

# Putting the Heat on a Corporation

*[The following was prepared for union members, but contains ideas that may also be of use to other organizations.]*

Pressure tactics depend on the type of corporation you are dealing with. The following are some examples to stimulate your thinking. Consult with an attorney where legal questions might arise.

**The basic goal in putting the heat on a corporation is to change this...**

Union members

**vs.**

Corporation

**...into this...**

Union members  
Lenders  
Investors  
Stockholders  
Customers  
Clients  
Suppliers  
Regulatory agencies  
Courts  
Tax collectors  
Politicians  
News media  
Other unions  
Community organizations  
Student groups  
Religious groups

**vs.**

Corporation

## **Lenders/investors**

A private company generally depends on money it raises from banks, insurance companies, stockholders, or other wealthy investors to pay off old debts, buy new equipment, expand its advertising and marketing efforts, acquire other businesses, or other purposes.

If those lenders/investors decide that because of your dispute it is not worth their while to help finance the corporation, the corporation may have increased incentive to settle.

Sometimes this can be done by showing the financial backers that your dispute with the corporation is leading to a strike or other action that will be bad for business and therefore

bad for investors. However, investors often will support a management strategy to defeat the union now in order to make higher profits later.

Therefore, you may have to investigate lenders or investors to see if you might have disputes over their practices. For example, a bank that helps finance the corporation might be disturbed to find you have decided to investigate the loan department's practice of discriminating against women or minority communities.

### **Customer/clients**

You may be able to threaten the relationship between a company and the customers, clients, tenants, or patients it depends on for income.

In some cases, you may be able to persuade customers not to do business with the corporation because the corporation is not being fair to workers. Often, however, not enough customers will care about workplace injustice. Therefore, it is often necessary to show how they are affected by corporation practices—how prices or taxes are higher, products or services are of lower quality, or public health or safety are threatened.

### **Suppliers**

The corporation may depend on certain suppliers who in turn expect the corporation to maintain a steady flow of orders. The supplier might put pressure on the corporation to settle with the union if a long dispute would cost the supplier money or force it to look to other customers to buy its supplies.

In addition, the supplier might feel that the union will now begin investigating the way it does business.

### **Merger or acquisition partners**

The corporation may be trying to acquire, be acquired by, or merge with other companies. The union might get involved in that process by...

- Bringing information to the attention of any regulatory agencies that have to approve the merger or acquisition.
- Providing information to the merger partner about labor-management disputes, management practices, or problems the corporation faces.
- Negotiating with the corporation over improvements and guarantees workers will require before making agreements that would ensure that the merger or acquisition could go forward.

For example, the corporation would need union agreement to make changes in pension and benefit plans in order to mesh the plans with those provided by a merger partner.

## Legal/Regulatory Pressure

Corporations are required to obey a variety of laws and government regulations.

Many corporations also need permits, licenses, low-interest public financing, or other government action in order to operate.

The union has a right to fully inform itself regarding the corporations with whom it deals, including investigating violations of corporations' legal obligations. A corporation that appears to be engaging in less than good-faith bargaining may also be likely to be violating other legal obligations. By researching these areas, you may find useful evidence to support your bargaining demands.

Discovery of corporation violations can result in...

- Extra expense to meet regulatory requirements or qualify for necessary permits or licenses.
- Costly delays in operations while those requirements are met.
- Fines or other penalties for violating legal obligations.
- Damage to the corporation's public image, which could jeopardize political or community support, which in turn could mean less business or public funding.

Some violations are easy to prove and get action on because they involve practices union members know about. In other cases, legal and regulatory strategies take a long time and involve considerable expenses for specialized attorneys and other experts.

Violations fall into two basic categories: those that involve failure to treat workers as required by law and those that involve failure to meet obligations to customers, clients, patients, stockholders, or general public health and safety.

Violations of federal, state, and local laws protecting workers usually can be investigated using readily available union expertise. Staff usually can help find someone in the area or from the International union to help investigate possible violations involving...

- Safety and health hazards on the job.
- Discrimination on the basis of race, gender, age, ethnic origin, or sexual preference.
- Failure to pay overtime or minimum wage as required by federal, state, or local fair labor standards.
- Subcontracting of public employees' work in violation of state or local charters, codes, or constitutions.

Violations affecting the broader community might involve...

- Failure to provide enough staffing or cutting corners in ways that threaten public safety.
- Evasion of taxes on property or income.
- Failure to live up to commitments made when obtaining low-interest public financing such as industrial revenue bonds.
- Failure of hospitals to meet obligations under federal Hill-Burton legislation to provide care to patients who cannot afford it.
- Failure of nursing homes to meet patient care standards or to make changes in their facilities to accommodate handicapped patients as required under federal anti-discrimination regulations.
- Environmental hazards such as toxic waste dumping or exposed asbestos in office buildings.
- Failure to disclose information to the public as required by laws or regulations.

