

LABOR RELATIONS AND YOU
AT THE
WAL-MART DISTRIBUTION CENTER #6022

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FOREWORD

The information contained herein is highly sensitive and intended for management's use only. Although the information is not directed negatively towards our associates, the information could be misconstrued to shed an unfavorable light on the leadership of our center. Therefore, we urge caution in the handling and discussion of this document with your associates.

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INTRODUCTION

As a manager at the Wal-Mart Distribution Center #6022, your job will require you to analyze situations, decide on the most appropriate action to be taken and then to execute your decision. Anything that inhibits, delays or prohibits your response to job conditions is a factor that will work against you and decrease your chance for success.

Labor relations is a subject in which all managers need a thorough understanding. The Greencastle area has had a history of labor relations which should be understood by all managers working at our DC. Because you have substantial day-to-day contact with associates, you will most often have to react to the problems posed associates within your area of responsibility. You should become familiar with the principles described in this guide and refer to it whenever you have a question about how to respond to a problems raised by union activities.

The subject matter contained within this document is complex. It is one however, in which we must heighten our sensitivity. This guide has been developed to assist you in having a better understanding of Wal-Mart's philosophy regarding unions, preventative measures to safeguard against unions, and some understanding of how unions operate.

Some of the information contained herein has been retyped from a Wal-Mart Stores, Inc. publication entitled You and Your Labor Relations, What a Wal-Mart Supervisor Should Know About Labor Unions.

At all times remember this: YOU are the company's personal representative. Therefore, you must keep the Wal-Mart's best interests in mind.

WAL-MART PHILOSOPHY -

"Wal-Mart is opposed to unionization of its associates. Any suggestion that the Company is neutral on the subject or that it encourages associates to join labor organizations is not true. The Company believes its associates in the stores, m offices and warehouses are better off without a labor organization because the Company pays wages and fringe benefits which equal or exceed those prevailing for similar work in the communities where the facilities are located. In addition, the Company maintains a program of training, promotion and job security which recognizes an associate's skill, ability, and length of service. Moreover, the Company provides excellent working conditions for its associates and has an excellent system of redressing compliant of associates. We firmly believe we are capable of running our own Company without any assistance from an outside third party.

It is Wal-Mart's policy to develop and foster a good corking relationship between Company managers and associates and to create and maintain an open line of communication to and from management.

We believe that if Company managers are sensitive to the needs and desires of their associates, there will be no necessity for them to seek union representation.

It is now and will continue to be the desire of the Company to:

- 1) Pay wages which are as good or better than the prevailing rate for similar jobs in the community.
- 2) Provide a benefit program which is second to none in the retail industry.
- 3) To develop a true and honest attitude of "we care" for our associates and we prove that by actively seeking our time and opportunity for them to openly and fully communicate with all levels of management.
- 4) Offer a sense of job security.
- 5) Help improve the associate's own self image and thereby prove opportunities for image enhancement through successes and satisfaction at work.
- 6) Create a working atmosphere which encourages each associate to express their thoughts and feelings to management and which makes us willing to give honest, direct answers to those questions. Also be willing to make positive use, when possible, of an associate's constructive suggestions and ideas.
- 7) Express appreciation in every instance it is deserved.
- 8) Extends to each associate respect, understanding, courteous consideration and intelligent leadership at all times.

- 9) Ensure that in all applicable instances proper weight is given to an associate's seniority.
- 10) Provide associates the opportunity to participate in the Company's success through a profit sharing plan which compares favorably to any in the nation.
- 11) Provide the best working conditions possible.
- 12) Provide the opportunity for personal growth and progress by enlisting him or her in an understanding of the Company goals so the associate can reach his or her own goals by helping the Company reach its goals.'

Taken from You and Your Labor Relations, What a Wal-Mart Supervisor Should Know About Labor Unions, Wal-Mart Stores, Inc.

