

# LABOR AND EMPLOYMENT PRACTICE GROUP

Summer 2005

## UNIONS FOCUS ON EXPANDING THEIR REACH

The AFL-CIO, a federation of 58 unions representing 13 million workers, released a report in April, 2005 entitled "Winning for Working Families", with its recommendations and plan of action. Among other ways of promoting union expansion, the AFL-CIO is proposing to:

- increase its strategic organizing funds to \$22.5 million;
- encourage and facilitate unions to merge; and
- extend recruitment and increase membership from 900,000 to 2 million by the end of next year.

Only 12.9 percent of employees in all industries were union members in 2004. Of that total, 7.9 percent were in the private sector. While these numbers disclose a continuing decline in union membership, we must be mindful that in 2004 Unions won 58.6 percent of all elections. Moreover, the Unions were more successful in certain sectors. In construction, Unions won 66.9 percent of all elections; and in retail, the Unions won 55.8 percent of all elections. On the other hand, in manufacturing, the Unions only won 43.3 percent of all elections.

Since there is major concern as to whether there will be a split in the AFL-CIO, we should anticipate a lull in major organizing until a final decision is made on this matter. The outcome of the war between Service Employees

International Union ("SEIU") President Andrew Stern and AFL-CIO President John J. Sweeney is at this time uncertain. Stern maintains that the AFL-CIO structure is outmoded, and that there is not enough focus on unionizing.

On June 15, 2005, the SEIU announced the formation of the "**CHANGE TO WIN COALITION**", which represents five of the largest unions in the United States. This organization announced that its sole objective is to increase union organizing in certain targeted industries, and to organize by industrial classification. The AFL-CIO meets next month in order to determine its future. Regardless of who wins the war between Sweeney and Stern, we should anticipate that the corporate campaign theme will continue to attack a company's image among the consumers and the company's shareholders. In July, the AFL-CIO meets to determine the future of the AFL-CIO, and also to determine whether the major focus of the union movement will be on organizing.

## UNIONS ACTIVE IN ORGANIZING PROFESSIONAL, CLERICAL AND TECHNICAL EMPLOYEES

Unions continue their efforts to increase their membership by targeting professional, clerical and technical employees. In its efforts to organize employees, union campaigns now employ a skillful combination of marketing techniques, delivered on the web, in video, in

print and in person as well as the traditional tactics of the corporate campaign.

## TACTICS IN UNION ORGANIZING

**Video:** Union videos are used by organizers in their attempt to solicit union members during a campaign. Many of these videos are very persuasive and provide testimonials by current union members to address favorable results negotiated by the union. In addition, the union organizers will use employee testimonials to address diversity issues within its efforts to organize Hispanics, African-Americans, women, and other special interest groups.

**Internet:** All of the major unions utilize the Internet for soliciting new members in a union organizing campaign. Attractive web sites and e-mail action alerts deliver the union message effectively.

**Sophisticated Union Organizers:** Union organizers recruit an organizing staff that represents the demographics of the workers targeted, including organizers who can speak the native tongue of immigrants and minorities. Likewise, in campaigns where there are heavy female/racial compositions, the unions will draw upon union organizers of the same sex/race.

**Mass Media Advertisement:** Unions place full page ads in newspapers which offer a toll free number for workers wanting help with regard to off-the-clock wage and hour claims.

**Successfully Identify Family Issues:** Many successful unions identify family issues which appeal to the single parent, and to families with two working parents – for instance, the elimination of mandatory overtime which provides for a balanced lifestyle. Issues which resonate in the workplace focus on dignity, fairness, quality of service, or collective representation.

**Placement Of Females Within Union Leadership Positions:** Previous union efforts were often led by middle age men whose demeanor did not appeal to the female workforce. Unions have now placed qualified females into key union leadership positions.

**Soliciting Community/Religious Support:** In organizing campaigns, union organizers in many cases solicit the support of top religious and community leaders in order to obtain authorization cards. We also observe unions soliciting similar support in order to obtain more favorable collective bargaining agreements.

