THE LABOR DAY LIST: Partnerships that Work

Celebrating Successful Labor Relations Strategies in the New Economy

AMERICAN RIGHTS AT WORK

What is The Labor Day List?

American Rights at Work, a leading labor policy and advocacy organization, releases its inaugural **Labor Day List: Partnerships that Work** to recognize successful partnerships between employers and their employees' labor unions that are working well in the global economy. While many companies profess that they must implement massive layoffs, slash benefits, employ temporary and cheap labor, and hire union-busters to prevent workers from forming unions in order to remain profitable in today's marketplace, the practices of businesses profiled here suggest there is another way.

The featured trendsetters are bucking the current "race-to-the-bottom" trend while defining new standards for 21st century labor relations that balance profitability with workers' needs and rights. By fairly compensating employees and sharing decision-making responsibility with them through unions, these employers prove that embracing such a forward-thinking business model is a smart, ethical, and successful strategy.

Selection Criteria

The list, a current snapshot of some of the nation's most innovative partnerships, includes a cross-section of national and regional, private and public employers of various sizes, locations, and industries. The highlighted employers have demonstrated a commitment to respecting workers' freedom to choose union representation. All companies have negotiated good contracts with their employees' unions.

Furthermore, profiled employers excel in one or more of the following key labor standards:

- Collaborating as equal partners with workers and their unions to craft innovative strategies on compensation, performance, and productivity to meet business goals and address challenges
- Providing sustainable wages or progressive increases and worker-friendly benefits
- Creating new jobs and implementing employee-retention strategies
- Protecting workers' safety and health
- Fostering diversity and inclusion in the workforce
- Offering training and professional development opportunities
- Contributing positively to the broader community

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Defining New Standards for 21st Century Labor Relations

>> From the Enron scandal to the litany of unfavorable chronicles about Wal-Mart, coverage of corporate misconduct causing harm to loyal employees has become a mainstay in today's newscycle. However, one aspect of employer malfeasance rarely featured in the media is the growing practice of unionbusting.

The National Labor Relations Act states, "Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining…" and that, "It shall be an unfair labor practice for an employer to interfere with, restrain, or coerce employees in the exercise of" these rights. Despite the law, employers often use a combination of legal and illegal methods to silence employees who try to form unions. More than 57 million workers say they want unions.[1] Yet the extent of illegal employer resistance to workers forming unions is alarmingly high.

As a result, every 23 minutes a worker in the United States is fired or penalized for supporting a union.[2] That's almost 23,000 of our co-workers, friends, and neighbors every year.[3] Fifty years ago, workers who endured similar retaliation by their employers only numbered in the hundreds.[4]

The growing trend of unionbusting among employers can be characterized as nothing short of a full-fledged assault on workers' freedom to form unions. When faced with organizing drives, 75 percent of employers hire 'union-avoidance' consultants and 25 percent illegally fire at least one worker.[5] In the manufacturing sector, 71 percent of employers threaten to close down worksites if employees form a union.[6]

Many companies justify this behavior as a necessity to remain profitable in today's marketplace. The experience of employers profiled in this report, however, suggests that hostile labor relations are a choice, not a fiscal requirement.

The Social Consequences of Unionbusting

The blatant disrespect of workers' rights comes with far-reaching social costs. When companies undercut each others' labor standards to gain a competitive edge, workers are first in line to suffer the consequences. Without a voice at work and a stake in the company from a partnership with management, employees cannot ensure that the products and services we buy meet quality standards. Lower job security —coupled with an inflation rate that continues to outpace both compensation and benefits—causes more families to lose ground and fall out of the ranks of the middle class. Without good, family-supporting jobs, America's workforce cannot provide a healthy tax base for public services and schools, or a strong consumer base for the services and goods they produce.

Adversarial labor-management relations affect not only workers, but a company's shareholders, customers, and society at large. The repercussions of unsustainable workplace practices can lead to low employee morale and high turnover, and also result in unsatisfied consumers and low shareholder returns.