HISTORY OF UNIONS

Background Information

Unions involvement in labor relations in this community have been evident since the turn of this century. Blacksmiths and tanners were early "trades" which formed unions to represent them regarding working conditions. These early unions acted mainly as agents for these trade workers relative to issues concerning the state and federal government.

In 1911 the 209th Blacksmiths & Wagonmasters Union (57 members), located in Reelsville, petitioned the state legislature to prevent a road (now state road 40) from being constructed. They wanted to protect their jobs from elimination due to modernization. The union held the construction in check for 5 years before the legislature finally approved the project. Noteworthy from this episode is that all but 2 blacksmiths and 1 wagonmaster had found other employment before the road bill was passed. Clearly one success for the union was allowing it's members an opportunity to find employment while delaying the state from building the road. Some of the children and grandchildren of these early union members are residents in our community today.

In 1920, the Tanners Association of Bainbridge petitioned the Indiana Commerce Department to regulate the importing of animal hides and leather goods. The members of the association (which functioned as a union) feared the competition from neighboring states such as Kentucky and Ohio. The Association could not stop the importing of hides, but they were successful in establishing a "tannery" tax on all leather and skins produced outside the state. This tax lasted 18 years. It is clear that this association added money to the states coffers and to it's own image. Whether the tanners actually received a direct benefit is debatable.

Since those days numerous businesses have functioned within this area in an union environment. Some of the larger businesses include coal miners, some automotive manufacturers (1940's - 1970's), the railroad (1930 - today), air traffic controllers, and state and federal governments employees.

National Labor Relations Act

In 1934, Congress enacted the National Labor Relations Act (NLRA). Congress felt that any type of industrial strife among associates, employers, and labor organizations interferes with the full production of the country's economy and is contrary to our national interest. Therefore, they enacted the NLRA to safeguard that interest and maintain full production. The NLRA establishes, defines, and protects the rights of both associates and employers, it encourages collective bargaining, and it eliminates certain practices that had been harmful and counterproductive.

A key point about the NLRA is that it protects the rights of both the associates and the company. This means that unions must follow certain established and approved procedures in any effort they undertake to organize a company. But it also means that you, in your role as a manager and a member of the management team, must also follow procedures that have been established and approved by the NLRA.

Recent Union Activity

Specifically, in the Greencastle/Cloverdale area, some of our business neighbors are unionized or have had union organizing efforts on their very premises. The following listing provides insight into just how active union activists have been in very recent times.

DePauw University, Greencastle

Teamsters Local 144, Terre Haute Fall, 1990 (did not go to vote) 5th attempt in 12 years AFSME in 1987 (no vote)

Great Dane Trailers, Brazil

United Auto Workers (UAW), October 1990 rejected Boiler Makes Local 374, Terre Haute 1989 rejected

Happico, Greencastle

Amalgamated Clothing & Textile Workers Union (ACTWU), Covington, IN attempted Happico winter 1990-91 (did not go to vote)

Holiday Inn, Cloverdale,

Hotel & Restaurant Employees AFL-CIO Local 70 Groveport, OH attempted 1984-85

Lobdell Emery, Greencastle

United Auto Workers (UAW) since 1972

Lone Star Industries, Greencastle

Currently union - International of Brotherhood of Boilermakers, Ironworkers, Ship Builders, Blacksmiths, .Forgers and Helpers.

Shenandoah, Greencastle

United Auto Workers (UAW) attempted 1990, vote was 216-200

Techno Trim, Greencastle

United Auto Workers (UAW) attempted August 1990 vote was 128-60

Union activity of this magnitude must not be ignored or discounted. We, as managers, must be vigilant for signs and indicators of union efforts.

STAYING UNION FREE

Introduction.

Staying union free is a full-time commitment. Unless union prevention is a goal equal to other objectives within an organization, the goal will usually not be attained. The commitment to stay union free must exist at all levels of management - from the Chairperson of the "Board" down to the front-line manager. Therefore, no one in management is immune from carrying his or her "own weight" in the union prevention effort. The entire management staff should fully comprehend and appreciate exactly what is expected of their individual efforts to meet the union free objective. The union organizer is a "potential opponent" for our center.

