Evaluating Policy Arguments For and Against Card Check

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Eaton studies of card checks
- Review of 114 neutrality/card check agreements
- Interviews with union representatives
- Interviews with employer representatives (34)
- Survey of workers involved in NLRB elections vs. card checks
  - These all done w/ Jill Kriesky
- Stock market event study
  - w/ Paula Voos and Steve Abraham
- Public Sector Study (w/ Bruno, Alvarez, and Feekin)
Policy Arguments For Card Check

• Reduces employer opportunity for illegal and legal campaign tactics
• Workers have greater freedom to choose
• May have benefits for employers: shorter and less disruptive campaigns that build a better relationship
• Increases likelihood of unionization which is good for the economy
Policy Arguments Against Card Check

- Lack of information about organizing process and/or unions
- Coercion of card signers: workers are asked to sign cards in front of union supporters (vs. secret ballot)
- Misrepresentation of cards by union organizers
- Forgery of cards
Evidence from employer study

- Employers report some, but not much, misrepresentation of meaning of cards but respond to this
  - Workforce education
  - Meetings/protests with union leaders/organizers
  - Grievance arbitration
  - NLRB charges
- Employers report very little
  - Forgery
  - Coercive threats by union supporters
  - Again, they respond through the same informal and formal mechanisms
Evidence from worker survey

- No evidence for much union pressure in card check
  - 14% reported coworker and 17% union staff pressure to support the union in card checks, LESS than in NLRB elections (22% both)

- Card checks = less management pressure/coercion/ULPs
  - Workers in elections were twice as likely to report mgt pressure to oppose the union (46 vs. 23%)

- Card checks = some evidence that workers get less information than they’d like, but mgt info less reliable than unions

- No difference in reported “freedom to choose”
Stock Market study

- Rationale: Past studies show negative impact of union NLRB election victories on company stock price
- Method: Compares stock price of companies experiencing a certain event, controlling for general direction of the market on a given day
- List of all card checks and elections for a set of 5 unions for 2003 w/ dates
  - Extracted subset of cases of publicly traded companies
  - Compared the impact on stock prices, relative to the market, of union recognitions via card check and via NLRB elections (using several different dates and two comparison groups, same unions and same companies)
Results

• Union wins via NLRB elections have negative impact on stock price
• Union wins via card check had a POSITIVE impact on stock price
• Why?
  – Better labor relations?
  – Weaker contracts?
Better labor relations?

-Campaigns are less disruptive, less stressful for workers, shorter

<table>
<thead>
<tr>
<th></th>
<th>Elections</th>
<th>Card Checks</th>
</tr>
</thead>
<tbody>
<tr>
<td>The campaign caused disruption in the workplace.</td>
<td>47.5%</td>
<td>35.3%</td>
</tr>
<tr>
<td>The campaign caused a great deal of disruption in the workplace.</td>
<td>21.5%</td>
<td>16.5%</td>
</tr>
</tbody>
</table>
Employer interviews

• Majority reported better labor relations and/or smoother first contract negotiations as a result of card check:
  – ”[It’s a] better set up to the build the relationship. We have less issues. It goes smoother.”
  – “It was less confrontational.”
  – “[A] real plus is the healthier relationship. We remain truly neutral and campaigns are positive, so we start off with a good relationship.”
Weaker agreements?

• SEIU has been accused of substandard agreements

• We found:
  
  – Many post card check agreements are part of larger pattern
  
  – Many are “more flexible” than the pattern
    
    • Employers and union reps report this as responsiveness to competitive realities in new lines of business, not (usually) weakness
      
      – “[The] content is different but I would argue that this is because the [union] understands that [this business] is a different industry and we couldn’t be competitive with the master agreement [from the union’s main industrial sector].”

  – Workers were happier with their post card check contracts than post NLRB election contracts
Shortcoming of all the studies mentioned so far

• Negotiated, voluntary card check agreements
• NOT statutory
Latest study – Public Sector experience

- 4 states so far: NJ, IL, OR, NY
- 2003-2009
- 1,073 total certifications
- 34,138 employees
- 5 complaints of union misconduct (coercion, misrepresentation of cards)
- 0 complaints confirmed by pub sec agencies

- U.S. Chamber of Commerce – “different employers”
- But same national unions, full range of occupations
# NJ Public Sector Recognition Cases 2005-08

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>4 Year Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Recognitions</td>
<td>71</td>
<td>83</td>
<td>64</td>
<td>70</td>
<td>288</td>
</tr>
<tr>
<td>Elections*</td>
<td>58</td>
<td>29</td>
<td>14</td>
<td>17</td>
<td>118</td>
</tr>
<tr>
<td>Card Checks</td>
<td>13</td>
<td>54</td>
<td>50</td>
<td>53</td>
<td>170</td>
</tr>
<tr>
<td>Total # of Employees in Card Checks</td>
<td>441</td>
<td>1537</td>
<td>5435</td>
<td>2154</td>
<td>9567</td>
</tr>
<tr>
<td>Average # of Employees in Card Check</td>
<td>36.75*</td>
<td>28.463</td>
<td>108.7</td>
<td>40.64</td>
<td></td>
</tr>
</tbody>
</table>

### Complaints associated with card checks

<table>
<thead>
<tr>
<th>Complaints</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>4 Year Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td># of formal complaints of union coercion or fraud</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td># of formal complaints of union coercion or fraud upheld by agency</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td># of formal complaints of ambiguous or misleading cards</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td># of formal complaints of ambiguous or misleading cards upheld by agency</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Employer Type (Card Checks Only)

<table>
<thead>
<tr>
<th>Employer Type</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>4 Year Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Govt (Borough, Township, City, County)</td>
<td>9</td>
<td>24</td>
<td>23</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>Education (K-12, Higher Ed)</td>
<td>2</td>
<td>17</td>
<td>10</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Other or unknown</td>
<td>2</td>
<td>11</td>
<td>16</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>13</td>
<td>54</td>
<td>50</td>
<td>53</td>
<td></td>
</tr>
</tbody>
</table>

*Elections used when two or more unions are contesting for the unit

** Number of Employees in one Card Check is not available
Conclusions

• Little evidence for anti-card check arguments
• One exception might be reduced information about both union and organizing process
• Could write additional protections into the statute.
  – Public sector provides interesting examples
    • Required language for cards (NH, OR, others), require posting of notice to employees (several including NJ), codify process for calling for election if there is evidence of fraud or coercion (NY), time limits on validity of cards (several)
## Results from worker survey: Sources of Pressure

<table>
<thead>
<tr>
<th>Source of Pressure</th>
<th>Elections</th>
<th>Card Check</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mgt pressure to oppose</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- a little</td>
<td>46.0% (131)</td>
<td>23.4% (32)</td>
</tr>
<tr>
<td>- some</td>
<td>5.3% (15)</td>
<td>4.4% (6)</td>
</tr>
<tr>
<td>- a great deal</td>
<td>14.7% (42)</td>
<td>5.1% (7)</td>
</tr>
<tr>
<td>- support</td>
<td>26.0% (74)</td>
<td>13.9% (19)</td>
</tr>
<tr>
<td>Co-workers pressure to support</td>
<td>21.7% (61)</td>
<td>16.8% (22)</td>
</tr>
<tr>
<td>Union staff pressure to support</td>
<td>18.7% (53)</td>
<td>14.0% (19)</td>
</tr>
</tbody>
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