Labor-Management Partnerships: A Viable Reality

At a time when unionbusting among employers is at an all-time high, and labor laws designed to protect workers' rights to form unions are weakly enforced and rapidly eroding, American Rights at Work is proud to honor innovative labor-management partnerships demonstrating that companies can remain competitive and profitable without instituting hostile labor relations strategies.

With the release of its inaugural **Labor Day List: Partnerships that Work**, American Rights at Work salutes employers that are doing their part to improve the standard of living and working conditions for their most important asset—their workers.

It is well established that workers represented by unions fare better in terms of wages and benefits than their non-union counterparts. Union workers' wages are roughly 31 percent greater than those of comparable non-union workers, while the entire compensation package of wages and benefits is 44 percent better.[7]

Workers who belong to unions are significantly more likely to have paid leave, employer-provided health insurance, and employer-provided pension plans.

The presence of a union in a workplace does not solely benefit its members. In contrast to anti-union companies, forward-thinking employers have concluded that establishing collaborative partnerships with their employees' unions can produce significant improvements in worker productivity, retention, and morale that ultimately benefit their bottom lines. Savvy business leaders realize that in order to remain competitive in a global economy and utilize resources wisely, they must rely on the values, insights, and experience of their employees. Working closely with unions is a method of empowering employees to contribute to a company's success.

The trendsetters on this year's list often embrace higher standards than those mandated by current U.S. labor law. They are moving beyond the prevalent anti-union labor relations trend to adopt a new stance of neutrality within their labor policies. For instance, many choose to remain neutral when employees have initiated union organizing drives, or have voluntarily recognized their employees' unions when a majority of the workforce expressed a desire to have union representation. In doing so, these employers demonstrate a willingness to negotiate with workers through the collective bargaining process.

American Rights at Work understands that circumstances and labor conditions can change. We urge business leaders to adopt a long-term perspective on developing strong policies and practices that jointly benefit their workers and other stakeholders. Together, workers, their unions, and management can collectively work toward meeting the organizations' business goals and objectives.

1 Peter D. Hart Research Associates, Feb. 2005.
2 According to 1993-2003 NLRB Annual Reports, an average of 22,633 workers per year received backpay from their employer. The NLRB orders employers to award backpay to workers they illegally fired, demoted, laid off, suspended without pay, or denied work as a result of their union activity.
3 Ibid.
4 Human Rights Watch, "Unfair Advantage: Workers' Freedom of Association in the United States Under International Human Rights Standards," 2000.
5 Kate Bronfenbrenner, "Uneasy Terrain: The Impact of Capital Mobility on Workers, Wages and Union Organizing," U.S. Trade Deficit Review Commission, 2000.
6 Ibid.
7 *Economic Policy Institute, State of Working America 2004-2005*, 2004.

Addus Healthcare, Inc.

In Partnership With:
Service Employees International Union (SEIU)

Established in 1977, Addus Healthcare is a nationally-recognized provider of healthcare services and supplemental healthcare staffing. It is one of the largest Medicaid personal-care providers in the country.

Headquarters	Palatine, IL
Website	www.addus.com
Industry	Healthcare
Union Employees	6,500 homecare aides
Total Employees	16,500
Annual Revenues	$165 million
Outlets	81 offices in AL, AR, CA, DE, IL, IN, MO, NM, OR, PA, and WA
Customers	35,000 patients seen annually

Selection Criteria

> Free and fair chance to form a union

> Collaborating as equal partners with workers and their unions to craft innovative strategies on compensation, performance, and productivity to meet business goals and address challenges

> Providing sustainable wages or progressive increases and worker-friendly benefits

> Contributing positively to the broader community

Improving working conditions for homecare aides while serving the broader community

>> Addus Healthcare and the Service Employees International Union (SEIU) enjoy a long-standing, positive relationship. SEIU represents Addus homecare aides who provide valuable healthcare services in Illinois, California, Oregon, Washington, and Pennsylvania. Their labor contracts include provisions for regular wage increases, higher rates of mileage reimbursement, a seniority system, vacation and sick leave for full- and part-time employees, healthcare benefits for all employees, and pension plans.