The commitment to remain union free also has a price. Unless each member of management is willing to spend the necessary time, effort, energy, and money, it will not be accomplished. The time involved is a day-in/day-out (365 days per year) application of the union free standards and the obligations and responsibilities imposed upon the management team. Effort, energy and money must also be infused into the union free-system with equal attention and fervor.

Aside from the resolution to stay union free at all levels of management, managers need to fully appreciate how their actions can actually cause associates to seek out unions or to respond to outside union organizers who are seeking out associates in a union organizational drive. In fact, managers owe their associates some very important considerations and when these considerations are met by the management team, the likelihood of associates seeking out unions is greatly reduced.

The reasons why associates may resort to unions and how supervisors and managers can help prevent these "union causing conditions" to surface is our next point of discussion.

FIVE UNION FREE CONCEPTS

As managers, if you remember, the five concepts described below, you will have a better chance of remaining union free.

-
- o Staying union free is a full time commitment. Unless union prevention is a goal equal to other goals and objectives in the organization, management will not devote the necessary day in, day out attention and effort.
- o Union free is not a dirty word. You should be proud of remaining union free.
- o Associates do not generally vote for unions - they vote against management.

- o Unions are like water or electricity - they follow the path of least resistance.
- o The secret of staying union free is the internal elimination of problems.

TYPES OF ASSOCIATES ATTRACTED TO UNIONS

Unions have learned to identify certain types of individuals who are more susceptible to union exploitation than others. Here are seven types of associates who "fit" that mold.

1. **THE INEFFICIENT, LOW PRODUCTIVE ASSOCIATE.** This type of associate realizes that he will not be able to measure up to the facility's standards and will be terminated because of his lack of qualitative and /or quantitative efficiency.

The union organizer seeks out such an associate and this type of associate is mutually attracted to the union because they convince the associate that it will 'save' the associate's job and clothe him with the so-called shield of "union protection" and 'job security".

2. **THE INDEPENDENT, HAPPY-GO-LUCKY ASSOCIATE.** This type of associate has no great financial obligations or commitments. He typically lives with his parents or is basically supported by someone else. He has nothing to lose by joining up with the union forces. He can survive through the longest of strikes and responds to the union propaganda of "everything to gain, nothing to lose.

If he, in fact, loses his job in a union-caused strike by being permanently replaced or because the facility closes down, he suffers no real consequences because he did not depend on the job in the first instance.

3. **THE REBELLIOUS, ANTI-ESTABLISHMENT ASSOCIATE.** This type of associate is attracted to the union cause and is subject to union exploitation simply because he opposes everything associated with the establishment. Since most businesses and structural organizations are associated with the 'establishment', he is opposed to all management or bosses.

He consequently becomes an antagonist to the employer and a respondent to the union propaganda. (Ironically, he will later turn against the union also because he will eventually come to resent the authority of the union. Unfortunately, this phenomenon will not occur until after he has exhausted all efforts to unionize his employer.)

4. **THE SOMETHING-FOR-NOTHING ASSOCIATE.** This type of associate is the typical injury-faker who has collected worker's compensation from most of his former employers. He is the type of individual who is always looking for a deal. He takes every imaginable shortcut available in his job and sincerely feels that the world owes him a living.

He is the type of associate who "fudges" on his sick pay or funeral leave and bends every rule to "squeeze" a little more out of his employer. He will obviously be attracted to the union propaganda that he has "everything to gain and nothing to lose." He will completely be sold on the union's typical promises of more money, more fringe benefits, and more of everything. He will not inquire as to how the

union plans to deliver nor will the employer's comments on the disadvantages of unionization touch a responsive cord in him.

