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# TMG Update

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## “A TARGET OF ONE” THE RESURGENCE OF THE CORPORATE CAMPAIGN IN UNION ORGANIZING

(by Frank S. Merrick)

No doubt we have all seen evidence of organized labor's attack against Wal-Mart. Radio and newspaper ads, billboards, their own anti-Wal-Mart website (www.walmartwatch.com), picketing on the streets in front of some stores, and more are all components of this “Corporate Campaign”. While Wal-Mart is organized labor's current poster child for employer malfeasance against workers, every day other employers are facing similar, albeit less broad-based, attacks. Indeed, the Corporate Campaign is enjoying a resurgence in organized labor's arsenal.

Some employers react to this rejuvenated tactic with a “been there, seen that.” attitude. Our experience suggests that is a dangerous reaction. What organized labor has done is to morph the original version of a Corporate Campaign into something more sophisticated. Today's Corporate Campaign strategist looks at all the possible initiatives that might be launched against any particular employer, then narrows that list down to a workable number of those that will have the most impact. We see this “modified” Corporate Campaign strategy as a more refined, and potentially more effective, version of the original.

### What is a “Corporate Campaign”?

The label “Corporate Campaign” was coined by Ray Rogers, a

creative PR and social activist back in the 70's. He applied the strategy of escalating a social (and labor) conflict by broadening the fight to multiple venues, advocates and audiences. Every Corporate Campaign is unique, based on the individual research done on each target. This is a multi-dimensional strategy. It involves public labeling of the employer as a corporate outlaw more interested in making money at all costs, and may include allegations of inflicting human misery on employees and/or the environment. It involves building coalitions with multiple unions, the religious community, politicians and other socially active organizations to coordinate an attack on the employer. It includes stockholder actions and consumer boycotts. It extends to threats against the organization's lenders and actions against members of its Board of Trustees/Directors. It involves multiple lawsuits and/or employment agency charges (NLRB, Wage and Hour, OSHA, various state agencies, etc.) and, if appropriate, other non-employment related governmental agency charges (e.g., Department of Health, EPA, IRS).

The Corporate Campaign has enjoyed some success. Historical campaigns against J.P. Stevens (remember Norma Rae), Beverly Enterprises, SeaFirst Bank, and others have been deemed to result in union victories. However, for the most part, Corporate Campaigns

### Some Telling Quotes...

“A coordinated Corporate Campaign applies pressure to many points of vulnerability to convince the company to deal fairly and equitably with the union...It means seeking vulnerabilities in all of the company's political and economic relationships – with other unions, shareholders, customers, creditors, and governmental agencies – to achieve union goals.” (AFL-CIO Industrial Union Department.)

“Corporate Campaigns swarm the target employer from every angle, great and small, with an eye toward inflicting upon the employer the death of a thousand cuts rather than a single blow.” (Richard G. Trumka, Secretary –Treasurer, AFL-CIO.)

“It was like Muhammad Ali doing Sonny Liston. He jabbed him here and he jabbed him there, he dances around, and boom boom boom, weakened him always knowing that he was going to come in with the final knockout blow, but he could not take his adversary head-on, he had to figure out ways to go in the back door before he could actually deal that knock-out blow.” (Daniel Vogel, author of *Lobbying the Corporation: Citizen Challenges to Business Authority*.)

“To be successful {in organizing}, I believe you have to be relentless.... We're not businessmen, and at the end of the day they are. If we're willing to cost them enough, they'll give in.” (Bruce Raynor, President, Unite Here)

“Employees are complex and unpredictable. Employers are simple and predictable. Organize employers, not employees.” (Joe Crump, UFCW local official)

during the early years were not successful. The prime reason is that it proved to be extremely difficult for the perpetrator to concurrently maintain the many levels of activity initiated. Moreover, not all union leaders have viewed the Corporate Campaign as an appropriate strategy. Historical campaigns against Hormel and Eastern Airlines are among the most notable failures.

Corporate Campaigns are typically initiated against employers who sell a product or a service to the public. Makers of consumer goods, retail merchants and health care providers have been particularly desirable targets. Attempts have also been made to use this strategy against employers who do not serve the public by targeting their suppliers/customers or by attacking the employer's reputation in the community. Campaigns against suppliers/customers have largely been ignored by these secondary targets unless the union was able to bring other forms of corporate pressure to bear on them as well.