Cindy Justice served as an Addus homecare aide in Portland, OR, for more than nine years and earned a minimum wage until she and her union, SEIU Local 503, negotiated their first contract with the company in 2004. She believes the contract will improve turnover rates and working conditions for Addus employees, and ultimately result in better care for the company's predominantly elderly and disabled patients.

In Addus' home state of Illinois, the company joined with SEIU Local 880 to advocate for a living wage for homecare aides throughout the industry. Addus Chief Operating Officer Mark Heaney is part of a national task force working to extend healthcare benefits to all homecare employees. In January 2005, he participated in a press conference at the signing of an Illinois bill into law that increased the state minimum wage from the federally-mandated $5.15 to $6.50 per hour.

The collaboration between Addus and SEIU has improved the employment environment for this typically underpaid sector of workers across the country.

Addus HealthCare

Brightside Academy

In Partnership With:
The American Federation of State, County and Municipal Employees (AFSCME)

Collaborating with childcare workers' union lowers turnover and improves care for kids

>> Low wages and minimal benefits are a standard problem for workers providing critical services for America's families—caring for and educating young children and infants in childcare facilities. Consequently, the industry experiences high turnover among its employees.

Brightside Academy (formerly Allegheny Child Care Academy), one of the largest providers of early childcare education services for low-income families in Pennsylvania, bucked the industry trend by negotiating a contract with its employees' union to improve pay, benefits, and working conditions. By focusing on providing the best service to children, management and representatives from the United Child Care Union (UCCU)[1] reached a contract in 1999 that offered a 17.5 percent guaranteed pay raise and provisions such as worker training.

Results were immediate. During the contract's first year, turnover at Brightside decreased 20 percent. Recognizing the benefit of working with the union, Brightside then partnered with its employees to address staff recruitment, retention, and development concerns.

Taking advantage of existing programs and resources at UCCU's parent union, Brightside's labor-management partnership established a program for its employees to earn Child Development Association credentials to further their careers in the childcare industry. The union also works with its members to continue their professional development, which supports Brightside's participation in Pennsylvania's high-quality childcare accreditation initiative, Keystone Stars.

Today, a labor-management team meets monthly to deal with issues as they arise. The company and the union regularly sponsor trainings which bring site directors and union delegates together to facilitate positive communication, problem solving, and team building. The end result is a relationship built on mutual respect and a common goal—quality early care and education services.

When UCCU first obtained union representation for Brightside's childcare workers in 1999, Brightside operated 14 sites. Since then, the company has expanded to 29 sites in the Philadelphia area, all of which are represented by UCCU.

[1] UCCU is an affiliate of the National Union of Hospital and Health Care Employees 1199C, an affiliate of the American Federation of State, County, and Municipal Employees.

Brightside Academy is one of the largest providers of early childcare education services for low-income families in Pennsylvania.

Headquarters	Pittsburgh, PA
Website	www.brightsideacademy.com
Industry	Childcare
Union Employees	539 childcare workers
Total Employees	752
Annual Revenues	N/A
Outlets	38 locations
Customers	4,700 children and their families

Selection Criteria

- Free and fair choice to form a union
- Collaborating as equal partners with workers and their unions to craft innovative strategies on compensation, performance, and productivity to meet business goals and address challenges
- Providing sustainable wages or progressive increases and worker-friendly benefits
- Creating new jobs and implementing employee retention strategies
- Offering training and professional development opportunities
- Contributing positively to the broader community

Brightside™ ACADEMY

Catholic Healthcare West

In Partnership With:
AFSCME, CNA, CHEU, ESC, IBT, LIUNA, SEIU, UNITE HERE

Founded in 1986, Catholic Healthcare West is the largest not-for-profit provider of hospital care in California, and the 8^{th} largest hospital system in the United States.

