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# WHAT EFFECTS DO PUBLIC RELATIONS ACTIONS HAVE ON LABOR DISPUTES? A LOOK AT CORPORATE CAMPAIGNS

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Strikes were once considered an effective “go to” weapon in the labor movement. As union density has declined, so has the frequency and effectiveness of strikes. Strikes were once a tried and true tactic for labor unions to force employers to make concessions at the bargaining table. However over the past twenty-five years strikes have become a somewhat risky gamble with uncertain, often disastrous results. This paper examines the new role of public relations campaigns that labor unions employ in bargaining as it relates to work stoppages. What, if any, pressures do these “corporate campaigns” exert on employers during work stoppages? Do they help labor unions further their objectives? Do they force employers to make concessions in order to avoid a strike or to quickly end a strike?

## THE DECLINE IN WORK STOPPAGES

The strike or threat of a strike has traditionally been the most effective leverage available to labor unions to pressure an employer during collective bargaining negotiations (Susser 1989). The Bureau of Labor Statistics (BLS) began tracking work stoppages that involved more than 1,000 workers in the year 1947. At the height of strike activity in the 1950s and 1960s, the BLS routinely recorded work stoppages involving more than 1,000 workers at numbers that regularly approached or exceeded 400 strikes annually (Statistics 2005). During this period of frequent labor stoppages there was no doubt that there would be strikes. The uncertainty revolved around whether the strikes would be endorsed by the local union or if they would be unendorsed wildcat strikes (Brecher 1997). During that time in labor history, labor unions made a number of impressive gains in terms of wages, healthcare, insurance, and pension benefits through the collective bargaining process (Zieger 1986).

### Strike Ineffectiveness

**Social Conflict.** As the anti-war and the civil rights movements progressed throughout the 1960s, the American public increasingly turned its attention to these and other matters of social and public policy and focused less attention on the concerns of the labor movement that had dominated the previous decade (Zieger 1986). The social turmoil of that decade brought every American institution under attack, and despite the gains that had been made for workers since the National Labor Relations Act was passed into law

in 1935, unions were not exempt from the scrutiny. Charges of racism and corruption among labor unions damaged the credibility that the labor movement had fought so hard to gain and the frequency and seemingly arbitrary use of strikes as a means of collective bargaining began to undermine labor’s legitimacy (Manheim 2001, Zieger 1986). The issues of the labor movement and its members, while still aligned with those of the American public, took a backseat to other issues during that period, most notably civil rights and the Vietnam conflict.

**Permanent Replacements.** The United States Supreme Court ruled in the landmark case *N.L.R.B. v. Mackay Radio & Telegraph Co.* that employers could replace workers who took part in a work stoppage for economic reasons. In its decision, the Court was extremely careful to draw the distinction between strikes for economic purposes, particularly when negotiations break down despite the employers good faith bargaining, and those that take place as a result of an unfair labor practice by an employer. Employers used permanent replacements as a means to maintain production during work stoppages sparingly until the early 1980s. In 1981, the Professional Air Traffic Controllers Organization (PATCO) struck in response to stalled negotiations with the Federal Aviation Association (FAA). After the striking workers failed to return to work upon a directive from then President Ronald Reagan, the President fired the entire workforce and permanently replaced them. The use of permanent replacements by the federal government in response to a strike had not been done since the Great Depression (Brecher 1997). Although PATCO’s members

were federal employees and thus engaged in an illegal strike, the use of replacement workers by the federal government lent credibility to this practice for other employers, particularly those in the private sector (Masters 1997). Following Regan's use of replacement workers, employers in increasing numbers began to do the same in order to maintain productivity during a strike and defeat the striking workers and the union (Manheim 2001).

While labor unions had often used the threat of a strike to pressure employers and secure a settlement at the bargaining table, employers have in turn increasingly used the threat of permanent replacements to head off a strike by the union (Cutcher-Gershenfeld, Kochan et al. 1998). The use of permanent replacements can turn a strike into long term job loss for employees and has, in some cases, lead to the destruction of the local union. The labor movement has spent untold time and resources trying to pass legislation to prohibit the use of permanent replacements. To date they have not been successful in their efforts, and employers' use of permanent replacements to fill the production gap left by striking workers continues to have a chilling effect on the number of strikes in the United States. Larger firms are able to withstand the negative impacts of strikes on business and production longer than labor unions and striking workers in part because they are able to quickly hire replacement workers, giving them a significant advantage (Rose 1991). While the number of strikes had steadily declined through the late 1970's, strikes began to plummet in numbers after the PATCO strike and in 2003 the BLS recorded only 14 strikes (BLS Data 2004).

**Union Density.** The decline in the number of strikes can in part be attributed to declining number of union members (Susser 1989). Union membership is currently 12.5% nationally, the lowest level since the Bureau of Labor Statistics (BLS) began keeping tracking this data (Labor Relations Reporter 2005). The dwindling number of union members makes it increasingly difficult for labor unions to strike in the large numbers they once did, further eroding solidarity among members during a strike and the financial impact of a strike on an employer, further increasing the employers ability to withstand the strike.

