

Society And Business Relations

# The UAW and Other Unions Must Focus More on AI and Automation in Their Negotiations

by

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SUMMARY: In its negotiations with the Big 3 car companies, the United Auto Workers' priority is maximizing pay increases for its members. The UAW and many other trade unions should be equally concerned about the impact of AI and automation on jobs and how to prepare their members for this new world.

The advance of AI and automation technologies in the workplace requires new approaches to labor relations. Yet efforts by such trade unions as the United Auto Workers, Teamsters, and International Warehouse and Longshore Union efforts to negotiate a better future for their members appear to be stuck in the past.

This short-sightedness is especially worrying for young workers, who need effective representation at a time when the AI-driven workplace is taking shape. Employers should also be concerned because a lack of worker engagement in the change process today stores up problems for the future.

Both sides should take to heart the protracted strike involving Hollywood actors and writers. The actors union SAG-AFTRA recently joined the Writers Guild of America on the picket lines for the first time in 63 years. The use of AI by movie and TV producers is one of the key issues that divides the sides. For example, there are concerns that computerized simulations of actors could replace the actors themselves, and writers will be relegated to refining AI-generated scripts. Resolving these issues will take time, but at least in this case, the parties have started the process before AI has become an industry mainstay.

## A Familiar Pattern

But other unions don't seem to be facing up to the ways technological advances will change jobs. Consider the recent deal struck by UPS and the Teamsters to increase the average annual pay for a full-time driver to about \$170,000, touted as historic and a game changer by the trade union.

The agreement has achieved significant pay gains for workers but fails to adequately address issues such as how to prepare employees for automation. The future may involve fewer drivers operating not behind the wheel of a truck or van but behind a console as they manage fleets of autonomous vehicles.

A recent labor deal in the ports industry indicates a similar lack of attention to tech-related challenges. In August 2023, the International Warehouse and Longshore Union confirmed it ratified a new, six-year contract with port employers that includes a 32% pay rise and a one-time (and well-deserved) "hero bonus" for dockworkers who worked through the pandemic. Meanwhile, the automation gap between North American ports like Los Angeles and facilities in Asia and Europe, such as Singapore, Dubai, Rotterdam, and Hamburg, has become disturbingly wide. Addressing this disparity and preparing workers for an automated future should be high on the labor-relations agenda.

Auto workers also face transformative change. Their industry is turning away from fossil fuel-burning cars in favor of electric vehicles and self-driving technology. The shift requires new, modern manufacturing platforms that fully utilize automation and different skill sets. On September 15, their union, the United Auto Workers, launched targeted strikes at factories owned by Detroit automakers over its demands for a 46% pay increase (compounded) over four years and a 32-hour work week. But other issues, notably how to prepare workers for a changing workplace, should also be central to the negotiations.

## **Emerging Issues**

Of particular concern across most industries is the anticipated disappearance of many entry-level jobs, as algorithms take over much of the work of young recruits in areas such as computer programming, legal research, and product assembly lines. But without these jobs, how will junior workers gain the on-the-job experience they need to climb the career ladder and become future

leaders in their chosen disciplines? Where will tomorrow's senior programmers or experienced lawyers come from?

Another question that needs to be addressed is how to train people to work alongside AI in the workplace.

There are various models for such coworker relationships. For example, AI-generated information is passed on to human managers to make decisions. Chipmaker Intel uses this approach to improve buying decisions. Procurement managers use information such as supplier-performance assessments produced by AI systems in their decision-making. Another framework employs AI systems to perform routine work but requires humans to intervene when there is an abnormal change in the operating environment. The onset of a pandemic or a system's unexpected behavior are examples of uncommon situations that require uniquely human attributes, such as understanding the context to recognize a problem and flexibility and adaptability to solve it.

Worker representatives and employers must develop ways to embed these frameworks and others in work practices to ensure that workers can fulfill such roles and pivot as necessary as new roles emerge.

## **The Case for Urgency**

Now is the time to start thinking about these issues because the transition to an AI-driven workplace will not happen overnight. We have seen this in past waves of tech-infused change. For instance, in 2003, Walmart told its top 100 suppliers that it was about to mandate the installation of RFID tags on some one billion cases per year. The technology would deliver multiple benefits such as improved inventory accuracy and fewer out-of-stock instances. Industry pundits predicted that RFID would quickly become ubiquitous in supply chains. In reality, technical glitches and the high cost of tags stalled the technology's adoption. It took another 16 years for item-level RFID to come back into fashion.

AI's adoption rate may be more rapid, but employers and employees have time to prepare for the workplace changes it will inevitably bring. Moreover, even if many workers stay in the same jobs with the same titles in the short to medium term, their jobs will change. They will likely see more repetitive tasks delegated to automated systems and have to perform more monitoring functions. The demand for new skills — such as the ability to use a growing array of data and to spot aberrations that might disrupt automated processes — will increase.

Today's workers need ongoing, incremental re-skilling or upskilling to maintain a stable or improving career path. Displaced workers need substantive retraining to get their next job or career. Young people entering the workforce need a foundation of skills aligned with their aptitudes and the prevailing demand for human labor.

A range of educational programs, from bite-sized, on-demand learning to mid-length skill-certification programs, is required in response to these shifting demands. Updated high school, college, and post-graduate degree programs will also be needed. Unions should demand that companies invest in their members' futures.

## **Short-Lived Advantages**

Negotiating pay and benefits concessions will always be a high priority for trade unions and their members. Today, in the current post-pandemic period, labor shortages strengthen unions' bargaining positions. However, this environment will shift as AI and automation accelerate.

The pace of change is a cause for concern. AI is advancing rapidly, so the longer labor and employer representatives take to confront worker-related issues, the more difficult it will be to address them. Now is the time for labor unions to use their leverage — which may not last long as AI tools become better — to ensure the future of their members.

*(9/15/23): This article has been updated to reflect the UAW strike has begun.*