Headquarters	San Francisco, CA
Website	www.chwhealth.org
Industry	Healthcare
Union Employees	26,000 healthcare workers and support staff
Total Employees	49,500
Annual Revenues	$5.3 billion
Outlets	40 hospitals and medical centers in AZ, CA, and NV
Customers	4 million patients seen annually

Selection Criteria

- Free and fair choice to form a union
- Collaborating as equal partners with workers and their unions to craft innovative strategies on compensation, performance, and productivity to meet business goals and address challenges
- Providing sustainable wages or progressive increases and worker-friendly benefits
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- Fostering diversity and inclusion in the workforce
- Offering training and professional development opportunities
- Contributing positively to the broader community

Advancing patient care by improving working conditions

>> As the largest not-for-profit hospital care provider in California and the 8^{th} largest healthcare system in the United States, Catholic Healthcare West's (CHW) labor practices can influence the industry. CHW initially resisted its workers' efforts to form unions. But in 2001, employees, the Service Employees International Union (SEIU), and the company reached a pivotal cooperative agreement covering healthcare institutions in California and Nevada. As a result, CHW banned one-on-one meetings with supervisors, a tactic often used by employers to intimidate employees and dissuade them from voting for a union. The company went one step further and decided to not oppose its employees' efforts to form a union.

Last year, CHW agreed to a four-year contract with SEIU covering 14,000 employees at 28 California facilities. This agreement goes above and beyond the usual pay-and-benefits provisions to include joint labor-management committees to solve staffing issues; shared goals to improve patient care; a $4 million training fund; and wage and benefit increases to recruit, retain, and develop a highly-skilled workforce.

A similar agreement was reached with the California Nurses Association in 2005, which covers approximately 4,700 nurses at 12 CHW hospitals in Northern and Central California. The contract provides a 26 percent increase in wages and benefits over the next four years, and establishes an oversight committee to evaluate the nurses' pension plan. CHW also agreed to adopt a nurse-to-patient ratio with a maximum of five patients for each registered nurse in general medical units, even though a California state law requiring safe staffing level ratios was being challenged during contract negotiations.

The positive work environment that results from such collaboration between management and employees may very well be one of the reasons that CHW's 2004 satisfaction survey showed a 32 percent increase in employee confidence from the previous four years.

Catholic Healthcare West
CHW

Cingular Wireless

In Partnership With:
Communications Workers of America (CWA)

Reaping the benefits of respecting workers' rights

>> Not many companies display union logos in their stores, but that's exactly what Cingular Wireless does. The largest cellular service provider in America publicly declares that it is "Proud to Be a Union Company" and has demonstrated this commitment to employees since negotiating its first union contract with the Communications Workers of America (CWA) in 2000.

Since then, Cingular has remained neutral during union organizing efforts by not conducting anti-union campaigns. The company instructs managers to treat CWA with the same respect given to other partners.

Cingular's worker-friendly posture has resulted in a relationship that benefits both management and employees. In 2002, former Cingular Chief Executive Officer Stephen Carter spoke at the CWA national convention and said that Cingular's partnership with employees who share the company's goals and aspirations has allowed the company to maintain its position as the industry leader in the highly-competitive wireless communications field. For employees, the relationship has produced a contract that includes greater potential for job growth, a fair grievance procedure, enhanced job security, and wage progression steps with automatic increases every six months in addition to annual increases.

While Cingular and CWA do not always agree, the commitment by both sides to collaborate has fostered an atmosphere of mutual respect that improves conflict resolution.

Formed in April 2000, Cingular Wireless is a joint venture between the U.S. wireless divisions of SBC and BellSouth. SBC owns 60% of the company and BellSouth owns 40%. In 2004, Cingular merged with AT&T Wireless to create the nation's largest wireless carrier.