**Media Coverage.** Some researchers have suggested that media coverage of strikes and other union activities are biased and favor employers (Flynn 2000). In the period between 1946 and 1985, one study found that media coverage concentrated more on strike activity than any other union activity and that media reports exaggerated the frequency of strikes (Schmidt 1993). Most importantly Schmidt noted that media coverage appeared to have an overall negative effect on the public opinion of labor unions. Consequently while the number of strikes has declined drastically, media coverage of strikes has risen and the American public's disapproval of labor unions has increased.

It is clear that striking is no longer an effective means of pressuring employers at the bargaining table. The American public and the media have shifted their focus away from the labor movement to that of other social and public policy concerns. Employers are much more resistant to strikes as a result of declining union membership and their increased willingness to use of replacement workers. The decline in the number of strikes coupled with numerous highly publicized failed strikes has reinforced the public view that this once crippling union tactic has, as a stand alone measure, lost its effectiveness (Masters 1997).

### **A NEW TACTIC: THE CORPORATE CAMPAIGN**

By the early 1980's, labor unions had begun to experiment with corporate style campaigns during bargaining (Franklin 2001). Unions recognized that they needed more effective methods to pressure employers at during collective bargaining negotiations, as strikes and even picket lines were no longer effective. Slowly unions began to realize that they could put pressure on employers by pressuring their stakeholders. Stakeholders include employees, customers, investors, vendors and suppliers, stockholders, presidents and board members, business partners and customers (Jawahar & McLaughlin 2001). Unions recognized that the battles they waged needed to be about more than just wages and working conditions - they needed issues that possessed both social and moral appeal to attract a larger group of supporters for their efforts, namely religious and community groups and leaders (Franklin 2001).

The term corporate campaign is defined by Jarol B. Manheim as follows:

A coordinated, often long-term, and wide-ranging program of economic, political, legal and psychological warfare usually, but not exclusively, initiated by a union or by organized labor in general. It is directed against a corporation that has opposed unionization, declined to accept contract terms a union deems critical, or in some other way refused to yield on some issue of great importance to the organization launching the campaign...it is warfare waged in the media, where the union or other group seek to redefine the image and undermine the reputation of the target company through systematic and unrelenting pressure...to cause so much pain and disruption that management is forced to yield to their will.

Manheim offered this definition in *The Death of a Thousand Cuts* in 2001. By that time, labor unions had identified a number of public relations based tactics which could be used to pressure employers at the bargaining table that did not revolve solely around work stoppages. Unions began to employ corporate campaigns intermittently in the late 1970s and early 1980s, but it wasn't until the 1990's that the labor movement began to perfect and rely upon these public relations efforts as a means of pressuring employers for purposes of collective bargaining. Since that time, corporate campaigns have become a conventional weapon in labor's organizing and bargaining efforts (Manheim 2001). The following section of this paper examines how and why corporate style campaigns are successful in pressuring employers.

Corporate campaigns attempt to influence employers by pressuring the employer's stakeholders. This is a departure from strikes, which attempt to pressure the employer alone. In addition to the earlier definition of stakeholders offered by Jawahar & McLaughlin (2001), they extend the definition of stakeholders as any person or organization that can affect or is affected by the organization and their objectives. As it is generally accepted that companies are dependant upon their stakeholders for survival, it follows that they will pay attention to them in order to insure their survival. The more dependants an organization is on its stakeholders, the greater power the stakeholders have over the company (Jawahar & McLaughlin 2001).

For stakeholders to exert their influence on a company they must possess three attributes: power, legitimacy and urgency (Mitchell, et. al. 1997). As discussed above, stakeholders have significant influence when the company is dependant upon them for its survival. When unions themselves do not have power, they can gain power by influencing other stakeholders to exert pressure on the employer. Legitimacy and urgency, for the purposes of this paper, have to do with the demands that a stakeholder makes to the company on a labor union's behalf. These demands must be viewed as responsible and justified in light of the existing circumstances. Otherwise the company and its stakeholders will not view the demands as being so imperative as to warrant a concession. Finally, demands must be urgent. Urgency takes place when a matter is time sensitive or of the utmost importance. During a corporate campaign, unions must present a compelling case to other stakeholder in order to pressure them to take action against the employer. These three attributes are paramount to a union's effort to gain allies who will exert pressure on a company they might otherwise have a good relationship with to make concessions to the union.

