, or in some other way worked to reduce the bill."*

The final bill signed by President Roosevelt in 1938 put minimum wage at 25 cents an hour, 44-hour work week and a minimum age of 16 with some restrictions.

MGT201 – Human Resource Management

Unit 6: Employee Rights and Benefits – Labor Relations Movement

Page 5 of 5

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