Headquarters	Atlanta, GA
Website	www.cingular.com
Industry	Telecommunications
Union Employees	22,000 technicians, customer support, and retail sales employees
Total Employees	70,300
Annual Revenues	$32 billion
Outlets	260,000 authorized sales locations
Customers	50 million subscribers

Selection Criteria

- Free and fair choice to form a union
- Collaborating as equal partners with workers and their unions to craft innovative strategies on compensation, performance, and productivity to meet business goals and address challenges
- Providing sustainable wages or progressive increases and worker-friendly benefits
- Protecting workers' safety and health
- Fostering diversity and inclusion in the workforce
- Offering training and professional development opportunities

cingular® WIRELESS

Costco Wholesale Corporation

In Partnership With:
International Brotherhood of Teamsters (IBT)

Costco Wholesale operates a chain of international membership warehouses. Costco is only open to individual and business members.

Headquarters	Issaquah, WA
Website	www.costco.com
Industry	Retail & Wholesale
Union Employees	13,600 hourly employees in CA, MD, NJ, NY, and VA
Total Employees	83,600 (U.S.)
Annual Revenues	$48 billion
Outlets	327 U.S. warehouses
Customers	44 million members

Selection Criteria

> Providing sustainable wages or progressive increases and worker-friendly benefits

Treating employees well is good for business

>> Warehouse retailer Costco has recently received an outpouring of favorable press from journalists choosing to contrast the company with retail giant Wal-Mart. Casting Costco as "the anti-Wal-Mart," business writers make note of high wages, extensive benefits, the presence of unions, and relatively low executive pay at the company. The overall picture is one of an employer that values its workers and reaps the benefits through a loyal, productive, and efficient cadre of employees.

International Brotherhood of Teamsters members working at Costco have negotiated wage and benefits packages that are among the best in the retail industry. According to the Labor Research Association, Costco employees who belong to unions enjoy seniority-based promotions, a grievance procedure, and minimum hours for part-time workers.

The excellent compensation of Costco's union-represented employees is a testament to the company's belief that treating employees well is good for business. A 2004 *Business Week* study confirmed the wisdom of this approach. Findings indicated that Costco employees sell 50 percent more per square foot of sales space than Wal-Mart's rival warehouse chain Sam's Club. They bring in profits that are about 25 percent higher than those at Sam's Club, despite the fact that Costco's hourly employees average $16 per hour and employees pay only eight percent of their health insurance costs.

Costco's corporate philosophy that workers should share in the profits they generate is the key to its high rate of employee retention—a cornerstone of productivity. Chief Executive Officer Jim Sinegal's $350,000 salary, plus bonuses, is 10 times that earned by the typical Costco employee—a far lower income gap than that between CEOs and employees at comparable businesses.

In an interview with *The New York Times*, Sinegal defended his company's practices against Wall Street criticism that shareholders could earn more if Costco lowered its compensation and benefits package to match that of other retailers. Sinegal asserted his belief that customers like shopping at a store where they know workers are treated fairly and paid a living wage. His comments are bolstered by Costco's share price, which is steadily increasing.

Douglas County School District

In Partnership With:
Amalgamated Transit Union (ATU), American Federation of Teachers (AFT)

Innovative partnership helps students excel

>> There is no statutory basis for collective bargaining in Colorado, but when the Douglas County Federation of Teachers (DCFT)[1] demonstrated that a majority of the support staff wanted union representation earlier this year, the Douglas County School District embraced a higher standard and agreed to recognize the union and subsequently bargain with them. Like teachers and bus drivers before them, these employees are the latest to benefit from the district's willingness to recognize, negotiate, and collaborate with its employees' unions to provide top-notch instruction to students.

The school board involves teachers in every aspect of decision-making. The union president is on the superintendent's cabinet and an additional cabinet position is being created to represent non-teaching staff. Together, the school board and DCFT have developed one of the longest-running performance pay programs in the country, along with other initiatives that recognize the link between enhancing teachers' skills and improving student achievement.

The history of working together served the school district and its teaching staff well in 1992 when difficult contract negotiations were taking place against a backdrop of across-the-board budget cuts. District representatives and DCFT put their heads together and retooled the Douglas County Teacher Performance Pay Plan (TPPP).