Ray Rogers is widely considered to be the father of the use of the corporate campaign by the labor movement. Rogers worked for a number of labor unions throughout his career and is currently the president Corporate Campaign, Inc. His New York based company develops corporate campaigns exclusively for labor unions. The campaigns focus on internal union solidarity, membership and family involvement and generating favorable media coverage to help labor unions gain leverage during collective bargaining negotiations. Rogers is credited with pioneering labor's employ of the corporate campaign in the Amalgamated Clothing & Textile Workers Union (ACTWU) organizing campaign against the notoriously anti-union J.P. Stevens & Co. from 1976 to 1980 (Manheim 2001). He has been involved in a number of high-profile corporate campaigns throughout his career and Corporate Campaign, Inc. has been featured in such publications as *Time*, *Business Week*, *Forbes*, *Fortune*, *The Wall Street Journal*, *The New York Times*, *Newsday*, *USA Today*, *The Washington Post* as well as a number of television programs. *Time* magazine wrote the following about Rogers

and his company: (Rogers has) "brought some of the most powerful corporations to their knees, and his ideas are spreading" (Brecher 1997, *Corporate Campaign, Inc.*). Rogers continues to be active in this area on behalf of labor unions.

### **HOW DO "CORPORATE CAMPAIGNS" WORK?**

As stated earlier, corporate campaigns are an attempt by a labor union to pressure an employer by compelling their stakeholders into action against the employers on behalf of the union. These campaigns attempt to influence stakeholders to exert pressure on companies, in an attempt to force employers to yield to the demands of the union. Research and strategy play a key role in corporate campaigns. During a campaign labor unions research companies finances (vendors, creditors, and investors), stakeholder (board of directors, customers, managers and executives), employment practices (compensation, health & safety) and other matters relevant to the company's union employees (Manheim 2001). The research has two goals. The first is to find a weakness within the company that the union may publicly exploit to gain the attention of the stakeholders. This can sometimes have nothing to do with the matter at issue during collective bargaining. During the Teamsters wildly successful strike of UPS in 1997, the union was able to pressure the company and gain the sympathy of the general public by publicizing the fact that the company had an injury rate that was 2.5 times higher than the industry average. The rate of injuries was central to the Teamsters campaign against UPS, but the main dispute at the bargaining table concerned health insurance coverage and the unions' demand that UPS offer more full-time, benefits eligible employment opportunities, not worker safety (Brecher 1997). Research is the first and often most important step in a corporate campaign.

#### **The role of public opinion and the media**

Public opinion plays a significant role in the influence of labor unions at the bargaining table. Negative opinions of unions rose sharply after 1972 and have remained somewhat high ever since (Schmidt 1993). Public opinion polls demonstrate that while the majority of Americans approve of labor unions representation of employees, many

feel unions are too powerful, self-serving, lead by persons who are untrustworthy and engage in too many strikes (Jarley 1994). In that same study Jarley noted that the public views strikes as an unsavory tactic and generally support initiatives designed to reduce the frequency and duration of strikes such as cooling-off periods, limits on strike duration and the right of effected third parties to recover lost income as a result of a strike.

Media coverage of strikes (or lack thereof) also contributes to the public opinions about labor unions. The media is more likely to cover an interest based dispute rather than one involving an allegation of an unfair labor practice, and work stoppages involving a large number of employees are more likely to garner the media's interest. The size and duration of a strike also have a positive effect on media coverage. Further, some research has shown that as the number of strikes decline, so does the amount of coverage that remaining labor activities get, as the media may deem union-related coverage to be less important to its readers (Erickson 1996). It has also been shown that labor disputes in certain industries such as transportation or public utilities receive greater media attention than others, such as the garment industry (Flynn 2000). This may be in part because these jobs are specialized are not able to be outsourced to either permanent replacements or plants overseas. Further, strikes in these industries tend to greatly affect the public welfare. Media attention to labor disputes involving the threat of a work stoppage has been shown to not only increase the likelihood of a strike but also to increase the duration of the strike if one takes place (Flynn 2000). Strike activity is often seen by the public in a negative view, and thus it has a negative effect on union approval (Jarley 1994). Therefore, any action must be closely linked to the issue at hand (Turner 2001).

While this research suggests that labor unions are not playing on a level field with employers in terms of favorable media attention, this author would propose that the numerous recent scandals involving corporations may have leveled the playing field somewhat. Only time will tell, but it is safe to say that in many cases unions begin their campaigns at a considerable disadvantage in terms of public opinion. However, the threat of negative publicity can be most effective on employers who

routinely tout their positive working conditions to the media and the public (Turner 2001). In terms of the legitimacy of their efforts, unions should be especially concerned that the public believes that they are pursuing reasonable goals.

### **How do unions get their message out?**

As union membership continues to decline, more of the American public gets their information about unions from the media rather than from union members (Jarley 1994). Commentators note that since the 1940s, media coverage of labor unions and labor disputes has not only decreased, but it has moved from the front page of the newspaper to the back page of the business section (Jarley 1994). Further, reporters are no longer versed in the ways of union life. Because the quantity and quality of reporting on labor issues has decreased, labor unions must find alternate ways to get their message to the American public.

