

Partnerships that Work

In Focus: Cingular Wireless

“In spite of much conventional wisdom about the competitive requirements for pursuing a ‘race to the bottom’ approach, the evidence shows that corporate leaders that genuinely put employees first and work constructively with labor representatives do well even as they do good.”

—**Jeffrey Pfeffer**, *Thomas D. Dee Professor of Organizational Behavior, Stanford University Graduate School of Business*

Forging New Labor-Management Models

➤➤ As the business pages remind us every day, U.S. employers are facing a host of challenges to stay competitive and attractive to Wall Street in the global economy. At the same time, America’s workers are voicing escalating anxiety about job insecurity, health care, retirement, and the rising cost of everyday expenses. Is it possible for today’s companies to balance profitability with workers’ rights and needs? Might U.S. businesses excel in the new economy through a model of collaboration and innovation with their employees?

The example of Cingular Wireless provides great evidence that it is not only possible, but it can be a strategic advantage. This issue brief takes a closer look at the business practices of Cingular, one of many top companies stepping up and pioneering labor-management relations that are suited for the 21st century economy.

To operate a successful business and a productive workplace, Cingular has rejected knee-jerk hostile labor relations practices, and instead

has invested its energies toward respecting its employees, their rights, and their decisions on whether to join a union. The nation’s top wireless carrier proves that even in a highly competitive industry like telecommunications, sound labor policies and financial success aren’t mutually exclusive.

➤ **Formed in April 2000, Cingular is a joint venture between the U.S. wireless division of AT&T (formerly SBC) and BellSouth.**

Headquarters	Atlanta, GA
Website	www.cingular.com
Union Employees	39,000 technicians, customer support, and retail sales employees
Total Employees	70,300
Annual Revenues	\$32 billion
Outlets	260,000 authorized sales locations
Customers	54 million subscribers



Cooperation Leads to Innovation

>> It is frequently asserted that workers in today's economy don't want or need unions, and that the relationships between unions and management are inevitably antagonistic. The partnership between Cingular and its 39,000 union-represented employees tells a different story.

Indeed, there are companies that will fight their employees' wishes to have a union at any cost. A 2005 study revealed that when faced with organizing drives, 30 percent of U.S. employers fire pro-union workers, 49 percent threaten to close a worksite if the union prevails, and 51 percent coerce workers into opposing unions with bribery or favoritism. This same study also found that 82 percent of employers hire unionbusting consultants to fight organizing drives.¹

Under this process, both parties work together to set rules that give workers a chance to freely decide to form a union without pressure or interference from either side. Within these arrangements, employers freely choose to recognize a labor union when a majority of employees provide signed cards indicating their desire for union representation.

Cingular negotiated its first union contract and neutrality agreement with the Communications Workers of America (CWA) in 2000. Both parties have stood by the code of conduct and effectively serve as business partners, advancing a cooperative labor relations model in direct contrast to traditional, hostile relationships pitting employers against unions during organizing drives.

In recognition of the value of the pact, Cingular extended the neutrality agreement to cover former AT&T employees when the company merged with AT&T in 2004. As a result, approximately 17,000 workers chose union representation in less than a year. Now, 39,000 Cingular technicians, customer service representatives, and retail sales workers are represented by CWA in 35 states across the country, including the South—where union organizing has historically met with great difficulty.

To date, over 85 percent of Cingular's workforce has gained union representation, rebuffing the idea that workers aren't interested in unions. Their experience suggests that when given a free choice and a fair chance to form a union, employees will overwhelmingly choose to have a voice at work.

"Management didn't pressure us or try to interfere. Our union campaign was positive and without conflict. We didn't attack the company and they didn't attack us. We were focused on improving our jobs and making Cingular a better place to work."

—Larry Barrett, Cingular Wireless Technician, Schaumburg, IL



But a growing number of socially-responsible employers are proving there is another way of doing business. For example, Cingular chose not to waste precious corporate resources with costly and lengthy union-avoidance conflicts. Instead, it pledged to not interfere with employee union organizing efforts, and turned to a cooperative agreement involving card check and neutrality.

These voluntary pacts between employers and union representatives establish a code of conduct that prohibits each party from disparaging the other, or using intimidating, coercive tactics on employees.

> **By giving its workers a free and fair chance to form a union, Cingular helps prove that a new generation of workers want union representation.** Nearly 40,000 of Cingular's employees in 35 states, including the South, have joined unions. These typically young workers are interested in having a voice on the job and a hand in improving the company.

¹Chirag Mehta and Nik Theodore, *Undermining the Right to Organize: Employer Behavior During Union Representation Campaigns*, Center for Urban Economic Development, University of Illinois at Chicago, Dec. 2005.