The new agreement included bonus incentives for responsibilities that were not traditionally compensated, such as rewarding teachers who participate in activities that directly improve student performance. The TPPP provides a base salary structure and additional compensation for teachers whose students excel. Elementary school teachers have increased time for planning, and high school teachers participate in professional learning communities to upgrade their skills. Teachers in all grades receive seven professional development days annually.

The partnership is constantly looking for new ways to improve education for its students. The DCFT Project Team seeks to optimize instruction time by examining how teachers spend their time, rating activities that add the most value to student learning, and discontinuing activities that do not enhance student development. Since the implementation of the pay plan, student achievement in Douglas County has improved on virtually all measures. Students scored higher than the state average in every grade and subject tested by the Colorado State Assessment Program's standardized tests. In Douglas County, 64 percent of high school students have a GPA of 3.0 or above.

In addition to student achievement, Douglas County's labor-management model has resulted in the successful recruitment and retention of excellent educators. Douglas County is a visionary employer that realizes that employee participation in planning inspires and empowers teachers to give their very best in the classroom.

Douglas County School District is the 4th largest district in Colorado. Douglas County is the fastest growing suburb of Denver.

Headquarters	Castle Rock, CO
Website	www.dcsdk12.org
Industry	Education
Union Employees	5,250 teachers, support staff, and school bus drivers
Total Employees	6,100
Annual Revenues	N/A
Outlets	60 schools
Customers	44,800 students

Selection Criteria

- > Free and fair choice to form a union
- > Collaborating as equal partners with workers and their unions to craft innovative strategies on compensation, performance, and productivity to meet business goals and address challenges
- > Providing sustainable wages or increases and worker-friendly benefits
- > Creating new jobs and implementing employee retention strategies
- > Offering training and professional development opportunities
- > Contributing positively to the broader community

[1] Douglas County Federation of Teachers (DCFT) is an affiliate of the American Federation of Teachers (AFT).

Edward Kraemer & Sons, Inc.

In Partnership With:
IW, IUOE, LIUNA, OPCMIA, UBC

Edward Kraemer & Sons is a general contractor and construction-aggregates supplier. Its projects include the Wilson Bridge renovations in Washington, DC, the I-580/Galena Creek Bridge in Reno, NV, and the I-490 Bridge over the Genesee River in Rochester, NY.

Headquarters	Plain, WI
Website	www.edkraemer.com
Industry	Construction
Union Employees	600 construction workers
Total Employees	900
Annual Revenues	$300 million
Outlets	Regional offices in CO, MD, MN, and WI, and project offices in AZ, IL, IA, MO, NV, NY, ND, PA, UT, and WY.
Customers	47 current client projects

Selection Criteria

- Free and fair choice to form a union
- Collaborating as equal partners 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
- Contributing positively to the broader community

KRAEMER

Putting worker health and safety first is the key to success

>> Edward Kraemer & Sons, a general contractor and construction-aggregates supplier, is best known for its contribution to major projects such as the renovation of the Wilson Bridge in metro Washington, DC, the I-580/ Galena Creek Bridge in Reno, NV, and the I-490 Bridge over the Genesee River in Rochester, NY. Less known is the firm's commitment to respecting the rights of Kraemer employees to form unions at all its locations across the country.

On all of its projects, Kraemer executives work closely its employees' unions, including the Laborers' International Union of North America. Work planning throughout the project's duration involves management and key employees. Daily TEAM (Total Efficiency Attainment Meetings) discussions led by project foremen or superintendents ensure that all workers understand and follow client requirements.

In addition to sharing decision-making responsibilities with employees, Kraemer also instituted a diversity policy that ensures all employees have an equal opportunity to excel. Kraemer's diversity statement is far-reaching and forbids discrimination or harassment based on race, gender, religion, national origin, age, disability, or sexual orientation.

In the construction industry, safety is paramount. Kraemer places special emphasis on worker well-being and accident prevention. Kraemer's "safe production" culture emphasizes that safety is never secondary to production or cost savings.

