

TMG UPDATE

E-MAIL US AT:

FMERRICK@MICKUSGROUP.COM
TPowell@MICKUSGROUP.COM
TGRIMES@MICKUSGROUP.COM
HKRAUS@MICKUSGROUP.COM
MCHANCE@MICKUSGROUP.COM
INFO@MICKUSGROUP.COM

IS YOUR ORGANIZATION A “CACTUS” OR A “PLUM”?

— Surviving Corporate Campaign Attacks by Thomas C. Grimes

As the chief executive, human resources, or labor relations officer of your organization, you might be feeling some discomfort over the recent barrage of seminars and labor “updates” warning you to prepare for attacks from corporate campaigns, the “Change to Win” (CTW) Federation, union alliances, and organized labor’s “new” strategic initiatives. Unfortunately, most of these warnings only wave alarming red flags and present employers with very little information about how to prepare and protect their organization from labor’s battle plan. Indeed, there is a cry to arms, and this article presents tangible measures of preparedness built around the observations and experiences of a wide range of organizations that were successful against various types of corporate campaign attacks.

IS YOUR COMPANY SAFE?

Not really. No employer in any industry has guaranteed immunity from a corporate and/or anti-corporate campaign. Employers will always be vulnerable to attacks at some level – no matter how positive their corporate reputation. Professor Jarol Manheim, an expert on communications and the media regarding strategies of the “left”, describes the corporate campaign as an attack waged by organized labor against a company for economic objectives, and the anti-corporate campaign as an attack waged by other antagonists (special interest groups) for political or ideological goals. As we have often seen, organized labor and these other “antagonists” have often worked together.

In general, organized labor and certain special interest groups simply do not like your company (or most companies for that matter). They are riding on a wave of “the small guy versus corporations” that exists in public opinion nationally and internationally. Even if you have an existing labor relationship, the union does not trust you to act in the “right” way.

Although organized labor’s strategic initiatives and its aversion to the NLRB representation process might seem to be something new, these tactics are not new at all. The “modern era” of corporate campaign tactics date back to at least the early 70s and continue today. Over the last thirty-plus years of corporate campaign tactics, some labor organizations progressed more rapidly than others in adopting “new age” organizing tactics that combined grass-roots organizing of the past with the new and more sophisticated tactics of the present.

Just as unions have past experience with these strategic initiatives, the good news for your organization is that others can learn from those companies with successful results in dealing with these union tactics.

As you plan a course of action, there are a few additional factors about organized labor’s new initiatives that are helpful to understand:

- In his speech on the “*Senseless Slaughter of the Good American Job*” to the National Press Club in January 2006, AFL-CIO President, John J. Sweeney said that there is “...a corporate-driven strategy to compete in the global marketplace by degrading work and workers... we not only have to think outside the box of corporate control our nation has been trapped in... we have to get rid of the box.” Organized labor is in a battle not only for survival, but is engaged in an ideological and political war that it hopes will dramatically affect the way companies do business.
- Primary stakeholders (such as board members, employees, and consumers) can and do affect your organization’s decisions and actions – these are the critical target groups that a corporate campaign attempts to influence.
- A strong program to create a positive corporate reputation (marketing, sales, public relations, government relations, media relations, etc.) is necessary in dealing with consumers, political representatives, and other stakeholders to pre-position their reactions to the pressures created by organized labor and/or special interest groups during a corporate or anti-corporate campaign. However, even a strong program cannot control the media in the face of organized labor’s attempts to raise issues against your organization. Often, the best result of your efforts will be to marginalize or balance what the media reports based on an established corporate reputation known for positive decisions and actions, and, on current factual information that addresses any charges and accusations. Marginalization and balance can affect how your stakeholders react.
- There are certain aspects of union activity and the specific tactics of corporate campaigns in which you will need to turn to legal counsel for attempts to find relief either under common-law and non-NLRA (National

Labor Relations Act) federal remedies, or, through claims made under the NLRA. Unfortunately, legal remedies to corporate campaigns are often very limited. Organized labor and special interest groups are well versed in how to step close or slightly over the lines of legality.

- Ultimately, the hearts and minds of employees and the reactions of your primary stakeholders will decide the issue of union representation. Pre-emptive efforts before a corporate campaign and the pro-active management of your employee relations and positive corporate reputation program after one begins will usually be the best source of relief you can obtain. Be aware, however, that during a corporate campaign, organized labor can and will change tactics to maintain the pressure, and attempt to turn even a defeat into a victory through the media and its communication efforts.