### **Generating positive media coverage.**

To garner media coverage, organizations must be involved in something deemed to be worth reporting by the news media (Schmidt 1993). As discussed earlier, media coverage increasingly tends to focus on strike activity, over which the public generally expresses disapproval, and less on collective bargaining and other union initiatives. Thus it can be inferred that typical union activities such as collective bargaining and public education initiatives are not of interest to the general public or the media, while more dramatic events are, such as strikes. Because sensational media coverage gains the attention of the general public, unions must take great care to ensure that their message is legitimate in order to stave off negative reactions from the public. This is particularly important because media coverage has been shown to have the greatest impact on the opinions of persons otherwise tend to have little or no opinion about labor unions (Schmidt 1993). Furthermore, as the influence of the media has grown over the past two decades, researchers have tracked a decline in favorable coverage of labor union by the media (Puette 1992). The public view of labor unions is generally lumped together by the public. Thus the way that an individual views one labor union generally reflects how that person views labor

unions and the labor movement as a whole (Puette 1992).

The Justice for Janitors, which has become the icon of the new labor movement, was exceedingly successful in generating positive media coverage. SEIU faced significant employer oppositions and public apathy when it began its campaign to organize janitors in Los Angeles in the early 1990s. The Union carefully built a media strategy that was able to portray the janitors, who were by and large immigrants, as the symbol of the working poor and contrasted them with the wealthy executives whose offices they cleaned. The Union was successful in organizing the janitors in 1991 and in renegotiating their contract in 1995 but faced significant hurdles during the 2000 collective bargaining negotiations. The janitors were employed by cleaning contractors, whose services were contracted by building owners throughout the city. The building owners were free from the pressures of collective bargaining, as they could simply switch to a non-union contractor if wages were raised by more than they cared to pay. In 2000, the Union was demanding a \$1.00 per hour wage increase, while the building owners had only offered \$0.50. When compared to the building owners and occupying executives' salaries, the amount seemed insignificant to the public and their sympathies were firmly on the side of the workers. Additionally, mass rallies and pickets were organized by the union. The rallies took place at night because this was when the janitors were scheduled to work. It also allowed the demonstrations to go forward in a way that was not disruptive to the public at large. This all-out assault on the position of the employer by the community resulted in overwhelming public sympathy from a city that often seemed hostile towards immigrants and caused the building owners to cave to the Union's demands in less than three weeks (Erickson, et. Al 2002).

**The Internet.** Labor unions have increasingly turned to the Internet to get their message out to the public. The Internet allows labor unions to spread their message in a way that is unfettered by their adversaries. While those who view a labor unions website are generally persons who are sympathetic to labor, these sites offer unlimited information on any number of corporate

campaigns that the unions are engaged in. The AFL-CIO's website includes a section entitled "Eye on Corporate America". The website contains detailed information on a variety of corporate campaigns against companies like Wal-Mart contains information on company ownership, executive compensation, employer practices and employee pay. According to a senior research analyst with SEIU, the union increasingly uses web campaigns as a tactic because it is a cost effective way to target multiple companies at the same time (MacFadyen 2004). SEIU pressured GTCR and its portfolio companies through a website called "GTCR Watch" in 1996 rather than striking or filing legal charges. The website highlighted what the Union considered to be poor management practices and alleged fraud at their portfolio companies. While that campaign is ongoing, executives at GTCR have made public statements distancing themselves from one such company, AnswerThink Inc. (MacFadyen 2004).

**Union Handbooks.** Union handbooks provide information about corporate campaigns and a variety of legal methods which instruct members about methods at their disposal to apply pressure on the employer from inside the firm. Slowdowns and work-to-rule campaigns were standard pressure tactics used by labor unions in the 1930s and have been revived as strikes have grown less effective. In 1986 the AFL-CIO published a one such member handbook called *The Inside Game*. Demand was so strong the AFL-CIO eventually printed and distributed over 100,000 copies of this manual (Brecher 1997). The manual's stated objective is to "assist unions large and small in devising strategies targeted at employer economic and political relationship – including dealings with other union, shareholders, customers, creditors, elected officials, government agencies and the general public" in order to persuade the employer that the cost of not reaching an agreement with the union will be more costly to them than the price of the unions bargaining demands (*Inside the Game*, Yates 1998). Other unions publish similar manuals, including SEIU's *Contract Campaign Manual* and the CWA's *Mobilizing for the 90s*. Besides offering pressure tactics these manuals promote the message that a united workforce brings power to the union (Yates 1998). All of these manuals instruct rank-and-file union members with regard to one of the most frequently

used tactics of a corporate campaign - work-to-rule strategies. These manual also urges union members to recruit volunteers from outside the company to flood the firm with calls related to collective bargaining measures. They include information about recruitment, the importance of well thought out and clearly defined goals, timetables for reached the goals, and research in defining goals. They cover how to gather information about the company, particularly financial information and the value of disgruntled employees as sources. These strategies are part of a greater approach to pressure employers to concede to the union's demands at the bargaining table (Susser 1989).

