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Time & Timing in Corporate Campaigns: IBEW 1466 vs. Southern Ohio Electric

Susan Kellock
Time & Timing in Corporate Campaigns: IBEW 1466 vs. Southern Ohio Electric

Abstract
[Excerpt] Although it has taken almost a decade to gain formal recognition, it has finally happened. In February, 1985 the AFL-CIO announced its endorsement of corporate campaigns, and encouraged affiliates to consider their use more aggressively and more often. The endorsement appeared in The Changing Situation of Workers and Their Unions, a report prepared by AFL-CIO Committee on the Evolution of Work.

While it is encouraging that the AFL-CIO has endorsed the concept, it also sends off alarms for those who have been involved in campaigns. The alarm sounds for the issue of "timeliness" in initiating corporate campaigns, and for the understanding of the time, commitment and resources necessary to assess, develop and implement them.

Most campaigns have been initiated as a form of strike assistance or in response to a crisis, such as plant closures, runaway shops or union-busting. While corporate campaigns can be useful in these situations, their potential is maximized when used to bolster organizing drives or the collective bargaining process.

The arguments for initiating a campaign prior to a strike or crisis are logical. A corporate campaign gives unions the power to put a company on the defensive by isolating it from the rest of its business, political and social communities. The sooner this process is set in motion, the greater the potential for averting the crisis or minimizing the damage. Early intervention of a campaign also provides a greater opportunity to build a firm foundation for the union's future.

Timing the initiation of a campaign involves more than assessing the potential for a crisis. It also requires an understanding of the time unions need to prepare a campaign that can place the union on the offensive. It takes time to identify the targets and tactics that can accomplish this goal. Thousands of pages of company and government records must be analyzed. The company's community image must be assessed. The local media's treatment of the union and company must be evaluated. The potential for coalition-building must be determined. And hours upon hours of discussion must take place with workers who know best the working conditions, attitudes and practices of the company. It is extremely difficult to accomplish these tasks while responding to the immediate needs of a strike, an impasse in negotiations or a plant closure.

Keywords
AFL-CIO, corporate campaigns, IBEW, Southern Ohio Electric

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* Susan Kellock is Director of the consulting firm headquarters.
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**Campaign Components**

Most corporate campaigns have three components: research and analysis, campaign design, and campaign implementation. Although the first component is continuous, the best campaign allows sufficient time for the bulk of the research to be completed prior to its formal initiation. The amount of time needed depends upon the complexity of the targeted company, the labor-management relationship, and the strengths and weaknesses of the union. In most situations a minimum of three months is necessary to conduct the basic research and to begin to flush out a possible campaign strategy.

The research component is designed to identify the company's pressure points and determine what vehicles will help the union take advantage of these potential weaknesses. In addition to analysing corporate and government documents, media files, and other resource materials, research also includes an examination of the community where workers live and an assessment of the media potential, both locally and nationally.

Since most campaigns require participation of the community, it is necessary to assess the potential for community support and involvement. Workers are a critical source of information. The research must examine existing community organizations, church groups, labor organizations, their agenda, their history of labor.

Campaigns depend on the effectiveness of the research and analysis of the targeted company, the labor-management relationship, and the strengths and weaknesses of the union. The International Union represents a sense of the company and its people that must be understood.

The research stage is critical in developing a plan that will help the union take advantage of the potential weaknesses. Union representatives need to develop a sense of the company's community image and an understanding of the media potential. The research must be thorough and well-documented.

The International Union recognizes the importance of conducting a thorough and well-documented research stage. This ensures that the union has a comprehensive understanding of the targeted company, its labor-management relationship, and the strengths and weaknesses of the union. The research must be conducted in a timely manner to ensure the success of the campaign.
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Campaigns depend a great deal on media coverage. Prior to initiating a campaign, the researchers must examine the media response to the company and to labor. The examination can identify reporters likely to cover campaign events and suggest areas which warrant media preparation, such as meetings with assignment editors to inform them of the purpose and significance of corporate campaigns. Researching the media also gives a union a sense of the company's image and power in the community. It can identify pressure points, such as contracting work outside the state or a history of local tax favoritism.