### **So Why Resurrect It?**

Despite its general lack of success, the Corporate Campaign has periodically resurfaced over the past 30 years. This is most likely because it is intriguing to labor leaders and others who seek public activism. An official with the UFCW said:

*"With a Corporate Campaign, I don't have to convince hundreds of workers, I only have to convince one CEO."*

In addition, several other considerations have supported the renewed interest in this strategy. These include:

1. **New leadership in the labor movement.** When John Sweeney ascended to the Presidency of the AFL-CIO, he brought with him a more aggressive emphasis on union organizing. He fueled an energy for organizing and a willingness to commit increased resources to those efforts. Now, after splitting from the AFL-CIO, the Change to Win Federation has raised those goals even higher and those unions who remained under the AFL-CIO umbrella have broadcast their intent to keep pace.
2. **The continuing demise of the labor movement.** As union membership has continually slipped to its lowest level in 70 years, many unions have taken on a survivalist mentality. This has sparked both creative and desperate measures.
3. **A growing disdain of the NLRB.** As the "Bush Board" heads into its seventh year in place, its conservative bent has frustrated Organized Labor. They have repeatedly sought alternate forms of pressuring employers.
4. **The growth of an international marketplace.** As the world becomes flatter, organized labor has increasingly bonded with its international

counterparts. Unions in Western Europe, in particular, enjoy higher regard than those here in the United States. American unions have reached across the pond to enlist the support of their European counterparts to put foreign pressure on American companies doing business in Europe and on European companies doing business here in the states.

5. **Greater access to the internet.** Messages and information can be easily and quickly disseminated via this medium to employees, customers, shareholders, vendors and the financial community many without scrutiny. Meanwhile, younger generations and growing numbers of workers of all ages rely on the internet for their news and other opinion-forming information.
6. **Easier access to increased amounts of data.** With the growth of the internet, a substantial amount of data on employers is now just a few clicks away for a labor researcher/activist. There are even multiple on-line resources to expedite the research.
7. **More money available for organizing.** The entire labor movement is dedicating more and more money to organizing – as much as 50% of their revenue. Their willingness and ability to research and fund a broad based campaign is better than ever.

### **Corporate Campaign Reading List**

A Troublemakers Handbook. Dan LaBotz. A Labor Notes Book. Detroit. 1991.

The Death of a Thousand Cuts. Jarold B. Mannheim. Lawrence Erlbaum Associates. Mahwah, New Jersey. 2001.

Union Corporate Campaigns. Charles R. Perry. University of Pennsylvania, Wharton School of Economics. Philadelphia. 1987.

### **Recent Examples of Corporate Campaign Tactics**

In its "modified" version, the Corporate Campaigns we are seeing are more surgical. Instead of firing a shotgun and hoping to get some hits, labor today is researching its target more deeply than ever before, looking to find its weak joints and Achilles heel, and aiming accordingly. Here are some examples:

- Taking out a full page ad in a small community's newspaper decrying the alleged unfair termination of a local employee who happens to be the wife of a soldier who is away fighting in Iraq.
- Setting up web sites, links, e-mail sites and/or blogs to criticize a particular employer then hand-billing the employees to advertise the internet address.
- Utilizing internet sites such as YouTube and Facebook, targeting their message to a younger audience.
- Renting a billboard on a major highway criticizing an employer and urging a boycott of its products/services.
- Picketing/hand billing at the key store(s) of a retail employer encouraging customers and other delivery persons not to enter during the make-or-break fourth quarter.
- Based on "unofficial" investigations and anonymous employee "tips", making public allegations that suggest poor or potentially dangerous health issues in service companies and/or food retailers – such as the alleged use of non-sterile medical linen or having out-of-date baby food on shelves.
- Making a presentation at a city council meeting to oppose an

employer's request for a building permit.

- Asking biting questions at an Annual Shareholders Meeting which union reps legitimately attended as shareholders.
- Seeking active support from Canadian unions where secondary boycotts are legal.
- Engaging Australian unions to obstruct the acquisition of an Australian company by an American company.
- Contacting financial intermediaries, such as investment banks and pension funds, to apply some pressure to the CFO or CEO of the target company.
- Publicizing negative details on pending lawsuits or settlements.
- Publishing the negative results of government inspections and reproducing citations.
- Drawing in regulators and in other ways interfering with mergers/acquisitions.