All workers receive training in safe procedures. When safety becomes a concern, employees are empowered to stop production. Kraemer's training and empowerment of all of its employees is the cornerstone of the company's safe production philosophy. The company also institutes the BOSS (Behavioral Observation Safety Supervision) program, designed to create a safe and compliant work environment for all production workers through training, development, mentoring, and coaching.

By working with its employees' unions, Kraemer ensures that employees take pride in their work. In a message to his employees, Chairman David Kraemer said, "The key to our success in this business isn't only our ability to out-engineer our competitors. Our success is also defined by how well each of you takes ownership and responsibility for your job."

Harley-Davidson Motor Company

In Partnership With:
International Association of Machinists and Aerospace Workers (IAM), United Steelworkers of America (USW)

Democracy at work keeps good jobs at home

>> When Harley-Davidson recently announced its intention to do business in China, it wasn't another instance of an American company going overseas in search of cheap labor. Instead, the company plans to introduce its American-made motorcycles to the Chinese market. Harley-Davidson's commitment to keeping jobs in America is linked to its partnership with its workers' unions. Committees composed of managers and union representatives team up to make many of the company's important decisions. This unique approach helped propel the company back to success after being on the brink of bankruptcy. By working together with its employees and their unions, Harley-Davidson has also become an employer that offers its workforce good wages, benefits, and job security.

In 1994, the company CEO met with the presidents of the major unions representing their workers—the International Association of Machinists and Aerospace Workers and the former United Paperworkers International Union.[1] The company and its union representatives agreed to collaborate and establish a High Performance Work Organization partnership. As part of the partnership, employees and management make consensus decisions that keep the company competitive and find efficient methods to produce high-quality products without compromising production levels, job security, or working conditions.

An outcome of this agreement is a commitment to partnership extending to each and every employee. For instance, Harley-Davidson created a partnership implementation committee at its headquarters, and according to *Human Resource Management International Digest*, the company's factories and local unions have similar committees. At each manufacturing location, workers review and sign a joint partnership agreement. In these working groups, union stewards and business managers reach decisions by consensus, an approach that has proven more effective than the traditional top-down management system.

Empowering worker participation in decision-making is a vital part of the company's code of conduct and manufacturing process. Harley-Davidson's interactive manufacturing process allows workers to shape every aspect of production to improve quality and efficiency. At the same time, workers have employment security and can take advantage of retraining opportunities.

Harley-Davidson's status as a market leader is due, in part, to its inclusive labor relations model that allows for the free flow of ideas, new techniques, and shared decision-making.

Founded in 1903, Harley-Davidson went public in 1986. The company produces and sells motorcycles and related parts and accessories in more than 60 countries globally. The company has 49% of the North American heavyweight motorcycle market.

Headquarters	Milwaukee, WI
Website	www.harley-davidson.com
Industry	Automotive & Transportation
Union Employees	5,000 motorcycle division employees
Total Employees	9,580
Annual Revenues	$5.02 billion
Outlets	810 U.S. dealership locations
Customers	300,000 new motorcycles sold at retail dealerships in 2004

Selection Criteria

- Free and fair choice to form a union
- Collaborating as equal partners with workers and their unions to craft innovative strategies on compensation, performance, and productivity to meet business goals and address challenges
- Providing sustainable wages or progressive increases and worker-friendly benefits
- Creating new jobs and implementing employee retention strategies
- Offering training and professional development opportunities

[1] Now the Paper, Allied Industrial, Chemical and Energy Workers International Union, which recently merged with United Steelworkers.

Kaiser Permanente

In Partnership With:
AFSCME, AFT, IFPTE, KPNAA, OPEIU, SEIU, UFCW, USW

Kaiser Permanente is one of America's leading integrated healthcare organizations. Founded in 1945, it is a nonprofit health plan that serves the healthcare needs of its members across the country.