### **Investigating legal/regulatory problems**

- Find out which federal, state, or local agencies enforce standards the corporation must meet.
- Make a request for copies of that agency's files for any cases involving this corporation. (Even if the agency can legally withhold some of the reports in the file, the documents you do obtain will give valuable clues on what cases to investigate further.)
- Ask for copies of the regulations that would apply to this corporation.
- Meet with leaders of any union at that company and ask for help understanding the requirements the corporation must obey.
- Look for citizen's groups that have sued the corporation, claiming violations of legal obligations to consumers, clients, or the general public.

One way to find such groups is to look at the records of any hearings held by government agencies that enforce laws the corporation must obey. Some of the groups that testified may be ones you should be getting to know better.

Meet with them to find out what their concerns are. If their goals match yours, maybe you can help them by publicizing, endorsing, and perhaps even financially supporting some of their activities, and they can help you by sharing their research and speaking out publicly to show that more community people than just union members are concerned.

### **Organizing on legal/regulatory issues**

Bringing pressure to get corporations to own up to their responsibilities, like other possible pressure tactics, requires organizing. Without citizen pressure, enforcement agencies often are friendlier to the corporations they are supposed to regulate than to workers and the

community. Even if some officials are willing to take action against a corporation, without outside pressure the process may take too long to be of value. Therefore, even if you have documented violations by the corporation, you generally can't simply present the evidence to the enforcement agency and wait for results.

Possible tactics to use instead of or in addition to filing charges in court or with regulatory agencies include the following:

- **Approach the corporation.** Your approach might be something like this: "We have documented X, Y, and Z violations. Normally we would be willing to work directly with you to get these corrected, without having to involve outside agencies, the community, or the news media. But right now our members are so concerned that you are not acting in good faith to settle a fair contract that they question why they should trust you to voluntarily fix these violations. We wanted to bring this to your attention and give you a chance to respond."

*Caution:* If this kind of approach helps the corporation decide to settle your contract dispute, be sure that you offer only to give the corporation a chance to eliminate legal and regulatory violations without charges having to be filed or without publicity—as opposed to offering to ignore the violations entirely. For the union to know about violations and not insist that they be corrected is not only a violation of our moral obligations to members and the community, but may in some cases make the union liable to legal charges itself. For example, a union that fails to demand corporation action on discrimination or health and safety hazards that the union knows about may be sued for failing to meet its "duty of fair representation."

- **Give information to the news media.** If approaching the corporation is not successful, documented information about the corporation violations may be of interest to reporters.

In some situations, you will want to make clear to the reporter that you want the union to get credit for having provided the information. In other cases, you may want to give a reporter information with the condition that the source will not be disclosed as long as you are sure the corporation will realize where the story came from.

- **File grievances.** Corporate violations of the law often can be grieved as violations of the contract. Sometimes processing a grievance may be faster and more likely to result in a fair decision than pursuing charges through a regulatory agency or the courts.

- **Apply worksite pressure.** Many tactics such as petitions or work-to-rule campaigns can focus on corporation violations as the issue.

- **Apply political pressure.** Corporate violations of laws or regulations may provide politicians—even those who do not want to openly enter the debate over your contract dispute—with a good issue on which to hold hearings, make speeches, or send angry letters to management.

- **Ask for community support.** Community organizations also may be able to help take the lead in challenging corporate violations—particularly in cases where you can show that the violations affect other community residents and not just your members.

## Political/Legislative Pressure

Political pressure may be used in two ways. First, you may be able to draw politicians into the public debate on bargaining issues. Second, you can show management officials that if they don't bargain fairly, union members will be more inclined to push for legislative action on other issues that would affect management. For example, management may find that angry union members and their allies are preparing to mobilize for changes in the way corporations are taxed, awarded public funds, or required to provide service.

In a private sector campaign, key politicians would be those who play an important role in writing or enforcing laws and regulations that apply to that corporation or in providing public subsidies, grants, tax credits, or other funding.

Mobilizing political pressure generally requires organizing union members and allies to take action. Even politicians who are sympathetic usually need to be pressured into introducing legislation, holding hearings, speaking at rallies, or making public appeals for a fair settlement. Some tactics may include...

- **Mass lobbying.** Large numbers of members, their families, and other allies can crowd into the buildings where politicians have their offices to make their views known. The visit should be orderly, but if there are more people than can fit into the politician's office, so much the better.