ARE YOU A “CACTUS” OR A “PLUM?”

This is a strange question, but it makes a good analogy for this article. A plum grows within reach on a tree, has a soft outside skin over the tasty fruit inside making it easy to pick and devour. A cactus, on the other hand, has sharp spines and a thick, tough layer of skin making it difficult to reach the moist center that sustains it during even the driest and harshest of times.

Organizations that are like the cactus are difficult to organize because they have a tough outside defense, and yet, on the inside they practice fair and firm employee relations that nourish the company. A positive and direct relationship between employees and management is the life source of a “cactus company”, and it is difficult for an outsider to weaken. Ownership and the leadership team grow the company in a way that protects itself and the direct employee relationship that is at its core.

Corporations of all sizes are under scrutiny and attack regarding their integrity, honesty, and values. As a result, a vote for union representation has never been more visibly a vote “against,” rather than “for,” something than it is now – a vote against employee perceptions of corporate “greed,” supervisory mistreatment, favoritism, or simply management disinterest in or indifference toward employees.

An effective defense against union attacks might not prevent the attack, but it will make your company harder to “pick and devour.” Most of our clients have faced similar attacks over the last thirty years, and there are valuable, battle tested lessons your company can learn from their experience. While nothing can guarantee total freedom from a corporate campaign by organized labor, the following three strategies can help employers develop a line of defense that is difficult to penetrate.

1. “Cactus companies” pro-actively develop and maintain a direct relationship with employees.

- It is one thing to have a direct relationship with employees, and quite another to cultivate and strengthen that relationship through management commitment and action. Although the law gives employees the right to choose between a direct relationship and third party representation, a cactus company has a strong preference for its direct relationship and is not passive in its’ position or actions to preserve that relationship.

- Cactus companies pay particular attention to the basics of effective, direct employee relationships. Those basics include open, two-way communication; effective change management; full compliance with all State and Federal laws; and, competitive compensation programs. They develop and maintain policies and programs that support the direct relationship, identify and resolve issues and complaints, and continually develop their management team in the use of strong empowering and interactive skills.

- Perhaps one of the most important aspects of a cactus company is its strong union avoidance philosophy and pro-active, pro-employee response to the issue of third-party representation. They do not ignore the union issue, but prefer to strengthen their direct relationship and ensure that employees are well informed and educated on the change in relationships that union representation could bring. In that regard, they are most definitely pro-company and pro-employee rather than “anti-union”. The cactus company is prepared to deal quickly, fairly, and professionally with any crisis involving its employee relationships. If they have an existing labor relationship with some of their employees at the same or different locations, they take a “principled,” rather than “positional” approach in that relationship to ensure that there is no distinct advantage to unionization for their employees over a direct relationship.

2. Cactus companies have a management philosophy based on a clear set of corporate values that are well communicated and practiced.

- The cactus company lives and practices a well-communicated set of core values in its business, and these values are the guiding principles that set the standard for performance at all levels. From top management down to the entry levels of employment, everyone understands what the company exists to do (its mission), and most important, how it reaches its decisions and takes actions to support that mission. It sets high standards for itself in all of its interactions, and measures its success not only against standards and goals of a financial and operational nature, but also against the performance of its mission consistent with its’ values.

- There is a coordinated effort by the cactus company to hire and promote only those individuals who possess the right attitude and values to succeed in the company. The cactus company is behaviorally and results oriented. Practices, programs, and policies are designed to foster company values. The cactus company has an on-going coordinated effort to reinforce, support, and develop behaviors, skills, and attitudes at both management and employee levels of the organization that sustain and celebrate its values consistent with its’ mission.

“...we not only have to think outside the box of corporate control our nation has been trapped in...we have to get rid of the box.”

John J. Sweeny

- Cactus companies competing in the national or global marketplace with multiple locations and/or acquisitions are sensitive to the impact of corporate growth and globalization in both the United States and abroad. They develop specific programs and efforts to introduce and assimilate corporate values, philosophy, and guiding principles into their strategic planning and operations as new locations are added to the company. They recognize that growth affects both employees and communities in existing and new locations.

3. “Cactus companies” have a pro-active and coordinated effort to enhance and maintain a “positive corporate reputation”.

