



Press Release

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TRAILBLAZING EMPLOYERS SALUTED FOR BUCKING RACE-TO-THE-BOTTOM LABOR RELATIONS TRENDS

Cingular, Harley-Davidson, Costco among companies recognized

WASHINGTON, DC—Media coverage concerning labor relations is almost exclusively negative and critical these days. While there is much to lament about how many employers are choosing to treat their employees, American Rights at Work has chosen this Labor Day to applaud select companies for recognizing that their workers are their most valuable assets. The inaugural ***“Labor Day List: Partnerships that Work”*** spotlights best practices in labor-management relations that both meet the needs of workers and fulfill business objectives.

“Northwest Airlines is the latest company that wants us to believe that cutting jobs, slashing wages and benefits, and busting unions are necessary to remain profitable in the global economy,” said **David Bonior**, Chair of American Rights at Work. “But the trendsetters profiled in the *Labor Day List* illustrate an encouraging alternative. They have initiated constructive and considerate compensation policies that work for their bottom lines, their employees, and their customers.”

Defining New Standards for 21st Century Labor Relations

The *Labor Day List*’s recipients represent a cross-section of high profile, brand-name companies, along with smaller regional employers in a range of industries such as retail, healthcare, education, telecommunications and construction. Many embrace more stringent labor standards than those mandated by U.S. labor law.

Of the nine companies profiled, all have negotiated good contracts with their employees that offer fair wage and benefits packages. Costco employees who belong to the International Brotherhood of Teamsters (IBT), for example, earn some of the highest wages in the retail industry. Not surprisingly, the warehouse retailer’s workers sell 50 percent more per square foot of sales space, and bring in profits that are about 25 percent higher than do employees at Wal-Mart’s Sam’s Club.

All *Labor Day List* employers share decision-making responsibilities with their employees’ unions to improve working conditions while raising productivity or service provision. Harley-Davidson’s commitment to keeping jobs in the U.S. is linked to its partnership with its employee-members of the International Association of Machinists and PACE (Paper, Allied-industrial, Chemical & Energy Workers Union.) Committees of managers and union representatives team up to make many of the company’s important decisions. This approach helped bring the company back from the brink of bankruptcy in the 1980’s. Harley-Davidson now captures 49 percent of America’s heavyweight motorcycle market.

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Five of the nine employers profiled remained neutral during union organizing campaigns or voluntarily recognized the union when employees indicated that a majority of employees desired to form one.

Cingular Wireless, for example, allows workers to freely decide whether to form a union or not. When the company acquired AT&T Wireless in 2004, it trained all former AT&T managers on its neutrality policy with the Communications Workers of America. Both sides agree that their partnership strengthens teamwork, a necessity to maintain Cingular's status as the industry leader in the highly competitive communications field.

Resisting the Hostile Labor Relations Trend

The practices of *Labor Day List* employers are especially commendable considering that every year, on average, 23,000 American workers are illegally fired or penalized simply for supporting a union. According to research by Cornell University professor Kate Bronfenbrenner, 75 percent of employers (whose employees mount an organizing drive) choose to spend countless millions on "unionbusting" consultants, instead of investing those resources in their workforce. Bronfenbrenner's research also found that 34 percent use bribes and favoritism to coerce their employees into opposing unions, and that 25 percent illegally fire pro-union employees. "The practices of *Labor Day List* employers prove that there are alternative models to knee-jerk, hostile labor relations," said American Rights at Work's Bonior.

Business and labor academics confirm the importance of the report's findings. **Robert B. Reich**, former Secretary of Labor and current Brandeis University professor of social and economic policy, commented, "*The Labor Day List* shows once again that companies that treat their workers as assets to be developed do better over the long term than companies that treat their workers as costs to be cut. Consumers, investors, and CEOs should take note." **Jeffrey Pfeffer**, Thomas D. Dee Professor of Organizational Behavior, Graduate School of Business at Stanford University, agreed, "evidence shows that corporate leaders who genuinely put workers first and work constructively with labor representatives do well even as they do good."

For an embargoed copy of *The Labor Day List: Partnerships that Work*, or for employer and union representative information, please contact John Anthony at 202-822-2127 ext. 118, or via email at janthony@americanrightsatwork.org.

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American Rights at Work is a nonprofit advocacy organization dedicated to educating the American public about the barriers that workers face when they attempt to exercise their rights to organize and engage in collective bargaining. Our mission is to fight for a nation where the freedom of workers to organize unions and bargain collectively with employers is restored, guaranteed and promoted.