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One Down, Two To Go - UAW Ratifies New Contract With Fiat Chrysler

Article By:			

The *UAW* appears to have learned from its <u>mistakes from the first ratification vote</u>. On October 22, 2015, the UAW announced that a majority of its membership voted in favor of the revised tentative agreement with Fiat Chrysler. So what did the UAW do right this time? First, the terms of the agreement were simply more in-line with the expectations of the membership. Instead of maintaining the two-tier wage structure indefinitely, the new agreement provides a pathway for those in Tier 2 to reach Tier 1 wages. While this appears to be a significant win for the UAW, the eight year implementation period may allow Fiat Chrysler wiggle room to back away from this "pathway" if times get tough during the next four years.

Second, the UAW significantly condensed the voting period to only two days. In such a short time period, the negative momentum that was allowed to build during the previous ratification voting (which lasted close to two weeks) never materialized. There is a reason why federal election results are not announced until polls close. Early voting results can impact later voting.

Third, the UAW did a better job controlling the overall message, especially on social media. From the initial announcement of the second tentative agreement, the UAW kept control of the details released to the public. The UAW also repeatedly trumpeted the "significant gains" it was able to achieve by going back to the bargaining table. The fact that the positive message about the agreement came primarily from the UAW (and not jointly from Fiat Chrysler) also likely played into the solidarity theme that came out of the first ratification vote.

After reaching an agreement with Fiat Chrysler, the UAW will now turn its focus to GM. The UAW membership will surely look to capitalize on the recent profits reported by GM. Additionally, the fact that the UAW was able to get a better deal by simply going back and asking for more will likely impact the UAW's strategy with GM and Ford (or potentially the voting on any tentative agreement reached).

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