5. THE CHRONICALLY DISSATISFIED ASSOCIATE. The associate might well be one of the most efficient and productive associates at any establishment. But this associate will find fault about everything associated with his employer. He is a hopeless griper and complainer as distinguished from a constructive critic. He is never convinced that his employer is looking out for his interests or the interests of his fellow associates.

He is truly an unhappy individual. He probably was born unhappy, is going to die unhappy, and is going to be unhappy for the duration between. This type of associate is a morale destroyer. He keeps everybody around him continually upset and agitated. It is a full-time job to dispel his negative rumors and ill-founded remarks concerning the management team.

This associate will be attracted to the union campaign because the union will listen to his gripes and complaints. The union will convince the associate that it will "straighten out" the employer to his satisfaction. The damage is compounded, however, because this individual will reveal every skeleton in the employer's closet out of which the union will further propagandize its cause.

6. THE CAUSE-ORIENTED ASSOCIATE. This associate will "jump" on any bandwagon that passes through his area. He was the same individual who joined all of the 'off-beat' organizations in high school or college. He typically led demonstrations against everything from "red dye" to "ban the bomb". He once took a trip to India to visit his personal "guru".

One can bet his last UNION FREE dollar that the "cause-oriented" associate will be equally attracted to the union effort if and when the union knocks on the employer's door. He is a frustrated leader. He views himself as a self-appointed "spokesman for all" and the union is able to capitalize on his-frustrations.

7. THE OVERLY-QUALIFIED ASSOCIATE. This type of associate is out of his element. He will attempt to exert influence over his fellow associates in an effort to bolster his-deflated ego.

He might well be a Ph. D. operating a grinding machine or a former accountant sweeping the floor, but his station in life has deteriorated to the point that his vanity appreciable suffers.

This type of associate includes the associate who has formerly made substantially more money with previous employers. Both will be attracted to the union simply because the union will offer these individuals the recognition that they seek and will seem to offer hopes of returning them to their previous higher stations in life.

REASONS WHY ASSOCIATES RESORT TO UNIONS

Listed below are twenty-two reasons why organizations have found associates lean towards unionization. Upon review, you will notice that the listing primarily deals with the treatment of associates. The items are not listed in order of priority.

1. Deficient supervision
2. High-handed treatment
3. Inconsistent treatment/shoving favoritism
4. Associate abuse
5. Lack of written rules and policies
6. Lack of documentation
7. Failure to exemplify competent leadership
8. Lack of personal recognition
9. Lack of associate participation
10. Inadequate or inequitable associate benefits
11. Wages not competitive
12. Failure to 'sell' associates on the positive benefits of the company
13. Lack of grievance procedures
14. Failure of associate identification with company
15. Lack of job security
16. Lack of job design
17. Neglect of safety or environmental factors
18. Management too busy too listen
19. Not knowing what is expected of them
20. Suggestions not given consideration
21. Unfavorable conditions in lounge area
22. Poor working conditions

TYPES OF SUPERVISORS WHO CAUSE UNIONIZATION

Just as we find there are types of associates that are prime candidates for support of union activity, we also need to recognize traits of managers and supervisors who can cause unionization in an organization.

We recognize that the list described below involves a degree of stereotyping. Obviously, many human beings possess to varying degrees all or at least some of the traits referenced above and it would be for a trained behavioral scientist to explain why this is so. Nevertheless, the important point to be made here is that if any of these traits are present to a substantial degree in a supervisor /manager, corrective action is mandatory for maintenance of a UNION FREE environment.

1. THE "BOSS" MANAGER/SUPERVISOR. This type of supervisor is on an ego trip. His nature is to remind associates constantly that he is the boss. He pushes instead of leads; he "orders" instead of requests an associate to do a certain task; and he stresses "you do" instead of 'let's do'.

The "Boss" Manager/Supervisor is the traditional militarily arbitrary, capricious manager who is generally despised by the associates under his control and not respected by his-fellow management associates. His pomposity, impulsiveness and gamesmanship is a "turn off" in UNION FREE management. No matter what his experience, background or expertise might be, a UNION FREE employer cannot afford his services.

