

# The Future of Labor



DAVID ROLF

Differing Visions from  
Two of America's Leading  
Voices on Unions



JOHN F. RING



Are we seeing a true revival of union power, or are a few high-profile organizing victories simply a distraction from the continuing downward trend of America's labor movement? To help sort out the truth and identify a sustainable labor strategy for U.S. businesses, *People + Strategy* sat down for a Q&A with two of the nation's leading minds on labor issues.

# ‘This Era Is Not the Same’

**People + Strategy:** Organized labor seems to be enjoying a tail wind. What’s driving it?

**DAVID ROLF:** One driving force is a renewed level of militancy among many of the remaining private-sector unions in the United States. This comes after many decades in which nearly 100% of the nation’s economic growth was distributed to the top 1% of income earners. A study by the Rand Corporation says that between 1975 and 2018, the cumulative increase in income to the top 1% was about \$50 trillion dollars, and the bottom 90% lost net income relative to that 1975 baseline.

This had a number of impacts. It caused a race to the bottom on prices, which then became a self-reinforcing dynamic with downward pressure on labor costs and other costs. That led to the impoverishment of non-college-educated workers in the United States and the accumulation of income and wealth at the very top.

Then we had the pandemic that made some workers re-evaluate their relationship to work. So we started to see some employees voting with their feet in many ways—some by going on strike or threatening to go on strike. But a much larger group of private-sector workers who weren’t in a union took advantage of short-term government financial support to take time off or think about going back to school or start their own business or leave the labor force earlier than anticipated.

Then in 2023, we saw a number of successful strikes or threats to strike at many iconic American brands and industries—the Big Three automakers, the Las Vegas Strip, Kaiser Permanente, UPS, Hollywood. That led to some big contract victories for the first time in many years.

What’s not happening yet, though, is net growth in private-sector representation by organized labor beyond the 6% we see now. It’s a national disgrace. It means that the vast majority of American workers in the private sector are left out of any kind of economic democracy and any kind of mechanism designed to create more of a balanced distribution of wealth.

For the first time since the early 1970s, low-wage workers have started to see their pay begin to grow faster than inflation. But that’s just over the last couple of years. A large part of that resulted not from collective bargaining but because of the labor movement’s investment in state and local minimum-wage campaigns. I was honored to help lead the first two \$15-minimum-wage campaigns—first in the small airport city of SeaTac

[in Washington state], and then the following year in the city of Seattle. Because federal labor laws are broken and no longer give employees meaningful access to collective bargaining, you’re seeing more experimentation like that at the city and state level.

**P+S:** Can you talk more about the evolution we’re seeing in the tactics and strategies of organized labor?

**ROLF:** Labor movements have existed in some form from the dawn of the American republic, but the power of organized labor as we know it today peaked in the 1940s and 1950s. By the 1980s, labor was on the defense, and we began to see more experimentation and new thinking by labor organizers about what kind of tactics could improve their chances of a win in the next contract fight or the next organizing drive in an increasingly hostile environment.

But the labor campaigns of the past 40 years were generally designed to try to make the existing business model of unions work the way it did at its peak—organizing workers on an enterprise basis and bargaining the best possible contract with individual employers. There was not a wholesale investment in a different set of experiments to create a new model.

Labor organizations are highly constrained by federal law, as well as by the embedded incentives, disincentives, requirements, and prohibitions of the business model that Congress assigned us in 1935 [passage of the National Labor Relations Act].

So experimentation isn’t quite as easy as it might be, say, at a technology company. We don’t have that level of freedom. But, even so, we could have done more to invest in new approaches when we did have our small handful of organizing successes in the 1990s and 2000s. Organized labor should have been taking some of the financial proceeds of that growth and devoting it to innovation and creating new models to replace the ones that are no longer working.

**P+S:** And yet we are seeing some new tactics, such as labor trying to win board seats at Starbucks. And the recent UAW contract victories represented a new approach, correct?

**ROLF:** True. Some of these strategies have been around for a while, and some are newer. Capital stewardship strategies in partnership with other institutional investors really began in the 1980s. But the recent Starbucks victory is certainly a break-



**DAVID ROLF** has been called “the most successful union organizer in America” and has led some of the largest worker organizing efforts since the 1930s, including the first successful local campaigns for a \$15 minimum wage. He is the founder and president emeritus of SEIU 775, the chairman of the nonprofit Living Wage for Us, and the author of the book *The Fight for Fifteen*.

through. And if the old tools become less effective, then, as with any ecosystem, you need diversity as a survival strategy.

With the UAW, we saw a shift to focus on striking plant by plant, rather than company by company. “#RedforEd”—bottom-up job actions even in states with no collective bargaining laws—is another example.

So we are seeing new tactics for existing unionized workers, as well as experimentation in state and local employment laws. But we are not seeing a wholesale reinvention of the labor movement, at least not yet. Even with the exciting win for Volkswagen workers in Tennessee, there aren’t enough big organizing drives in the pipeline now to meaningfully impact the decline of what we call union density, which is our term for market share.

