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Bill may lead to job losses in county

EDITOR'S NOTE: The following was written by Martin F. Payson, David G. Islinger and James J. LaRocca of Jackson Lewis LLP, a labor and employment law firm.

The Daily Record recently reported that over the last two years the number of jobs in Morris County has fallen by nearly 12,000. This is particularly disturbing in light of the fact that the county is home to some of the largest employers in New Jersey. County citizens echoed the national sentiment about the insecurity of their employment situation.

Unfortunately, a legislative initiative may make matters worse. The deceptively-named Employee Free Choice Act, which was mentioned briefly in the article, has flown under nearly everyone's radar because the country's attention has been diverted by seemingly more important issues: unstable gas prices, the crises on Wall Street and Joe the Plumber. Although it's wrapped in a feel-good title, EFCA single-handedly may lead to the demise of many businesses throughout Morris County.

The bill makes it easier for unions to gain recognition as exclusive collective bargaining representatives by effectively eliminating secret-ballot union elections and replacing them with a card signing process where workers may not be given a full appreciation or understanding of the impact of the card they are signing; that the next thing they know, they will be represented by a union. However, the elimination of workers' right to a secret-ballot may prove to be the least of our worries under EFCA. The bill would require government-appointed arbitrators, who may have no concept of a company's internal workings and profitability, to impose terms and conditions of employment if the union and an employer do not reach agreement on a first contract. This may depress profitability and competitiveness further for the county's businesses. The bottom line for us all is that there may be dramatically fewer jobs in the county because of EFCA.

An examination of Canada's recent experience provides a valuable lesson. Recently, a prominent company with operations in Canada was forced to close a department after an arbitrator imposed a 33 percent wage increase on the company, an increase it could not afford. The arbitrator, under a process similar to that proposed in EFCA, intervened once the company could not reach an initial agreement on wages and benefits with a newly certified union. The result -- lost jobs. EFCA may well be on everyone's lips come the turn of the new year.