

Personnel Note

Robert Landsman, ICB's executive director, is retiring. Landsman will continue to work as an independent arbitrator with an office at 19 Silvermine Woods, Wilton, CN 06897 (phone 203-761-9019).

Data Sources

Many trade publications publish salary surveys on a regular basis. For example, *Ceramic Bulletin* and *JEMS: Journal of Emergency Medical Services* print relevant salary information in November, as does *Pulp & Paper* in May and *Warehouse Management* in January/February. Let us know if such listings are valuable to you; if so, ILR's Catherwood Library would consider constructing a Web page. (Register your views by contacting Maralyn Edid at 607-255-4380.) To track this down on your own, consult the *Guide to Special Issues and Indexes of Periodicals*, edited by Miriam Uhlan and Doris B. Katz (Special Libraries Association, 1700 18th St. NW, Washington DC 20009-2508).

For data about annual median base salaries in 88 professions and items such as cost of living, health care costs, and major private sector employers in several hundred metropolitan areas, check *The 1997 Geographic Reference Report: Annual Report of Costs, Wages, Salaries, and Human Resource Statistics U.S. and Canada* (Economic Research Institute, 16770 NE 79th St., Suite 104, Redmond, WA 98052, phone 800-627-3697, fax 800-753-4415). A software version of this data, encompassing 4,000 cities, is also available.

The American Salaries and Wages Survey, by Helen S. Fisher (Gale Research Inc., 835 Penobscot Building, Detroit, MI 48226-4094, phone 800-347-GALE, fax 313-961-6815) contains thousands of entries for occupations in numerous states and/or cities. Most listings contain detail on low, mid, and high wages, the source of the data and its date of collection.

Effects Bargaining: Colgate and UFCW Local 15-C

Little more than 18 months ago, 200 hourly jobs at Colgate-Palmolive Co.'s toothpaste and detergent plant in Jeffersonville, IN were set to disappear. The company had decided to transfer the liquid detergent lines to another facility and to outsource the powdered detergent operations. But instead of entering into traditional "effects" bargaining with Local 15-C of the International Chemical Workers Union (subsequently merged with the United Food and Commercial Workers), which represented the plant's 550 hourly workers, the company opted for a joint union-management problem-solving approach.

Together the parties used a combination of "decision" and "effects" bargaining that mitigated the impact of the outsourcing decision and laid the groundwork for bringing the 70-year old plant into the 21st century. "We learned the company's competitive position can be improved by understanding the needs of the union and the employees," said Stefan Gorkin, director of global relations for Colgate-Palmolive. "The company was good about working on people's problems," noted Don Payton, president of Local 15-C. "We've now got a golden opportunity — five years — to make this a model plant."

Gorkin, Payton, and several management and labor colleagues detailed the Jeffersonville experience during a December, 1996 **ICB** meeting in Washington.

Colgate announced its outsourcing plans in September, 1995. Almost immediately, Local 15-C and the \$9 billion producer of toothpaste, soaps, and deoderant embarked on, what was for them, an unprecedented course. Colgate shared its analysis of the data and the business problem to enable the union to understand the rationale behind its decision and invited Local 15-C to offer a counterproposal. The union talked to consultants, attorneys, the national union, and key politicians but quickly determined there was no hope of keeping the work inhouse. The \$17 million that could be saved by outsourcing and the \$20 million that would otherwise be needed for new equipment proved insurmountable hurdles. "The decision was not driven by wages and benefits or by inefficiencies, but by infrastructure costs," said Dave Groener, vice president of operations for Colgate-Palmolive, North America. "We were not able to generate the cash to reinvest in capital, technology, or advertising."

Once the decision was removed from the realm of contention, the parties began negotiating its impact. Each side had a range of concerns: Colgate wanted a more competitive compensation package and work rules that would enhance flexibility and teamwork; the union wanted to save as many jobs as possible, have

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The Labor Agenda ...

Congress: By most accounts, members of the 105th Congress are not as conservative as the cohort elected in 1994. But panelists who addressed the December, 1996 **ICB** meeting agreed that labor's pet projects will face a hard sell on Capitol Hill over the next few years.

Just how much support the labor movement can count on is unclear. The pro-business and pro-labor votes in the House are about evenly split, with some 60 votes up for grabs, commented Sandra Boyd, assistant general counsel of the Labor Policy Association. The House Republican Conference is divided, especially about how to treat labor given its aggressive politicking in the last elections. "There are two camps," explained Jay Power of the AFL-CIO's Legislative Department. "The first believes in paying labor back until the end of time. The second is angry and put upon but leary and weary of the never-ending battle." But overall, observed Ronald D. Elving, political editor of *Congressional Quarterly*, "this Congress can be lived with from labor's standpoint."