Unions will typically combine a number of these tactics, often under the banner of a surrogate organization. In the Houston Project they developed the Workers' Rights Board, which contributed significantly to the successful capture by the SEIU of 5,000 building janitors from several different employers at once. In an ongoing attempt to gain union recognition at the Basha's grocery store chain in Phoenix, the "Hungry for Respect" committee was formed. These two examples of committees comprised of local labor, religious, political and community leaders who take a central role in media attacks and other visible tactics - putting themselves on the front line of the organizing effort.

### **Getting Personal**

Increasingly, and maybe out of frustration, unions are getting personal. They are attacking an organization's CEO and other leaders in an attempt to embarrass them. For example:

- Publishing in handbills the addresses and photos of the CEO's home(s), car or other personal pleasures.
- Publishing the salaries, bonuses and other compensation components of the executives, comparing them to their average employee.
- Engaging in informational picketing at the homes of members of the Board of Trustees/Directors.
- Engaging in informational picketing at the businesses of members of the Board of Trustees/Directors.
- In not-for-profit health care, publishing the union's own calculated "low" percent of a provider's volume of free care and suggesting the revocation of its not-for-profit status.
- Publishing negative testimonials from unhappy employees/customers/patients/families.

Very little is considered "off-limits" to these agitators. There are few rules or regulations that apply. For the campaign's leaders, the end clearly justifies the means. Typically the goal of today's Corporate Campaign is to force management to give in to union demands for Card Check and Neutrality. The Corporate Campaign and the demands for card check/neutrality are intended to circumvent the NLRB election process. We see a direct relationship between increasing demands for card check/neutrality and a decrease in NLRB certification elections.

### **What Can You Do?**

At any time, any employer could become the target of a Corporate Campaign.

Imagine how your organization would react to such a wide array of attacks coming down simultaneously upon it. In a previous *TMG Update*, we reviewed key strategies, characteristics, and programs/practices of organizations with positive employee relations and corporate reputations. (See *TMG Update*, September 2006.)

Given the open requirements of our economy, no organization can completely insulate itself. But, there are some steps organizations can take to minimize the damage a Corporate Campaign could inflict:

1. Honestly evaluate your susceptibility before "writing it off". This should involve two considerations:
  - a. According to Charles Perry, the author of *Union Corporate Campaigns*, the most salient common characteristic of the four companies studied which were targets of successful campaigns was a high degree of sensitivity to adverse publicity. Therefore, ask yourself: What could your business withstand? More importantly, what could your CEO, other senior executives or members of your Board withstand? How fragile is your service or product? How fragile is your market share?
  - b. What information could they acquire that would be useful in a Corporate Campaign? How much "dirt" is out there on your organization? How embarrassed would your organization be if a union turned over all of your rocks?

2. Work your various publics to enhance your positive corporate reputation. There already are many good reasons why your organization seeks to have good relationships with community leaders, local religious leaders, your Board, your shareholders, the financial community and, just as important, your own employees. Now, add minimizing their willingness to jump on a Workers' Rights Board or partake in any other involvement in a campaign against your organization.
3. Batten the hatches. The best defense remains a pro-active offense. While many organizations would be plums for any union to capture, unions won't waste much of their resources where they clearly are not wanted. Work hard to create the type of employment environment where your employees won't see value in being represented by a union.
4. Check your flanks. Make sure your vendors/suppliers adhere to the same standards and practices that you do.

You may even want to consider enlisting the help of an outside, objective resource such as The Mickus Group or other organizations, to assist you in evaluating your level of risk and in building your defenses.

### **Conclusion**

Unfortunately, the seeds of a Corporate Campaign against any of our organizations have already been planted. The fact is that a broad-based attack against the "corporate world" has already been underway for a number of years. Public opinion, in general, has been affected, and corporations today are increas-

ingly perceived by many to be driven primarily by greed along with a diminished regard for their employees. How much trust do your employees or those in your community have regarding your organization's decisions and actions? How easy would it be for one "black mark" against your organization to snowball into a major adverse reaction regarding your reputation?

There is no way to fully insulate your organization from a Corporate Campaign. The union's cafeteria plan of confrontational tactics is vast and wide. When this "outside game" is combined with a union's "inside game" (attempted communication and disruptions in the workplace involving your own employees), it becomes an even more powerful strategy.

The best you can do is be aware of their strategies and tactics, evaluate your organization's level of risk, take steps to mitigate their outreach to important constituents, and proactively create a positive employee relations climate for your workforce.

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