**P+S:** You mentioned the increase in union experimentation we’re seeing at the state and local level. For HR executives, this creates a big challenge in terms of different policies and rules across the country, rather than a blanket federal approach. How would you respond to that concern?

**ROLF:** I’m skeptical that it’s a real problem. Companies routinely comply with different labor law systems around the world, different union contracts in different facilities, different tax rates and insurance policies in different jurisdictions, differing government mandates around health care or workplace safety, and so on. If you can figure out how to pay company taxes in states with different state tax laws, you should be able to figure out how to compensate and respect workers under different laws as well.

**P+S:** What other advice would you give to corporate leaders in terms of how they think about organized labor?

**ROLF:** Companies should stop thinking about being unionized as some sort of referendum on their leadership or their personal integrity. Having a strong union movement is good for society, in the same way that having good utilities, good school systems, and good law enforcement helps build strong communities.

A strong union movement helps increase wages for the bottom 90% of income earners. That reduces inequality within society and within workplaces. It more broadly shares the fruits of our collective economic labor with more people, so they ultimately have the stability to be better citizens, because they actually have enough freedom and security to live their lives without economic panic and fear as constant motivators. And a well-paid workforce with money to spend makes for great customers. Seventy percent of our economy is sales of goods and services to consumers. The more money workers make, the more money consumers can spend.

**P+S:** What other important trends are on your radar?

**ROLF:** Something interesting is happening on the political right of center. Essentially, the last pro-union Republican president was Richard Nixon. But we are now seeing people on the political right of center start to wake up to the fact that their new electoral majority is no longer upper-middle-class voters in the suburbs. It is now the working class.

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So there is an awakening on the political right of center that being merely indifferent to the fate of organized labor or to workers no longer aligns with the political interests of their own voting base. Some of the new signals include Sen. Josh Hawley (R-Mo.) joining a UAW picket line and reversing his position on right-to-work laws, and think tanks like American Compass aggressively pushing a pro-labor set of policies within the Republican coalition.

It used to be that one political party would write off the labor movement while the other would take it for granted. And the result was very predictable—that organized labor would shrink faster under a Republican [administration] than a Democratic one. But it would shrink either way. So the emergence of a pro-labor right of center is really interesting.

Finally, we need to set aside our continuous and somewhat ridiculous attempts to build a time machine to re-create the exact bargaining model that my great-grandfather’s Distillery Workers union had in the 1930s. Instead, we need to think about how to solve for power, scale, and sustainability, and we need to create a new generation of labor institutions that arguably shouldn’t look exactly like the ones from that earlier era. Because this era is not the same, industry is not the same, and the world is not the same.

**P+S:** As a union leader, what advice would you give to a room full of CHROs on how to work best with labor?

**ROLF:** One is to treat your labor partner like you would any other partner. People negotiate with their fellow senior managers, their suppliers, and many others. The presumption in all those relationships is that there is a way to get to a win-win deal that everyone’s happy with. That doesn’t mean everyone got 100% of what they wanted, but people feel good enough about the result that they want to do business with the partner again.

So my advice to CHROs is to treat labor with respect and figure out how to come to agreement so the business relationship works for everyone. We have an economy and legal system that incentivizes employers to fight unions. But if your company employs union labor, you want it to be a strong union because they have to be able to deliver on what they committed to during bargaining.

It’s in everyone’s interest for labor-management relationships to be strong and successful, and not relationships where people just nitpick each other. Employers tend to get the quality of labor relations they deserve.

# Work Your Culture and Have Regular Dialogue with Employees

**People + Strategy:** What do you think is driving all the activity around organized labor in recent years?

**JOHN F. RING:** There are a number of factors playing out right now. One is that we're seeing a lot of employee activism coming out of the pandemic. Employees are just more willing to stand up and say what they are thinking. And if they don't feel like they are being heard, then they take it to another level, whether that is through organizing, posting on social media, or some other avenue.

Second, unions have also been pretty successful in their organizing efforts recently, and there's been a lot of favorable press on that. There have been times in the past when the union movement said there was a renaissance for labor after a few organizing successes, and then they kind of peter out. This time feels different.

Finally, we have the most pro-union-labor administration in history. The [Biden] administration believes people should be in a union. Many of the policies of the current administration focus on that. And the National Labor Relations Board [NLRB] has done extraordinary things in the last couple of years to make organizing easier and faster.

**P+S:** Many employers feel like they are already doing a lot for workers in the last few years, and so they might be surprised by a push among their employees to organize.

**RING:** We do have more employee activism, and all the polling shows that unions are being viewed much more favorably now than they have been in the last 20 to 30 years. There is a perception now, and I think it's generational, that unions are cool, and that people want to belong to them.

In the past, people wanted to organize in reaction to bad leadership or because they weren't being treated properly, and they needed a third party to intervene. That is not always the case now. People may like working at their company but still want to be part of organized labor because they want more. They worked very hard during the pandemic, and they feel like they deserve something. The expectations are high. It's a very different mindset.