**Coalition building.** Unions have begun to form new partnerships with unlikely alliances in an attempt to increase their power base. The so-called Blue-Green alliance between labor unions and environmental groups is one such example (Turner 2004). This improbable alliance allows labor unions to reach constituents who otherwise would not turn out in force in support of the causes of the labor movement. The alliance spreads labor's message to environmental groups, a group that has also placed corporate America in their crosshairs, but for different reason. For example, labor and environmentalist groups have joined forces to fight President Bush's plans for drilling in the ANWAR region of Alaska, an effort that would not normally be considered an issue of concern to labor unions (Turner 2004). In fact, labor unions have begun to ally themselves with women's groups, human and civil rights activists and consumer protection advocates as a means of recruiting supporters (Turner 2004). Additionally, labor unions have courted the anti-sweatshop movement, as both groups have publicly stated their interest in curtailing the use of labor in underdeveloped countries where poor labor standards often make it cheaper to manufacture a variety of products, which unions often blame for draining jobs away from America (Turner 2004). As they say, politics makes strange, and in this case powerful, bedfellows.

Labor has increasingly turned to religious organizations with regard to its coalition building efforts. Ray Rogers's company, Corporate Campaigns, Inc., advertises that it maintains a network of various religious organizations of all

faiths (Corporate Campaign, Inc.). John Sweeney, the president of the AFL-CIO, is a devout catholic and called for a closer alliance between unions and religious groups and went so far to set up the National Interfaith Committee for Worker Justice (Manheim 2001). The Committee boasts a network of 40 organizations in 24 states that support labor and social justice activities at the local level (Manheim 2001). It highlights the participation of religious groups' participation in labor activity, sets forth a code of conduct for those activities and lobbies for compensation and health and safety issues and against discrimination in the workplace based on faith and ethnicity (Manheim 2001). These affiliations and organizations have been important with regard to corporate campaigns and strikes at the local level.

Supporters of corporate campaigns have included not only the groups mentioned above, but also the United Methodist Church, the National Baptist Convention, the National Consumer League, Children Against Underage Servitude and Employment, the National Council of Churches, the National Organization for Women, the Rainbow Coalition, and the Rainforest Action Network (Manheim 2001). In the late 1970s the Amalgamated Clothing & Textile Workers Union spent almost five (5) years locked in a battle with J.P. Stevens trying to organize its workers, many of whom were African-American women. In the first identifiable corporate campaign of its kind, the union was able to use their alliances with civil rights and women's group to pressure the company and its stakeholders over the duration of the campaign (Brecher 1997).

The living wage movement and the Justice for Janitors campaigns are perfect examples of the effectiveness of these coalitions. The labor movement has joined forces with civil rights organizations, community groups, local churches and political organizations and their efforts have resulted in the passage of living wage ordinances in over 70 cities (Turner 2004). During the Justice for Janitors campaigns in Los Angeles SEIU was able to assemble a coalition consisting of local and national labor unions including the Los Angeles Building Trades Council and Los Angeles County Federation of Labor, religious groups, community activists and political organizations. The support that these groups lent to the janitors in their

organizing efforts and during the strike was immeasurable. The Catholic Church held masses in honor of the janitors and Cardinal Roger Mahoney publicly offered to mediate the strike. The Teamsters refused to collect trash from the buildings where the janitors worked and the Operating Engineers refused to perform any maintenance on them. During the strike the Los Angeles County Federation of Labor organized a food distribution program for striking workers, and the Los Angeles City Council, Los Angeles County Board of Supervisors and the California State Assembly passed resolutions to support the demands of the union (Erickson, et. Al 2002). The Justice for Janitors corporate campaigns demonstrate that the support that labor unions can derive from non-labor causes can be of significant importance during a corporate campaign. The leverage that these groups apply to employers and opinion leaders can help to sway public opinion and place further pressure on employers.

## MOBILIZING SUPPORT

### **Laying the groundwork in the community.**

The success of the Los Angeles Justice for Janitors campaigns rests in large part with the work that was done in the community long before the public campaign began. Their efforts focused on the creating the ability to influence public opinion, not the employer. Union organizers began contacting potential allies *one year before* contacting the employers with regard to organizing their workers. By that time they had secured the support of other labor unions, religious, community and political leaders, all of whom publicly supported their campaign (Erickson, et. Al 2002). The importance of support from the community can not be underestimated during a corporate campaign, as is demonstrated by the examples provided in this paper.