The research stage also requires an assessment of the strengths and weaknesses of the union. If the union leadership is inexperienced in dealing with the media or consistently responds defensively to reporters, it may be necessary to plan media training sessions with union spokespersons. An evaluation of the union's communications with members should be conducted. If it is sporadic, it may be necessary to institute and formalize regular mailings, handouts or postings.

Although this is only a thumbnail sketch of the work involved in the research and analysis stage, it highlights the preparation needed to develop a consistent long-term strategy in which each action is designed to intensify the pressure. In some situations, timely initiation of a campaign may avert the impending crisis. At the least, it will position the union to put management on the defensive from the outset.

**IBEW 1466 IN OHIO**

The International Brotherhood of Electrical Workers (IBEW) Local 1466 recognized the importance of timeliness and initiated the research component of its corporate campaign against Columbus & Southern Ohio Electric Company/American Electric Power (C & SOE/AEP) approximately 10 weeks prior to the opening of contract negotiations.

The local, representing 1,400 workers at C & SOE in Southeastern Ohio, anticipated the worst. The company had slickly promoted the “belt-tightening” theme among the workers for several months, preaching that profits were down, and, therefore, that it must turn to the workers for savings. C & SOE wanted cutbacks in safety and training programs, elimination of seniority provisions, company control over work rules, and elimination of the union shop. C & SOE did not claim that an open shop would
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be cost-effective. Rather, the company stated that it wanted to give the workers freedom of choice whether or not to belong to the union.

Research revealed that labor costs had gone down in the last five years. In addition, the workforce had declined and productivity was up. Labor had done its job.

On the other hand, the union discovered that costs due to management decisions had increased dramatically. For example, due to serious design and safety problems, the federal government ordered the shutdown of a nuclear power plant the company was building with two other utilities. The company stands to lose over $500 million, and the resulting uncertainty sent the company’s interest payments on long-term debt skyrocketing.

The company’s poor-mouthing about the decline in profits proved to be misleading. The union’s research revealed that the workers had turned a healthy profit for the company the year before — approximately $73 million. A close examination of how the company used these profits showed that all proceeds were paid out in dividends: $21 million to preferred stockholders and $66 million to common stockholders.

If you are quick with your math, you have already realized that the total dividend payments equal $87 million, or $14 million more than the company’s total reported profit! The extra $14 million had been lifted by the company from its previous earnings. The union rightfully concluded that more than simply failing to reinvest any of the profits, management had actually been actively disinvesting in the company.

Such shenanigans made sense after the union examined American Electric’s control of C&SOE. The union, through its interlock research, discovered that American Electric owned 100% of C&SOE’s common stock. And, eight of the ten C&SOE board members (who are charged with the responsibility of deciding what to do with the profits) were on American Electric’s payroll.

In short, research revealed a consistent pattern: labor costs were down, management costs were up, and the company, contrary to its propaganda, was healthy.

Armed with these facts, the union began to prepare its strategy for putting C&SOE/AEP on the defensive. It determined that the company’s vulnerabilities could best be exposed in several ways:

1) Activating the public to protest management’s poor decisions which reduced quality service and caused higher utility bills.

2) Organizing workers to protest costly mistakes made by management.
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3) Educating the media about the company's financial mismanagement and its insistence that workers pay the cost.

4) Developing a negotiations strategy that incorporated the research and included a cost-cutting proposal directed at management.

To test the waters, the union developed a newsletter and flyer that were distributed by shop stewards to every worker three days before negotiations began. The materials presented the theme of the campaign: Labor costs are down, management's costs are up, the company is healthy — now it's management's turn to tighten its belt. The materials talked specifically about labor costs, but did not reveal the specific costly management decisions uncovered in the research.