2. THE INSECURE MANAGER/ SUPERVISOR. This type of manager/ supervisor is one who is unable to identify with the role of management. He doesn't want to make anyone perturbed at him in fear that he will not be liked, and, consequently, is unable to demand proper performance from associates. He is the type of manager who not only has difficulty making a decision due to lack of confidence but is afraid to administer the crystal clear policies that are already in effect.

His lack of identity with the management team results in his "passing the buck" and blaming and criticizing other management team members to his associates. His desire to be ever-popular and his inability to stand up for management policies places him squarely on the "unwanted list" when it comes to UNION FREE defenses.

3. THE INCONSISTENT MANAGER/SUPERVISOR. The Inconsistent Manager/ Supervisor probably wins more votes for the union than all the other types here discussed.

Not only is this type of manager inconsistent in his administration of policies and practices, he likewise possesses a "Dr. Jekyll/Mr. Hyde" personality in dealing with associates. Consequently, associates do not understand him, do not respect him, and are fearful of his actions. His inconsistency is most vividly reflected in his methods of playing favorites with associates under his control and direction.

Again, a UNION FREE employer cannot afford the luxury of having this type of manager aboard it UNION FREE ship.

4. THE DISHONEST MANAGER/ SUPERVISOR. This type of manager is clearly recognizable as one who could sacrifice associates' good will for his own selfish motives. He is the type of supervisor who intentionally misleads associates into believing that associates will gain some advantages by 'catering' to the supervisor/ manager's whims when such is not the case.

The Dishonest Manager is a gossip, spreader of half-truths, innuendos and slanderous inferences to booster his own self-purpose and vanity. He is a meddler and a perpetual rumor mill. The Dishonest Supervisor's biggest fault is that he is a promisor- without any intention of fulfilling his promises, or, worse, without possessing the sufficient authority by which to carry out his promise.

A UNION FREE facility can ill-afford the Dishonest Manager/Supervisor.

5. THE CURSING MANAGER/SUPERVISOR. This type of manager frequently possesses many assertive and enthusiastic traits that are very positive qualities. However, many of these positive traits are overcome by his habitual practice of cursing in the presence of associates.

Although such a supervisor might be directing his 'venom' at a machine or some other impersonal item, the associate may frequently infer that the profane language is directed at them individually. Whether associates lose respect for a cursing supervisor because they feel the profanity is directed at them personally, or whether they generally do not appreciate the use of such language in their presence, the result is the same-the lost respect for the supervisor.. If you will recall "associate abuse" was one of the twenty-two reasons why associates resort to unionization.

6. THE "PLAYBOY-PLAYGIRL' MANAGER/SUPERVISOR. This type of manager is one who thinks the manager's position entitles him to additional fringe benefits and special favors from those associates of the opposite sex under his direction. This type of supervisor abuses his duties and responsibilities by taking liberties and advantages of his position. He rapidly loses credibility and respect from the remainder of his associates.

He typically makes two mistakes, both of which are reflections on his employer. One, he believes that no one knows of his extracurricular escapades, which is usually a far cry from reality; and, secondly, he feels that he can separate his job from the emotions resulting from such a relationship, which is again very unlikely.

7. THE REACTIONARY MANAGER/SUPERVISOR. The Reactionary Manager is recognized by his negative attitude. He plays "devil's advocate" to every new idea that has surfaced in the last decade. He opposes improvement; he opposes changes; he opposes suggestions or ideas. His attitude is that 'We've always done it this way.' His lack of enthusiasm and initiative destroys the morale fiber of the associates under his direction. He typically is a manager who is just hanging around to retire or to find another job. UNION FREE employers should make sure he gains his wishes by an early retirement or less tactful removal.

DISADVANTAGES OF UNIONIZATION TO-ASSOCIATES

The UNION FREE employer must not only know what disadvantages of unionization can mean to itself; it has the responsibility of familiarizing itself with the disadvantages and hazards which unionization can mean to its associates. It has the further responsibility of imparting that information to its associates, keeping within legal guidelines, particularly if and when the union knocks on its door.