During the 1997 Teamsters strike against UPS, customer relationships were widely publicized by the Union in their media efforts (Guy 2003). Because UPS drivers worked regular routs, many had a familiar relationship with their customers. Prior to the strike, the Teamsters union encouraged their members to speak directly to customers about the dispute and education them with regard to the union's position (Guy 2003). When the strike began on August 4, 1997, it was the largest strike



that the United States had seen in 20 years (Brecher 1997). The Union's efforts of educating customers prior to the dispute had paid off – a *USA Today*/CNN Gallup Poll showed that 55% of respondents supported the union while only 27% supported UPS. After 15 days the company, which was scheduled to meet to discuss a proposal to bring in replacement workers, instead announced a settlement with the Union that included most of the union's demands. With public support firmly behind the union and estimated losses of \$30 million per day during the strike, UPS had no other choice (Brecher 1997).

**Targeting the employer.** As a means of achieving its goals, unions will often attempt to portray the employer it has targeted in a negative manner in the media and to the public. Unions may make the details of negotiations public, particularly as they relate to excessive demands by the employer in an attempt to garner public sympathy. An image conscious employer may be leery of widespread and prominent negative media coverage about a labor dispute, particularly if they anticipate the union's demands to be perceived as reasonable by the public.

Unions may also take a closer look at the companies' financial records to determine the company's profits, ability to pay wage increases and to determine the salaries of the company's executives (Susser 1989). The United Steelworkers of America undertook such research during their strike at the Ravenswood Aluminum Company (RAC) in October of 1990. During that campaign the Union tirelessly researched the company's financials and discovered that fugitive financier Marc Rich owned a controlling interest in the company (Turner 2001). The Union made sure this information was well publicized, including distributing "Wanted" flyers featuring Rich's picture. The Union pressured Rich's business operations in Europe and was able to block his attempt to purchase the Slovakian National Aluminum Company and a majority share of a Romanian hotel. Shortly afterwards, Rich replaced the senior management team at RAC and settled the contract with the union, bringing an end to the 20-month strike (Turner 2001). The settlement provided for a wage increase, cost of living increase and back pay for striking workers.

**Regulatory Charges.** Unions can directly target an employer through an assortment of activities. As described earlier, union members can target the firm through work slowdowns, work-to-rule actions and negative publicity. The Union may also target the employer through by filing charges with regulatory agencies that oversee any portion of the company's industry. During the 162 corporate campaigns identified Jarol B. Manheim between 1974 and 1999, labor unions filed charges with the following federal regulatory agencies in an attempt to pressure the employer and other company stakeholders: the Department of Justice, the Department of Labor, the Department of State, the Equal Employment Opportunity Commission, the Environmental Protection Agency, the Federal Aviation Administration, the Food and Drug Administration, the Federal Trade Commission, the Health Care Finance Administration, the Internal Revenue Service, the National Labor Relations Board, the Occupational Safety and Health Organization and the Securities and Exchange Commission.

Charges of Unfair Labor Practices and health and safety violations against employers can be extremely influential during a corporate campaign. While employers are not prohibited from replacing economic strikers, they are prohibited from replacing employees who strike over an employer's unfair labor practice(s) or health and safety violation(s) (Turner 2001). During the Steelworker's campaign against the Ravenswood Aluminum Company, the Union filed a number of unfair labor charges and health and safety complaints against the company. The information had been meticulously documented over several years by a disgruntled union steward (Turner 2001). As a result, the Occupational Safety and Health Organization ordered an unprecedented wall to wall inspection of RAC's facilities and the National Labor Relations Board issued a complaint against the company (Turner 2001). The OSHA inspection eventually resulted in hundreds of thousands of dollars worth of fines, and undoubtedly provided Marc Rich with an even greater motive to settle with the union.

OSHA was also involved in the Bridgestone/Firestone strike. In 1994 the organization issued a hefty fine against the company as a result of charges filed by the United

Rubber Workers during a strike. Labor Secretary Robert Reich hand delivered the notice to the company in a well-coordinated and highly publicized confrontation (Franklin 2001). The strike dragged on for two more years after the fines were levied and the company finally reached an agreement with the union in response to mounting criticism from the American public for sending jobs overseas (Brecher 1997).

**Boycotts and Picketing.** As part of a corporate campaign, unions may boycott or picket an employer in an attempt to keep other workers and customers from patronizing the employer (Flynn 2000). Secondary boycotts occur when a party to a labor dispute attempts to coerce a third party to take part in their boycott of an employer. Secondary boycotts are a violation the National Labor Relations Act (Susser 1989). However the United States Supreme Court has held that “publicity...for the purpose of truthfully advising the public, including consumers and members of a labor organization, that the product or products are produced by an employer with whom the labor organization has a primary dispute are distributed by another employer” is permitted (*DeBartolo Corp. v. Florida Gulf Coast Building and Construction*, 485 U.S. 568, 108 S.Ct. 1392 (1988)). In that same case the Court has upheld hand billing in the absence or picketing or violence is permissible. In a successor to that case known as *DeBartolo II*, the court extended the rights of labor unions to target any company that has a business link to the employer with whom the union has a dispute. Employers who are particularly image conscious and sensitive to negative publicity may be more likely to yield if they perceive picketing or boycotting will be successful (Manheim 2001).