- They review their efforts and plan annually based on basic overall themes about the company. They target the subject matter for specific geographic locations, markets, and identified stakeholders -- to include, but potentially not limited to, board members, management, employees, customers, and special interest groups or individuals.
- They educate and inform their board members, management and employees first. This enables them to establish and maintain the communication “high ground” internally and strengthen their credibility in attacks from outside the organization.
- They require their corporate reputation functions (e.g., marketing, public relations, media relations, and/or governmental relations) to provide organizational leadership in the development, monitoring, and implementation of the effort, and, to respond directly to, or coordinate with, human resources, employee relations, labor relations, and/or legal counsel if an organizing or corporate campaign situation occurs.

“CACTUS OR PLUM” -- IT’S YOUR CHOICE

There is a labor relations adage stating that, most often employers “get what they deserve” when there is employee unrest or union organizing. That adage is still true, but today we live in a political and ideological climate in which a large percentage of our population views government and corporations in a negative light. Those of our clients who have successfully weathered corporate campaigns of one type or another embrace nearly all of the strategies mentioned in this article to one degree or another.

However, they all have one thing in common – a strong set of core values and guiding principles regarding their direct employee relationship that drive their decisions and actions by treating employees with respect and dignity. If these core values do not exist, and a corporate campaign can weaken the company’s reputation in the eyes of its own employees, then organized labor will believe that the “cactus” is actually a “plum” and will return for new attacks. Professor Manheim notes that, “If anything, continued failure – in the aggregate – adds impetus to organized labor’s reliance on these sophisticated tactics.” The key to success for your organization is to weather corporate campaign attacks so that organized labor

will be inclined to take its “sophisticated tactics” elsewhere, or avoid attacks entirely.

Anna Burger, Chairwoman of CTW and Secretary-Treasurer of the Service Employees International Union (SEIU), recently announced that SEIU and the CTW have made a conscious decision to mount a broad organizing effort among service related industries in both traditional union areas and in locales that have not typically been “pro-union” environments – such as the South and Southwest.

Ms. Burger, and other labor leaders, believe they can smell the sweet scent of ripe plums in the nation’s air. In an interview with the New York Times, Ms. Burger was quoted as saying, “...the fact is that unions help working families secure the American Dream and that’s good for our country.” These words are today’s “battle cry” for organized labor. It is a cry likely to resonate well among many in the general population. Most importantly, organized labor’s battle plan should alert organizations without cactus-like defenses to their own potential vulnerabilities in the face of corporate campaign tactics. It is not a time for over-confidence in the corporate world.

Although the number of representation petitions is currently down, the union win rate has increased for the ninth consecutive year to 61.5% of the representation elections in 2005. Net union membership in 2005 actually remained level compared to 2004, due to successful union increases in service sector representation that offset representation losses in manufacturing. It appears that after more than forty years of membership decline (or twenty-three years using only comparable NLRB data), organized labor is finally adopting initiatives and cooperative structures that it strongly believes will reverse their downward trend in both membership and influence.

Like most decisions in business, the choice to become a “cactus” belongs to employers – and that choice requires commitment to a way of thinking and acting that some might initially find difficult to accept. What does the future hold? It’s up to employers to decide – organized labor has already made its decision and the battle is well-underway.

At The Mickus Group we have been dealing with corporate campaign tactics as consultants with over thirty years of collective experience. Our Firm has successfully partnered with our clients to develop a “cactus” defense against threats to their direct relationship with employees. We welcome an opportunity to develop these efforts for your organization, or help you “fine tune” the positive things you have already accomplished.

A PRIMER ON CORPORATE CAMPAIGNS

In Saul Alinsky's 1971 book, "Rules for Radicals", and Ray Rogers' (the proclaimed father of "corporate campaigns") book "A Troublemaker's Handbook: How to Fight Back Where You Work – And Win", the corporate campaign was officially "modernized" into a practical tool for both organized labor and political activists. The basic tactics of corporate campaigns are pretty much the same today as those formulated by Alinsky and Rogers in the 70s, with a few unions with the help of the AFL-CIO's Industrial Union Department refining these tactics into more sophisticated organizing campaigns in the present. What has recently changed is the scope and intensity of the attack on corporations and the structure under which various types of corporate campaigns are waged. Tactics such as picketing and demonstrations, boycotts, economic attacks on corporate leaders, media utilization for negative corporate publicity, hand-billing, pressure on boards and consumers, political influence interventions, and other tactics remain the fighting tools of organized labor's battle plan.