The union's strategy called for creating a sense of power among the workers who, for the last three months, had been led to believe that they were responsible for a downturn in profits and, consequently, would have to bear the burden in the next contract.

The materials also carried an "800 number" that workers could call for daily updates on the campaign and negotiations.

The response was perfect. Workers began to feel more positive about their union, and management was anxiously trying to find out which of its mistakes the union had uncovered.

To provoke further response and broaden the base of support,
the union distributed 2,000 buttons that stated "Workers and Customers Won't Pay for Management Mistakes." After workers flooded the workplace with buttons pinned to their garb, management opened the negotiating session by announcing that any worker who failed to remove the button would face disciplinary action. Following the announcement, management moved for adjournment. The union spokesperson responded swiftly and offensively, accusing the company of refusing to go forward with the collective bargaining process due to a harmless button.

Management had overreacted. The union had the company right where it wanted it—in a defensive posture. The workers sensed victory, the union negotiating team felt confident, and the media and the community were growing more and more curious.

After a week of negotiations, the union announced its plan to hold a press conference to officially launch its corporate campaign. With all local media notified by the union, the company overreacted again. Selected management called the major print media the day before the press conference to say the company was ready to respond. The media's response was "respond to what?" since the union had no intention of revealing its specific charges of company mismanagement until the hour of the press conference.

Having been caught off-guard, the company was not able to prepare an adequate response to the union's charges. The company refused to comment on the union's data that wages were down and management costs were up. It called the union's moves "public relations pranks" while, in the same breath, agreeing with the union's charge that the company was healthy. Within two hours of the press conference, the company's written response was delivered to the media. It was typed on plain white paper and full of typographical errors. As one reporter commented to me, "I have never seen this company, the world's largest utility, respond like this. I'd say you have them on the run."

As for collective bargaining, the union began to incorporate its research into its negotiations strategy. The plan included questioning management continuously about its previous mistakes and how it intended to make up the cost. When the company tried to put the union on the defensive by attacking the union shop, the union was prepared to put the heat back on the company by raising other issues such as safety and reduced maintenance expenses.

IBEW Local 1466 had the advantage of time. Although an additional month would have been helpful, the union managed to accomplish the basic tasks for preparation of a corporate
campaign. Having time on its side, the union was able to identify and correct some of its weaknesses, such as an unreliable membership communications system and weak relations with the media, and to develop a strategy which put the union on the offensive prior to negotiations. More and more today, it is at the negotiating table where the real power plays occur, which is where corporate campaigns can demonstrate their most promising use.

Conclusion

The most effective and resourceful campaigns leave in place critical mechanisms which further strengthen the union’s structure and cohesiveness. For example, an effective campaign will convince the leadership of the importance of consistent communications with members and regular contact with the media. It will teach the members that regular monitoring of the company, financially and otherwise, is imperative. There is no time like the present to begin to build the case for the next round of negotiations. A quality campaign will enable the union to see issues in a broader context, instill confidence to go public with its information and concerns, and convince the members of the importance of solidarity beyond the walls of the union hall. Again, the more time a union allows for campaign preparation the more likely a firm foundation will be built.

Obviously I have skimmed over the nuts and bolts of developing and implementing a corporate campaign. My purpose is to sound the alarm on the AFL-CIO’s endorsement of corporate campaigns by emphasizing the time and resources that an effective campaign demands and the importance of timeliness to maximize a campaign’s potential.

It took years to build the institutions that today house labor. It involved continual struggle to implement often complicated strategies that arose from an understanding of power and a determination to obtain it. Corporate America has also worked diligently over time. It has taken advantage of labor’s weaknesses, strategically undercut its strengths, and cunningly maneuvered itself into a powerful position of control over the workplace and the public at large.

If the labor movement is committed to maximizing the potential good that corporate campaigns can achieve, then it will have to accept the fact that they take time. And herein lies the rub. Too often, unions have considered these campaigns as “quick fixes.” Yet our own history tells us there is no such thing.