

Court Of Appeals Reverses NLRB, Finds Hospital's Nonunion Hiring Preference Policy Is Lawful

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On Jan. 20, the First Circuit Court of Appeals vacated a National Labor Relations Board (NLRB) decision that found a hospital's hiring preference policy applicable to its nonunion employees to be unlawful. The hospital at issue had both union and nonunion sites. At a union site, there was a collective bargaining agreement (CBA) that contained a provision giving preference to bargaining unit members for hiring or transferring into positions covered by the CBA. That is, union-represented employees at that hospital received preference over nonunion employees for open positions at that facility. In light of the fact union members received preferential treatment at the unionized hospital pursuant to that CBA clause, the employer instituted a policy for its nonunion sites that gave nonunion employees preference over "external applicants" for hiring or transferring into open positions at its nonunion facilities. The company considered employees from the unionized site to be external applicants. The union challenged the hiring preference policy and argued that it unlawfully discriminated against union employees based on union affiliation. The hospital system countered that it merely was leveling the playing field in light of the fact union employees received a preference at the unionized facility over its nonunion employees. The NLRB originally sided with the union, but the First Circuit disagreed and overturned the NLRB. The court found that the employer's desire to treat its union and nonunion employees "even-handedly" negated an inference that the policy was motivated by union animus. This is a very interesting case, but employers should be cautious when implementing a hiring preference policy similar to the one at issue here. In order to justify such a policy, facts similar to those in this case likely need to be present. [A copy of the decision can be found here.](#)

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