Picketing proved to be an extremely effective tactic during the 2000 Justice for Janitors strike. As referenced earlier, the picketing took place at night so that it would not disrupt commuters. The constant picketing night after night kept the news media interested in the strike, thus keeping it in the public eye. In 2002 the International Longshoremen’s strike resulted in picket lines at ports across the country and millions of dollars in losses to shippers whose goods perished or were delayed as a result (Bonney 2003). Due to the skilled nature of the work, the strikers could not be

replaced. The monetary value of the loss of goods forced the shippers to settle the strike, despite the lack of public support for dockworkers.

When members of the United Food and Commercial Workers struck Safeway grocery stores throughout California in 2003 during a strike, customers refrained from crossing the picket lines and shopped in other grocery stores in large numbers. As a customer relations tactic the stores had implemented “superior customer service” programs in most of its stores in the early 1990s. Superior Customer Service called on employees to anticipate customer needs, proactively help customers find products, suggest substitutes if products were out of stock and most importantly learn customers’ names. During the strike the union used extensive hand billing to inform customers about the dispute, particularly the company’s attempt to cut the health care benefits of its workers. In addition to picketing and hand billing the union also asked customers to sign pledge cards which stated that they would refrain from shopping at Safeway. The strike lasted nine (9) days. After the strike was over and Safeway backed away from their demands to make significant changes to employee health coverage the Union stated publicly that they came away from the strike with a better contract than they had originally hoped for. In the aftermath, both the union and management acknowledged two factors - the public sensitivity to health care and the familiarity that strikers had with customers as a result of the Superior Customer Service program as reasons why Safeway lost an alarming rate of business during the strike (Guy 2003).

### **Targeting Board Members.**

Unions have had some success in targeting the board of directors for larger companies. Board members are charged with satisfying of stakeholders with different interests – employees and stockholders. Available resources influence a company’s decisions, especially as they try to remain profitable and satisfy stakeholders, which generally involves engaging in low risk behavior with relation to the companies practices (Jawahar & McLaughlin 2001). Members of Boards of directors are often a target of unions during a corporate campaign because they often serve in high capacities at other firms, making them

vulnerable to union pressure (Susser 1989). Board members are often familiar with labor relations of the company as well as the details of the dispute. Because they are Board members they certainly hold a great deal of power when it comes to making decisions about that dispute. Unions will often threaten to handbill or picket a shareholders meeting in an attempt to embarrass and pressure Board members. In the J.P. Stevens case cited earlier, an officer from the New York Life Insurance Company was forced to resign from J.P. Stevens Board of Directors because the ACTWU threatened to oppose his campaign form membership on the Board of Directors at New York Life (Susser 1989).

### **Targeting business partners.**

Corporations build their reputations on the trust and confidence they gain from their stakeholders (Manheim 2001). This not only refers to a company's employees and customers but also its investors, suppliers, vendors and partners. Evidence suggests that a strike can often have a negative effect on the firm's investors and suppliers as a result of a loss in business (Pearsons 1995). Companies that buy from or sell their products to the struck firm may also be negatively affected (DeFusco and Fuess 1991). A study of steel suppliers during automotive worker strikes demonstrated that the steel supplier's profits were negatively affected by the slowdown in production caused by major strikes (Persons 1995). Additionally it has been shown that non-struck competitors sometimes enjoy increased business as a result of a strike (Kramer 1996). As a result, unions may also exert pressure on other companies that do business with the company they seek to target. During the Ravenswood Aluminum Company campaign the union used the information it had regarding Marc Rich to pressure beverage companies who used aluminum from Ravenswood to manufacture their product to find another supplier. The campaign also sought to inform the consumers of these manufacturers about RAC's malfeasance. As a result, numerous beverage companies including Stroh's and Budweiser stopped using RAC products (Turner 2001). The loss of business undoubtedly provide March Rick and RAC with another reason to settle the strike with the union.

Unions often control significant member pension funds, and a threat to withdraw those funds from an institution during a labor dispute can result in losses in the millions and billions of dollars for the financial institution if it is carried out. Such withdrawals are permissible provided that the assets are not adversely affected as a result (Susser 1989). The Amalgamated Clothing & Textile Workers Union threatened to withdraw \$1 billion in pension funds from the Manufacturers Hanover Trust Company during the height of their dispute with J.P. Stevens because one of the bank's executives was a member of J.P. Stevens Board of Directors. This led to the resignation of the chief executive of Avon from the J.P. Stevens board. Shortly thereafter the chief executives of New York Life and J.P. Stevens resigned simultaneously from each other's boards (Susser 1989). The campaign lasted five long years, but in 1980, J.P. Stevens finally agreed to union representation of its employees.