The consensus on Congress's agenda between now and 1998:

- The Family and Medical Leave Act: expanded coverage and minor technical corrections
- Flextime/compensatory time: changing the 40-hour work week by giving employees a choice between overtime pay or compensatory time off
- Fair Labor Standards Act: opening the way for different types of compensation, such as bonuses and individual rewards, and redefining who is a white collar employee
 - Team Act: revived
 - OSHA: attempts to weaken
 - Davis-Bacon: weaken or repeal.

The Nonpartisan Approach

"It's inappropriate to classify these as Democrat-Republican or union-management issues," suggested T. Roberts Jones, executive vice president of the National Association of Business, during the panel discussion. "It's about security, the structure of life in the workplace, tax programs, employability."

Jones also said that policy makers, business and political leaders, and the public at large should pay more attention to what he terms "the politics of globalization." Because the pressure on the American economy is permanent, he continued, the challenge is to identify and adopt a "positive set of behaviors" that will yield ongoing security for employers and employees.

DOL: Eschewing revolutionary initiatives, the new Clinton administration is taking an incremental approach on labor issues. Over the next two years the Department of Labor (DOL) will address popular concerns about wage inequality, employment security, health care, and the balance between work and family, said Seth Harris, DOL's acting assistant secretary for policy, at the **ICB** meeting.

DOL has identified three top priorities. The first is skills development, conceived as life-long learning in the context of the transitions from school to work, work to work, and welfare to work. The second priority pertains to the low-wage labor market where DOL sees a link between the minimum wage and growing wage inequality and wage stagnation. Harris indicated the administration may broach the minimum wage issue again after the impact of the welfare reform bill becomes clearer. The role of unions and union concentration is the third hot topic at DOL, in part because the administration is convinced that an increase in union

ranks would help boost wages, productivity, and economic growth. Harris said the administration is aiming for "an honest debate" with Congress over the relationship between unions and wages and predicted the Team Work Act will surface again and be vetoed again.

Other matters attracting DOL's attention include proposals that build on the Family and Medical Leave Act, the growing number of defined-benefit pension plans (which could mean less income for retirees and increased pressure on Social Security), and how to maintain health care coverage for people in transition between jobs and sustain high quality health care despite cost-driven structural shifts in the industry. There is also growing awareness within DOL that the unemployment insurance system, which presumes people will be called back to work after a brief layoff, may no longer be as relevant in a world of part-time, contingent, and self-employed workers. ♦

Elections: Labor '96

All the time, effort, and money organized labor poured into the 1996 presidential and congressional elections paid off — to a degree. Whether the labor movement can build on its qualified success in future is the unanswered question.

The AFL-CIO broke with tradition in 1996 and mounted a unified campaign with its affiliated unions. The movement's two-pronged strategy was designed to elect sympathetic candidates and rebuild its infrastructure through grassroots activism. Throughout, the unions raised issues important to working families: pensions, health care, jobs, and the minimum wage.

After pouring \$35 million into
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the campaign, allocating 135 fulltime coordinators, assigning 1,086 staff members to “get out the vote,” and mobilizing 17,000 union activists, the AFL-CIO can boast some modest triumphs. More union households turned out to vote in 1996 than in 1994, 1.5 million union voters switched their votes for congressional candidates from Republican to Democrat, and 59% of union households voted for President Clinton compared to 29% for former Senator Dole. The labor vote did not install a pro-labor Congress, but it did moderate the extreme rightward drift in the House and helped protect a number of Democratic candidates.

The task now is how to sustain and advance the momentum. “This is not about electing Democrats and defeating Republicans,” Steve Rosenthal, political action director of the AFL-CIO, told attendees at the December, 1996 **ICB** meeting. “The goal is to build a base of people who will fight around the issues. Then the parties and candidates will move toward us.” ♦

... Electoral Spending

An analysis of congressional campaign spending by the AFL-CIO and its affiliates over the last 10 years shows a shift in 1996. According to Rick Hurd, director of labor studies at ILR, the old approach involved giving money to labor’s friends (to maintain access) and to races deemed particularly tight (to help elect friends).

Last year labor took a different tack. Hurd noted at the **ICB** meeting that labor adopted tactics employed by the Republican right, such as television ad campaigns and building grassroots support. It doubled the amount of money typically spent on elections, poured it all into the close races, and focused on taking seats away from anti-labor incumbents.

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a say in how the ranks would be culled, and negotiate a decent severance plan for those who would leave; and employees wanted to be treated with care, dignity, and respect.