Headquarters	Oakland, CA
Website	www.kaiserpermanente.org
Industry	Healthcare
Union Employees	80,000 healthcare workers and support staff
Total Employees	154,000
Annual Revenues	$22-25 billion
Outlets	30 hospitals and 431 medical buildings in CA, CO, DC, GA, HI, MD, OH, OR, VA, and WA.
Customers	8.3 million health plan members

Selection Criteria

- Free and fair choice to form a union
- Collaborating as equal partners with workers and their unions to craft innovative strategies on compensation, performance, and productivity to meet business goals and address challenges
- Creating new jobs and implementing employee retention strategies
- Protecting workers' safety and health
- Offering training and professional development opportunities
- Contributing positively to the broader community

KAISER PERMANENTE®

A voice on the job means better patient care

>> In 1997, after years of clashing with unions, Kaiser Permanente opted for collaboration and agreed to voluntarily recognize unions formed by its employees. Together with its workers and their unions, the healthcare company embarked on an organizational change that would benefit management, the employees, and the patients they serve. The union-management partnership has been a major factor in the company's turnaround since its financial troubles in the late 1990s and has contributed to its successful navigation of the turmoil in the managed care industry.

In 2000, during the renegotiation of the contracts, Kaiser Permanente and its employees' unions established a national bargaining agreement. The new contract created task groups of managers and union representatives to make collaborative recommendations on patient quality and service, worker health and safety, performance and workforce development, wages, benefits, balance of personal- and work-life, and a variety of other issues.

For many employees in the healthcare industry, the opportunity to participate in decision-making and negotiate the terms and conditions of their employment is directly related to providing quality care to patients. Kaiser now promotes its labor-management partnership as a method of valuing input from its employees who directly serve its health plan members. Management clearly understands that high performance in the organization grows out of entrusting each worker to help identify and solve problems, create business plans, and define work processes. Therefore, Kaiser's goal is to involve employees in all aspects of decision-making. Company managers have found that the results are better decisions and improved morale, even when making decisions is difficult.

In Kaiser Permanente's Ohio region, employees were involved in deciding how to preserve quality care and working conditions while the company faced more than $8 million in cuts to the state operating budget—a frequent occurrence in the industry. Managers, union leaders, staff, and physicians worked together to develop creative solutions. Although a number of union jobs were eliminated, the partnership managed to transfer employees, shift hours, and offer early retirement and fair severance packages. Their efforts resulted in minimal displacement of employees.

Since Kaiser implemented this joint partnership model, the company has experienced a 20 percent reduction in workplace injuries nationally, higher patient satisfaction, lower costs, improved retention rates and job satisfaction, and better performance on a range of indicators. This summer, Kaiser Permanente and its unions negotiated a new five-year national agreement, further strengthening and extending their partnership with a renewed commitment to improving healthcare delivery in all their clinics, hospitals, and offices.

About American Rights at Work

Headquartered in Washington, DC, American Rights at Work is a leading labor policy and advocacy organization. Founded in 2003, 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.

Through coalition-building, research, public relations, policy analysis, and advocacy, American Rights at Work:

- Investigates and exposes workers' rights abuses and the inadequacy of U.S. labor law.
- Stimulates debate about the state of workers' rights among journalists, policymakers, advocacy groups, companies, and the public.
- Promotes public policy that protects workers from hostile employers and weak laws that impede their rights to form unions and bargain collectively.
- Publicizes success stories of profitable companies and public agencies that respect workers' rights and build innovative partnerships with unions.

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. **The Labor Day List: Partnerships that Work** is a project of American Rights at Work's Socially Responsible Business Program.

Nominations for the 2006 Labor Day List: Partnerships that Work

Each Labor Day, American Rights at Work will profile a new list of employers that partner with their employees' labor unions to empower their workforce. To nominate an employer for the 2006 **Labor Day List: Partnerships that Work**, please contact:

American Rights at Work
Socially Responsible Business Program
1100 17th Street NW, Suite 950
Washington, DC 20036
srbprogram@americanrightsatwork.org

Please be sure to include your name, contact information, name of nominated employer, and the reason this employer should be considered. Submission deadline is April 1, 2006.

Board of Directors

International Advisor

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