**The Corporate Campaign:** We should anticipate that this will be the number one weapon that unions will use in their efforts to organize companies. The corporate campaign weapons include the following: picketing industries that have direct access to the public; referring employees to lawyers for discrimination suits; handbilling by asking customers to shop elsewhere until the company signs a contract with the union; and advertising in newspapers as to the company's failure to pay a living wage and the company's failure to provide health benefits.

## STRIKE AND WAGE SETTLEMENTS

The table below highlights some of the strikes that occurred in 2004 and 2005:

Date/Location	Strike	Outcome
February 2004: Southern California	Albertson's, Kroger, and Safeway: Grocery workers end a nearly five month strike and lockout involving 61,300 employees.	Employees who are paying no health care premiums will pay none for two years; up to \$60 per month for family coverage in third year; ratification bonus of \$.30 per hour. Hirees after Oct. 5 start at lower rate; takes more time to earn raises.
February 2004: Michigan, New York	American Axle and Manufacturing: 6,700 hourly employees strike on 2/26/04 for one day.	Reduced starting hourly wage from \$25.50 to \$13.50.
April 2004: Minneapolis-St. Paul, MN	Metropolitan Council/Metro Transit: 2,200 bus drivers, mechanics and clerical workers end month and a half strike.	Lowered health-care premiums for short term; signing bonus of \$1,100 for full time employee and \$600 for part time. One year wage freeze; 1% increase after one year; 0.5% increase 6 months later. New drivers start at 70% of rate.
May 2004: Nationwide	SBC Communications: 102,000 telecom workers strike for four days.	12% wage increase over five years; maintains health care with employer-paid premiums; no lay-offs for current employees.
June 2004: Bedford, IN	Visteon Corporation: 1,000 auto parts plant workers end a 15 day strike after rejecting the previous contract proposal. Strikers became violent as replacement workers were hired.	Maintain employment level of 700 employees; wage and benefit concessions undisclosed.
July 2004: Newton, IA	Maytag: 1,600 washer and dryer production workers ended a three week strike.	Current wage schedules kept until 2007; new 401(k) plan offered; incentive bonuses offered.
September 2004: Las Vegas, NV	Las Vegas Convention Centers Service Providers: 3,000 convention center workers strike for a week.	\$4.20 per hour raise over three-year contract applied to wages, pension, or health care.
October 2004: St. Louis, MO	Automobile Dealers Association: 2,000 mechanics end a two month strike against 61 new-car dealerships.	Federal mediated three year contract; annual 25-cents-an-hour wage; dealerships will continue to provide fully paid health insurance; one helper for every two mechanics.
November 2004: Atlantic City, NJ	10,000 hotel and casino workers end month long strike.	28.3% wage increases and pension contributions over next five years; employer paid health insurance; no more leasing space to nonunion restaurants and bars.
March 2005: New Jersey	Jersey Central Power & Light: 1,300 utility workers ended a three month IBEW strike.	12% boost in wages over four years; increased employee contributions towards health care benefits from \$25 to up to \$100 per month.

## MAINTAINING A UNION FREE ENVIRONMENT

The keys to maintaining a union free environment continue to center upon effective employee relations programs and ensuring that front-line supervisors are treating employees with respect and in a non-discriminatory manner.

The following strategies have in the past been keys to maintaining a union free environment:

- demonstrate that leadership has a vision for the future, and invite employees to participate within that vision;
- advise your employees of the current state of affairs; and establish written action plans for successfully dealing with these concerns;
- conduct follow-up meetings with your employees to demonstrate your commitment to accomplishing the items referenced in the action plan;
- emphasize within employee meetings your past accomplishments; and
- emphasize that your Company has competitive wages and benefits.

If you feel that your institution would benefit from a training program involving union avoidance strategies, then please contact a member of the Labor, Benefits and Employment Practice Group in either Missouri or Illinois.

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