LESSONS LEARNED OVER THE YEARS

In our experience, the development of a comprehensive defense to corporate campaigns is best determined by categorizing organized labor's objectives as tactical, strategic, or both. Labor organizations (independently, or, in an alliance, coalition, or federation) often undertake tactical corporate campaigns to gain representation either at single or regional employer locations. These efforts have been the hallmark of corporate campaigns since the 70s with varying degrees of success, perhaps most successfully in healthcare and other service industries. Sometimes the tactical objective is simply to increase individual employee membership, such as recent efforts by the Industrial Workers of the World (IWW) to increase its dues-paying ranks by a corporate campaign attempt to discredit Starbucks (Seattle, WA) in its New York region – a decision the "Wobblies" made after withdrawing their petition over unit issues and settling certain unfair labor practice charges against that company. A strong set of core values and an effective program of positive corporate reputation has helped Starbucks minimize the impact of these "Wobbly" attacks. (Bureau of National Affairs [BNA], 2006. Labor Relations Week. Vol. 20, No. 11, Starbucks, IWW Settle Dispute Over Unfair Labor Practice Allegations.)

Where a labor agreement already exists, a corporate campaign's objective could also be tactical -- to achieve bargaining goals during negotiations, including leverage over a company's non-union locations through neutrality or card check provisions. There are frequent examples of the negotiations-related corporate campaign making the news, as recently seen in the hotel industry in multiple locations around the country, and in the airline industry in the face of poor financial performance, bargaining concessions, and bankruptcy proceedings.

On a more strategic, but still tactical level, the corporate campaign can soften an industry or group of employers in a specific area or region and make it more receptive to labor representation and economic objectives. With an increased reluctance to seek NLRB conducted elections, some labor organizations use corporate campaign tactics to achieve card check agreements and employer neutrality. The Service Employees International Union (SEIU) gained such concessions in its "Houston Organizing Project" initiative against six national janitorial service companies that resulted in the representation of around 5,000 Houston janitors from several companies at one time. The SEIU corporate campaign fell under the broader theme of its "Justice for Janitors" national anti-poverty program. (Greenhouse, Steven. 2005. Janitors' drive in Texas gives hope to unions. New York Times, 28 November, <http://www.nytimes.com/2005/11/28/national/28janitor.html> [accessed November 30, 2005].)

On a broad strategic level, organized labor's objective might be to weaken the reputation of a large national or international employer and "open doors" for multiple organizing opportunities. Wal-Mart (Bentonville, AR) continues to make the news in this regard as a corporate campaign attempt to further tarnish the reputation of large corporations in general, attract more special interest groups to labor's cause, as well as soften that Company and others for representation in the future – by direct and indirect means.

LABOR COMES TOGETHER – SOMETIMES

The dual economic and political/ideological goals of both the Change to Win (CTW) Federation and the AFL-CIO are in evidence through complementary, but, on occasion, opposing paths. Immigration Reform is one example of the political objective as a "helping hand" to economic objectives. However, the CTW Federation seems to embrace reform as a path for membership growth more than the AFL-CIO, which sees such reforms as a path that weakens the American worker and takes away jobs. With each demonstration for Immigration Reform that brought thousands out to march in cities around the country, organized labor and special interest groups also focused on voter registration. "We work and we vote" was part of the demonstration mantra. Reform supporters followed their demonstrations with the May First (International Workers Day) attempted boycott of certain businesses – a classic progression of corporate campaign tactics that labor "backed away from" after public opinion was hurting its "corporate" reputation. The objectives are to reach voters already aligned to a particular cause and, by extension, to align them with organized labor in the process. Potentially, these voters can affect a political landscape that the labor movement believes supports corporations and employers over workers.

Sometimes labor is in full agreement on both political/ideological and economic goals. There is agreement in their desire to have pro-union and anti-corporate legislation passed by sympathetic legislators, such as card-check representation rather than secret ballot elections, forced employer neutrality, no striker replacements, pension reform, and tougher control over corporate decisions, disclosures, and actions. AFL-CIO President John Sweeney's National Press Club speech in January, 2006, conveyed a passionate desire "to get rid of the box" of "corporate control over our nation" that could gain momentum and supporters in the court of public opinion. (AFL-CIO. 2006. Remarks by John J. Sweeney, President of the AFL-CIO, National Press Club, on the Senseless Slaughter of the Good American Job. <http://www.aflcio.org/mediacenter/prspmtm/sp01182006.cfm> [accessed January 19, 2006].)

In all of these corporate campaigns, there is an opportunity for "anti-corporate campaigns" by various special interest groups to supplement and support organized labor's efforts – groups that are welcomed, if not often directly supported, by organized labor. Ironically, many of these additional antagonists would simply like to put a target company out of business entirely.