1. COSTS. Unions are in the collection business. They collect union dues and other types of revenue. Their source of survival is in the revenue they collect from associates, such as; a)initial fees, b)reinstatement fees, c)dues, d)per capita taxes, especial assessments, f)strike assessments, g)political contributions, and h) fines.

These costs can add up to hundreds of dollars per year for an associate. Most of the time, the associate pays out for benefits that he already has or would have gotten anyway.

2. INFRINGEMENT UPON INDIVIDUAL JOB FREEDOM: When an associate works in a unionized facility, the union is the exclusive collective bargaining representative of all the associates in the respective bargaining unit. Associates are thereafter pressured, if not directed, to take their grievances and related problems to the union steward, rather than deal directly with their employer about them. This fact can be most counterproductive and handicaps the associate, as well as, the employer. Additionally, a union contract may restrict an associate's job duties to the extent that under it, he may have a part-time job as compared to a full-time job previously held when the employer had the flexibility to change associates from job to job to keep everyone busy and get production out more quickly:
3. DISCRIMINATION AGAINST IT MEMBERS. Union members are frequently discriminated against by their union in many ways. Court cases reveal numerous instances where members have been fined by their union for attempting a decertification petition by which to vote the union out. Members have also received fines, expulsions and terminations as a result of crossing picket lines or failing to pay union dues or attend union meetings. Union members are also mistreated by their unions when they are fined or terminated as a result of their "speaking out" at union meetings. Union politics often result in associate discrimination when an associate loses "favor" with the "group" in power and is consequently forced out of his job so that some union "favorite" may receive it.
4. ILL-REPUTED ASSOCIATIONS. The McClellan Senate hearings in the late 50's revealed that a substantial number of unions were linked with the underworld. Recent investigations by the Justice Department's Strike Force on Organized Crime reflect similar associations at the present time (late 1980's).

Whether a particular union is linked to underworld influence or not, most have some element of heavy handedness which many individuals want no part of. Many associates, when exposed to these facts, recognize that joining a union is a far cry from joining some civic organization or church group to which union organizers like to equate membership.

5. UNION RIP-OFFS. A careful review of most union documents filed with the Secretary of Labor (the LM-2 Form) will reveal that a very small percentage; many, of the associates' dues money and other contributions will ever be returned to the associate in any form or manner. The money "taken" from associate paychecks goes instead to huge salaries and expenses of union officials and representatives. The money also goes into paying for union conventions, airplanes, automobiles; buildings, and a host of other extravagances which in no way better the associates' station in life.

Worse, however, is the misuse of union revenue through such corruption as embezzlement, extortion, and outright theft. Some union officials and trustees have so eroded some pensions funds that the members' retirement funds are in serious jeopardy.

6. BOUND BY THE UNION CONSTITUTION. When an associate becomes a member of the union, he is bound by the union's International Constitution. Such Constitutions typically provide that local union by-laws must be in conformity with its dictates.

Union Constitutions also typically provide for union conducted trials through which associates can be prosecuted, and if found guilty, subjected to fines, expulsions, and possible termination. Union Constitutions generally place the International Union in charge of disbursing funds such as strike pay and determining the conditions under which a striker may receive strike pay.

In sum, a typical Union Constitution is filled with rules which subject the associate, his paycheck and his job to the union's dominion and control.

7. UNFULFILLED PROMISES. Union organizers "puff" their wares to the extent that they create false hopes in associates. Most organizers are "schooled" in the art of propaganda. They infer the powers of a miracle man.

Impressionable associates to a large extent, and most associates to some extent, are led to believe that they will receive substantially more wages and fringe benefits with a union than they would have otherwise received. These same union organizers fail to inform their prospective members about the "negotiation process" and the fact that associates may lose as well as gain in the negotiation arena. They fail to advise associates that the law does not require or compel the employer to make unrealistic concessions, in fact, any concessions at all. The employer's obligation is only to bargain in good faith.