A Win-Win Result

>> The benefits of the partnership are clear to both the company and the employees. For instance, the neutrality agreement has enabled Cingular workers to gain union representation in an atmosphere free of conflict with their employer.

Teresa Joyce is a customer service representative from Lebanon, VA, who worked for AT&T Wireless before Cingular acquired her company. She knows first hand what the difference is between her employers. Whereas before she and her coworkers were afraid of getting disciplined and being intimidated for wanting a voice at work, “after the merger with Cingular, we were able to speak openly, hand out literature to fellow workers and eventually had access to our workplace to educate employees” about the union.

Cingular employees represented by CWA now have contracts providing job security, regular wage increases, good benefits, and a voice on the job. According to Heather Trainor, a Cingular sales support representative in New York City, “there is great security in knowing the union is there to help.”

Kelly Johnson, a retail sales employee with the company in Lathrup Village, MI, recognizes the effect of having a cooperative pact in place. “We have good working relations and we understand that it is in our interests that Cingular Wireless does well.”

And Cingular’s business is thriving. Cingular now has the largest digital voice and data network and is the nation’s largest wireless carrier, serving 54 million customers.

“The fact that Cingular does well even in the face of unionization helps rebut the argument that unions aren’t viable in a technologically sophisticated and dynamic industry,” observes Harry C. Katz, Dean of the School of Industrial and Labor Relations at Cornell University in *The New York Times*.²

“We have a real voice at Cingular now. We will have disagreements with the company, but with CWA we are secure in knowing that we have the right to disagree without consequences.”

—**Shawna Brown**, *Cingular Customer Service Representative, Ocean Springs, MS*



“We believe that employees should have a choice... Making that choice available to them results, in part, in employees who are engaged in the business and who have a passion for customers.”

—**Rick Bradley**, *Executive Vice President of Human Resources, Cingular Wireless*



According to Cingular management officials, its relationship with CWA has a positive bottom-line impact on the company and its business operations. It enables the company “to continue operating successfully in a very competitive environment,” and gives Cingular a clear competitive advantage “to win the market,” notes Rick Bradley, Cingular’s Executive Vice President of Human Resources.

Additionally, the partnership provides a service that socially-responsible consumers can feel good about. There is a growing market for consumers who care about where they spend their money and about the way a company treats its workers. For the consumers who favor purchasing organic produce, sweat-free clothing, and other ethical goods, it is an advantage that Cingular offers a cell phone service that reflects their values.

²Matt Richtel, “In Wireless World, Cingular Bucks the Antiunion Trend,” *The New York Times*, 21 Feb. 2006.

A Forward-Thinking Business Model

>> Cingular and other socially-responsible employers are making the case to the corporate world that workers and their unions can have a place at the table to help companies achieve their

“Imagine if this was the experience for all workers in America. It could and it should be this straight-forward for men and women to have a free and fair choice to form a union and work in partnership with their employer to make it a success.”

—Larry Cohen, *President, CWA*

goals. Trendsetting companies like Cingular have made clear choices to establish a new paradigm: cooperation and partnership over dominance and hostility. As Thomas Kochan, the George M. Bunker Professor of Management at MIT’s Sloan School of Management, observes, “We can meet our nation’s economic challenges and provide good jobs if we listen to each other, respect workers’ rights, and allow the knowledge, skills, and creativity of our workforce to realize their full potential.”

About American Rights at Work

Advancing Democracy in the American Workplace

Headquartered in Washington, DC, **American Rights at Work** is a leading labor policy and advocacy organization. Our mission is to fight for a fair and just society where every worker’s fundamental right to organize unions and bargain collectively with employers is guaranteed and promoted.

Socially Responsible Business Program

Launched in the summer of 2005, American Rights at Work’s **Socially Responsible Business Program** promotes awareness of socially-responsible and ethical corporate labor practices. The Program engages forward-thinking business and labor leaders to develop and promote sound policies and collaborative efforts that sustain workers, businesses, and society at large.

Cingular was recognized by American Rights at Work in its 2005 Labor Day List: Partnerships that Work publication for the following best practices:

- > Demonstrating a commitment to respecting workers’ freedom to choose union representation.
- > Negotiating good contracts with their employees’ unions, and providing sustainable wages or progressive increases and worker-friendly benefits.
- > Collaborating as an equal partner with workers and their unions to craft innovative strategies on compensation, performance, and productivity to meet business goals and address challenges.
- > Protecting workers’ safety and health.
- > Fostering diversity and inclusion in the workforce.
- > Offering training and professional development opportunities.

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