## **FINANCIAL RESOURCES**

### **Strike Funds.**

While not all corporate campaigns include a strike, many of the higher profile and successful campaigns discussed here did. The shortage of funds for labor activities, including funds for striking workers, into the mid 1990s can account for some decline in the number of strikes as well as an increase in the number of union members who cross picket lines. During the UPS strike referenced earlier, striking Teamsters received a \$55 per week strike benefit from the union. It is hard to imagine how long the workers would have lasted if the strike stretched on into months or years, as some of the other strikes discussed in this paper have.

When the Los Angeles County Dry Wall workers strike in June of 1992, they began with almost unanimous support from union members. However as the strike stretched into its second month, many strikers started crossing the picket lines out of economic necessity. A strike fund was set up by the AFL-CIO and ultimately generated over \$2 million in contributions that was used for strike funds. Church and community groups donated food and money to assist to striking workers during the dispute. This kept the moral up and kept workers from crossing picket lines

(Turner 2001). During the strike at Ravenswood Aluminum Company the spouses of the striking workers set up a support group to help with everything from financial needs to car pooling (Turner 2001). Strikes can be financially devastating to workers and their families. Strike funds and other forms of support provide the means necessary for union members to remain on the strike.

### **Support from the AFL-CIO**

There is clear evidence that an increase in strike-related coverage by the media lead to an increase in public disapproval of labor unions (Erickson 1996). When Ronald Reagan fired the striking PATCO members in 1980, the AFL-CIO sent letters to its affiliates discouraging them from showing solidarity with the fired employees. However, during the UPS strike in 1997 the AFL-CIO threw its full support behind the striking workers, supporting them financially as well as by launching an all out public relations war against UPS (Yates 1998). The AFL-CIO lent the Teamsters \$10 million per week during the 15 day strike to support the strike fund (Brecher 1997) It also joined with women's groups to discuss how part time work affected women (Brecher 1997). As discussed earlier, the strike was a success for the Teamsters union, and the support that they received from the AFL-CIO, financially and otherwise undoubtedly provided a boost to the moral of striking workers.

### **EFFECTS OF CORPORATE CAMPAIGNS**

#### **Do they help unions end labor disputes with favorable results?**

The traditional goal of a strike was to put economic pressure on employers to settle disputes (Masters 1997). During a corporate campaign labor unions attempt to apply pressure to employers through bearing pressure on their stakeholders by any means necessary, in turn forcing them to place pressure on employers (Manheim 2001). A corporate campaign, in conjunction with a strike or otherwise, is more likely to bring a favorable result to the union than a strike that does not have a long term strategy. The use of corporate campaigns by labor unions is on the rise, so much so that some companies have begun to limit their use through contractual

negotiations. J.P. Stevens, for example, insists on what is known as the Ray Rodgers Clause in all of its collective bargaining agreements. The clause prohibits unions from engaging in corporate campaigns during a labor dispute (Manheim 2001). Of course, barring any agreement to the contrary, unions are free to take part in such campaigns upon the expiration of the contract.

There is no hard and fast model of a corporate campaign. Each is different and depends upon the climate, objectives, economic realities and personalities of the participants. Strategies and tactics must be well thought out in advance of any campaign and the appropriate groundwork must be put in place before the campaign begins for it to be successful. One needs to look no farther than the U.S. Airways sick-out during the past holiday season to grasp how an unplanned work action can backfire. The sick-out resulted in hundreds of cancelled flights and thousands of lost bags, causing customer outrage at the height of the Christmas travel season. The Department of Transportation has launched an inquiry to the debacle, and customers who spent their holiday stranded at airports across the country will long remember the union action that caused them to miss their holiday travel plans. One thing is clear - a well developed corporate campaign must include the following: company research, strategy development, political and community organization, media and public relations, and fundraising for strike funds if necessary to be successful.

Corporate campaigns can have a long-standing effect on the mindset of the American public. Just as the American public remembers the PATCO strike as a blow to the labor movement, it will long remember the Teamsters victory over UPS during the strike in 1997. The campaign against Ravenswood Aluminum Company will always be remembered because the union was able to track the company's ownership to fugitive billionaire Marc Rich. But the campaigns that stand out the most are the Justice for Janitors campaigns that have become the new model for union strength and resurgence within the labor movement. The successful campaigns detailed in this paper, including the Justice for Janitors campaign, the Drywall workers strike in Los Angeles, the 1997 UPS Strike, the California Grocery Workers strike,

J.P. Stevens and Ravenswood Aluminum Corporation demonstrate that any number of techniques can be used to apply pressure to employers. Striking in and of itself is rarely an effective tool in this day and age. Employers can simply replace striking workers. However a company that is dependant upon its stakeholders for survival will yield to pressure from those stakeholders and a successful corporate campaign, as demonstrated here, can provide the tools necessary for success.

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