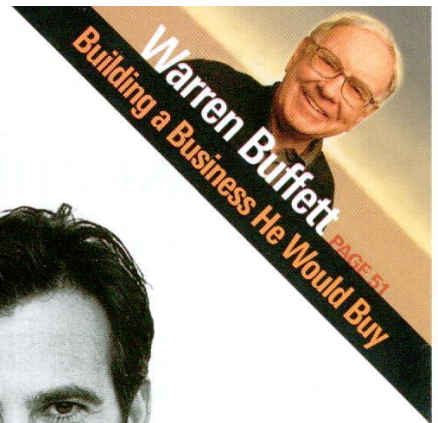


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DARIUS BIKOFF
His beverage startup is
taking on Coke and Pepsi.

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Keeping the Union at Bay

Once labor organizers showed up, I knew I had to change fast.

EARLY LAST YEAR LEAFLETS URGING MY EMPLOYEES to unionize suddenly blanketed our parking lot. Pro-union graffiti started gracing bathroom walls. And union newsletters, I was told, had begun to appear in employee mailboxes. The push was somewhat unexpected and absolutely unnerving. And for good reason. Emerald Packaging, our family-run plastic-bag-manufacturing firm, had barely survived a unionizing effort only two years earlier. That round had cost me over \$200,000 in consultant fees and lost production.

Once more I turned to the labor consultants who had bailed us out last time. They surveyed our employees and found a long list of complaints. Among them: Promotions were being made without regard for seniority, some Hispanic employees felt Anglos were being given plum jobs, and little cost-cutting attempts like limiting supplies of earplugs for factory-floor workers were becoming serious issues. Listening to the litany, I cursed myself for having fallen out of touch. Over the previous year I had become preoccupied with financial problems caused by dropping sales. Left on their own, my new managers had made misstep after misstep.

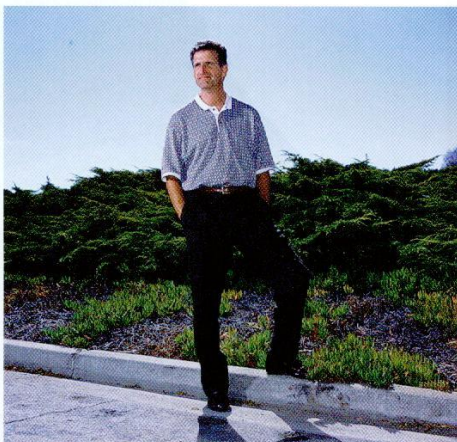
The advantage of turning to labor experts during a crisis like this can't be underestimated. Employees saw our consultants, Delia Vital and Michael Penn of Labor Relations Services in Newport Beach, Calif., as independent arbitrators who could get my ear. Why not just talk to me? Many were too shy, and others worried that if they came directly to me, their managers might retaliate.

When Delia and Michael finished their report last February, they enumerated more than 60 complaints. Fairness issues predominated. One employee argued that he had

been passed over for a promotion in favor of someone outside his department—a clear violation of our handbook. Several Hispanic machine operators felt that they had been shunted aside for unqualified Anglo outsiders when high-paying maintenance jobs opened. They were especially angry that they often ended up training those hires. "They don't know anything about our machines," said one Hispanic employee. "It is impossible to respect them."

Along with the list of complaints, our consultants suggested ways to deal with them. For instance, since neither the staff nor I thought the maintenance department was doing a good job, our consultants suggested weeding out some of the employees (who happened to be Anglo) who weren't working out. We did, and then we rehired our former maintenance chief, a man who is deeply respected by our workforce and is Hispanic. The resulting good will smashed union sympathies. Similarly Delia and Michael recommended that I immediately promote the employee who had been passed over and make earplugs available again without limitation, which we did.

Those moves turned around the immediate situation. But to keep us on track I have begun to work more closely with my managers, making sure they run major decisions past me first. Since many employees remain intimidated about coming by to see me, I now schedule quarterly lunches with groups of workers. And I've created an employee committee that meets with me monthly to review concerns. We also make sure that Delia and Michael drop in more frequently to take the pulse of employees. I have no doubt that letting managerial mistakes pile up again will prompt another visit from the union. Next time it's likely to be strike three. □



Kelly: Listen more closely to employee complaints.

L LABOR RELATIONS
SERVICES, INC.

John M. Hermann
President & CEO

24 Corporate Plaza
Suite 100
Newport Beach, CA 92660
Tel. (949) 719-1962
Fax (949) 718-9585
Email: jhermann@proemployer.net
www.proemployer.net

Los Angeles • Chicago • Tulsa • Port St. Lucie