A few rank-and-file spokespeople—not just top union officials or staff—should be chosen ahead of time to express the group's feelings. Through applauding speakers and carrying signs, others can show they support those who have spoken for them.

The politician may be presented something as a symbol of worker's concerns—a tool of the workers' trade, a copy of a report backing up the union proposals, or a humorous gimmick that makes fun of management's position.

- **Demonstrations/rallies** held near the job site, with politicians invited to speak, or near where the politicians have offices.

- **Email and/or fax campaigns** generated through a web site.

- **Petition campaigns** aimed at politicians or aimed at the corporation, with copies presented to politicians to show workers' concern.

- **Active use of the news media** to shine a light on management practices.

- **Incorporating the political/legislative issue into an ongoing community outreach and coalition building program.**

## Pressure on Individual Officials

One way to encourage management decision makers to be more reasonable is to bring our message to them as individuals. This strategy is most effective if you can identify the key individuals who have the power to bring about a settlement. These may include executives, negotiators, labor relations directors, stockholders, or members of the board of directors.

Pressure on these individuals can take several forms.

### Disruption

It is not workers' fault if key management officials find that they or their staff are unable to do their normal work because they must spend so much time responding to the union campaign.

Tactics such as mass visits or sit-ins in management offices or large numbers of phone calls protesting management practices can help make top officials long for labor peace.

### Publicity in the community

Many top management officials care about their image as individuals in the community and among business associates. They may not want publicity about their involvement in controversial policies or activities.

If they have built a good reputation through involvement in community service or religious organizations, for example, both they and those groups may find it potentially embarrassing to be linked to racism, sexism, exploitation of immigrants, or proposals that would take money out of the community for the benefit of distant stockholders.

Leafleting outside meetings where they are speaking, their homes, or events sponsored by community organizations they are tied to are some ways to make sure their friends, neighbors, and associates are aware of the controversy.

### Investigations of individual managers

There is no law against union members deciding to uncover and publicize factual information about individual managers. Managers usually argue in negotiations that employees must work harder, be more responsible, and help cut costs, and that there is no need for new worker rights to protect against management abuses. In order to further our campaign to support employee rights, it can be useful to investigate...

- **Abuse of corporation funds.** If they know you are looking for it, your own members and other sympathetic employees may be able to provide this information.
- **Involvement in lawsuits,** as shown in records on civil, divorce, and criminal cases kept at local courthouses.
- **Membership in clubs** that discriminate against women or minorities. Local newspapers or social directories available at public libraries may provide leads.
- **Ties to other businesses** that have been involved in controversies, as shown in public records on property ownership, partnerships, and incorporators of businesses.

- **Controversial activities in past jobs.** The corporation might provide an interested reporter or student with resumés for particular officials or you may discover such information on company web sites. Do officials' claims about their backgrounds hold up to investigation? Why did they leave previous jobs?

- **Links with politicians.** Federal, state, and local election agencies usually have information on campaign contributions. Are certain management officials involved with unpopular politicians? Have management officials given money to politicians and received favors in the form of grants, tax breaks, or contracts?

## Workers' Role in Researching a Corporation

An important research technique is to interview workers and family members about corporation practices and individual management officials. Often, workers know more useful information than they realize. An experienced leader, assisted by members who are being trained to do research, should ask workers questions like the following:

- Has anything happened at the worksite that management would not want customers, government agencies, or upper management to know?
- What outside businesses or other activities are management personnel involved in?
- What tensions are there between particular managers?
- What local controversies have the corporation or particular managers been involved in?
- Have there been disputes between the corporation and customers or suppliers?
- Has the corporation been visited by government inspectors or insurance companies?

Workers being interviewed on subjects like these should be encouraged to report any leads they may have, even if what they have heard is only rumor. Clearly, no information should be circulated by the union unless it has been investigated and proven. But often that investigation will show that there is truth in many rumors.

In addition to helping to interview other workers and family members, volunteer researchers can help staff by talking to...

- **Disgruntled supervisors or workers** who are not represented by the union (while being careful not to say anything that shouldn't get back to management).

- **Public officials**, such as tax assessors, health and safety inspectors, or members of the city or county legislative body.

- **Journalists** who may have investigated the corporation in the past and who may know more than has been published or broadcast.

### Using Research By Students

College students who come from union families or are interested in getting experience as interns with the union may be able to help research a corporation's plans. Often, corporations will talk more openly with a young person who appears to be easy to impress and not involved with the union.

Of course, some corporations have discovered this research method as well, so carefully check out anyone who approaches the union offering to help.