By early 1996, company and union had settled on a five-year pact to replace an agreement that was due to expire on November 30; it was approved by a two-to-one majority vote. The contract called for a three-year wage freeze (average wages are currently \$18-19 an hour) and 3% increases in years four and five. It established a gainsharing plan that could annually pay out as much as 10% of base pay and awarded each union member 40 shares of Colgate stock that were deposited into individual savings and investment accounts (shares were trading in the \$60s at the time and more recently in the \$90s). Bargainers also negotiated language that enables the parties to design and implement high performance work systems and agreed on one single bump as the plant downsized.

Negotiators worked diligently to soften the blow of the outsourcing. They tried to induce voluntary departures with a package that included liberalized early retirement or severance pay for younger workers. Colgate agreed to undertake vigorous outplacement efforts and to extend medical benefits and recall rights for those who would be laid off. The end result: as of August, 1996, 118 hourly workers had opted for early retirement; 22 deferred early retirement through the end of the contract term; 87 took the voluntary pension/severance buyout, which paid \$7,000 for each year of service; and 40 were involuntarily laid off (approximately half have since found jobs at commensurate rates of pay).

Throughout the entire process, Colgate was mindful of its reputation and the impact the outsourcing could have on the surrounding community. The Jeffersonville plant was the largest employer in the metropolitan Louisville area and the company was eager to minimize negative publicity and allay concerns about its long-term intent. Company representatives met with local mayors, county representatives, and the Chamber of Commerce to explain the decision and appealed to local employers to hire dislocated Colgate workers.

Colgate even managed to dampen the internal turmoil that often accompanies outsourcing plans. The company maintained an open line of communication that enabled union leaders and members to move past the initial shock and sense of betrayal that followed the announcement. Ironically, the decision to remove the detergent lines came at a time when labor-management relations were on the upswing and the plant had knocked down the per case cost by 25%. To the employees’ credit, they continued producing a quality product with a high degree of efficiency. “People held it together,” commented union president Payton. “They showed integrity.”

The impact of the outsourcing decision will be felt for some time. Colgate will provide additional training for the 80% of the surviving workers who have moved to different jobs, and the union will attempt to improve the attitude of members who resent the contract concessions that helped subsidize the retirement and buyout packages of former colleagues. Meanwhile, both sides have learned the value of working cooperatively and of making the union a partner in the search for solutions.

For more information, call Steve Gorkin at 212-310-2724 or Don Payton at 812-283-7284. ♦

New Focus At NLRB

The National Labor Relations Board (NLRB) has been the chief referee and enforcer of collective bargaining rights in the workplace for more than 60 years. Although the agency generally receives high marks for its adherence to norms and procedures and for the quality of its professional staff, it is often criticized for a lack of timeliness in its decisions and actions.

According to NLRB general counsel Fred Feinstein, who spoke at the December, 1996 **ICB** meeting, the labor board is trying to address these concerns through a series of administrative reforms. Increasingly complex cases and diminished resources are also adding to the pressure for change.

Chief among the reform projects Feinstein identified is what the NLRB calls "impact analysis." A method that lets staff prioritize cases, it ensures that those with the broadest impact and most critical connection to collective bargaining will be heard first. The NLRB's case criteria for priority status include those involving elections, injunctions, the establishment or cessation of collective bargaining, or a determination about the nature of a strike (i.e., economic or unfair labor practice). Under the old approach, regional offices pushed the more complicated cases to the end of the line

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Institute of Collective Bargaining
271 Ives Hall
Cornell University
Ithaca, NY 14853-3901

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and worked the simpler cases first in an effort to meet timeliness goals.

Reforms in the election arena are intended to ensure more uniformity and predictability without sacrificing procedural rights. For example, the agency is aiming for a six-week target for holding elections even when a hearing is required. On post-election issues, the NLRB is developing agency standards that will mean resolving all outstanding matters within a specified timeframe.

The labor board is mounting projects in several other areas as well. It is developing a manual and will train staff on the use of Section 10(j) injunctions. The agency is working to lessen the time spent on the appeals process and is beginning to focus on issues pertaining to compliance. (It may, for example, adopt a statistical approach on back pay cases.) The NLRB is also moving into the computer age and hopes, within three years, to improve operating efficiencies and to boast a better and more up-to-date array of statistics, electronic case files, on-line briefs, and appellate decisions.

For more information, call your regional NLRB office. ♦

ICB briefing

Harry C. Katz Director
Maralyn Edid Editor
Jackie Dodge Administrative Assistant

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Institute of Collective Bargaining
294 Ives Hall, Cornell University
Ithaca, NY 14853-3901.
Phone: 607-255-6693
Fax: 607-255-0107
E-mail: jjd9@cornell.edu