**P+S:** How do you see the tactics changing by labor?

**RING:** We are seeing more organizing efforts being driven organically by employees. Union organizing is not necessarily limited to traditional unions like the Teamsters or Machinists coming in and saying, "We want to organize you." There's still some of that, but we are also seeing more instances where a group of employees read or hear about union collective bargaining successes, for example, and they say, "We want to be part of a union." Often, they eventually will reach out to get some kind of support or guidance from a traditional union. But, in effect, we are seeing more homegrown unions.

We're also seeing union leaders facing the same kind of pressure from their members that CEOs are getting from their employees. The expectations from members are very high, so we're seeing, for example, multiple contracts not getting immediately ratified. If the union leaders are seen as too cozy with employers, or they are just not meeting their members' expectations, they get voted out, and they are often replaced by people who are the loudest voice in the group. Unfortunately, many of these new leaders do not have experience negotiating collective bargaining agreements.

**P+S:** To pick up on that theme of the loudest voice, what is your advice to HR leaders about how to separate the signal from the noise as they listen to their employees, so that they understand what's really going on inside their companies?

**RING:** The companies that are most successful in terms of separating the signal from the noise are the ones that have a strong culture, they stick to that culture, and they are truly engaged with their employees. They don't think in terms of temporary solutions to problems. It's a relentless focus on positive employee relations.

Over the years, HR and employee relations were sometimes seen as a kind of "necessary evil." It wasn't on the top five list of what a CEO was thinking about. But today, if employee well-being is not on the CEO's mind, then it's a real problem. It's about making sure that the business leaders understand what their



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employee relations culture is, and then sticking to it and not being dragged into what somebody said online today. You have to know what you stand for, know how you treat your employees, and have a regular cadence of dialogue with employees.

**P+S: What are your predictions about the trajectory and momentum of the current labor movement?**

**RING:** Organized labor has typically moved in cycles in the past. We may see some successes, and then it kind of fizzles out and union density ticks down a bit. That said, there have been such dramatic changes in the law from the NLRB, and there have been enough successes by unions of late that it’s going to be hard for this to just revert back to the normal trough of a cycle. And I do think this next generation views unions differently. If the union movement can meet those employees where they are, then I think we won’t see the usual slipping of union density after some of the union successes that we’re seeing now.

**P+S: For companies that already have a union, are there strategies they can start using two to three years before a contract renewal to de-escalate some of the built-in tensions in the process?**

**RING:** Employee communication is key. That means not allowing the union to be in control of all the messaging and ensuring that workers hear the company’s point of view directly.

It’s also important for employers to educate their union leaders on their business and make sure they understand what’s particularly important to them. In cases where there are inexperienced union leaders, you have to make sure they understand the business—not just in terms of its profitability, but also the real pressures that the business may be facing.

In other cases, there may be a long-standing and mature relationship with a union. But you have to beware of the trap of assuming that the productive relationship will last forever. There may be new pressures from the rank and file that results in a change of union leadership, and management finds itself having to deal with completely different union leaders. So you have to make sure that the leverage dynamic that is inherent in a bargaining relationship doesn’t get lost.

**P+S: What advice would you give to a CEO who is about to head into a tough all-hands meeting? How should they lower the temperature?**

**RING:** My question to the CEO would be, “What have you been doing before walking onto the stage here today?” That’s really going to tell me whether or not you’re going to be successful. In the old days, maybe 10 years ago, you could wheel out the CEO at an all-hands meeting and they could say some nice things about how much they appreciate employees, and everyone would happily go back to work. These days, there has to be some real ongoing work to build up trust. You have to walk the talk and show through your actions that you care about employees and about what they say.

Employees are on the front lines and can help make your products and services better. There are ways to make employees feel like they are not only heard but valued.

**P+S: What were some early influences for you personally that led you into this field?**

**RING:** I come from a very blue-collar background. What I really love about what I do in collective bargaining is learning how people do their jobs and then, in negotiations, trying to find that middle ground without intervention by the federal government. How do we solve the problems that the workforce has while also making sure that we don’t put the company out of business? It’s been interesting throughout my career to learn how different businesses operate and then to negotiate to find solutions for problems that sometimes seem intractable.

**P+S: From the business perspective, what advice would you share with a group of newly elected union leaders?**

**RING:** It’s similar to the advice that I would give to the CEOs. You have to talk to your membership, understand what they really need, and also be able to tell them what’s achievable and what’s not, what’s realistic and what’s not.

Sometimes the easy route for any union leader is to be a mouthpiece for the loudest voices. To be successful, you have to be a leader who can say, “That sounds good, but that’s not going to work,” and be able to explain why. Some of the most successful union leaders I’ve ever dealt with are the ones that can go back to their membership and give them the worst news but still get re-elected because their people trust them. The membership has confidence in them, and they know that the union official has their best interests at heart. ■■

*Interview conducted by executive editor David Reimer and articles editor Adam Bryant.*