Consequently, when the employer does not agree to union demands and associates wind up with less than promised-possibly less than they would have otherwise received-the associate has been once again victimized by the union.

8. UNION'S SELFISH MOTIVES. Many unions have been known to swap off associates' wages and fringe benefits for the satisfaction of selfish motives. Such a "sell-out" is frequently referred to as a "sweetheart --contract and may be somewhat beneficial to the employer, but hardly to the associate.

The union is willing to soap off associate wages and benefits for three items in turn.

First, the union wants what is termed a "check-off", a procedure in which the employer will take out union dues and forward them to the union. This saves the union the time and expense of attempting to collect the union dues individually from the associates.

Secondly, most unions are desirous of the employer accepting their respective health insurance and most likely the union's pension program. This arrangement adds additional revenue into the union's purses.

Thirdly, most unions in non-right to work states will insist upon a "union shop" which will require all associates to join the union alter thirty days in order to work for the employer. As one might surmise, most unions are willing to give up quite a few employee benefits for a "union shop" article in the contract.

STRIKES AND THEIR CONSEQUENCES. Strikes are a great disadvantage to an associate. Once on strike, his paycheck ceases; so do his fringe benefits, if the employer chooses. The associate is not entitled to any unemployment compensation in most states. Many strikers consequently wind up losing their personal savings, their homes, automobiles and more. Entire families suffer.

Frequently, strikers become overly zealous and are subjected to arrests, fines and jail sentences. Strikers are often replaced on their jobs, either temporarily or permanently. Strikers are sometimes forced into crossing a picket line to protect their job from replacements or because of financial distress.

In crossing the picket line they subject themselves to possible harassment, intimidation, threats, personal injury and property damage. They subject their families to the same hazards. If they are members of the union, they also subject themselves to fines when they cross the picket line-fines that have been known to reach into several hundreds of dollars-even thousands of dollars in some instances.

10. LOSS OF JOBS. Contrary to union propaganda, job security does not lie with a union's representation of a certain group of associates-just the opposite. When a union is on the scene, any associate may lose his job in two different ways.

First, in a strike, the employer has the legal right to permanently replace a striking associate. The replacement is permanent as long as the replacement desires the job. The net result, in many cases, is that the striking associate has lost his job to his replacement-permanently.

Secondly, many employers are forced to close their operation as a result of a strike. During this time, some companies cannot meet customer demands due to them being forced into uncompetitive positions by their employing a relatively untrained work force. The union has indirectly cost him his job.

OBLIGATIONS TO OUR ASSOCIATES

In a very general sense we should strive to become care-takers of our associates. We should acknowledge three basic obligations which we owe our associates.

- o Accessibility
- o Try to solve the problem to associate's satisfaction
- o If you cannot, explain "why"

Accessibility

Our associates must be able to obtain our undivided attention on a routine basis. The responsibility for ensuring that the manager/supervisor spends time with his/her associate(s) rest with the manager. Good and direct communication occurs when two people have a commitment to talk with one another.

Try to solve the problem to associate's satisfaction

When an associate has a problem, we as managers/supervisors must attempt to resolve and answer that associate's problem as quickly and thoroughly as we can. The response must be made in such a manner that the associate can understand the solution (which may be the accepting of a difficult situation). The responsibility of explaining the solution to a problem rest with the manager/supervisor.

If you cannot, explain "why"

In the event that the manager/supervisor cannot solve a problem or provide an understanding suitable for the associate, the manager/supervisor must explain the situation to its core. The emphasis of the explanation should focus on why events occur in the manner that they happen.

TOOLS TO REMAIN UNION FREE

In our facility, we will utilize several tools and programs to maintain a close and open relationship with each of our associates. Some of these tools stem from good communication techniques, while others are programs which WalMart has established. Wal-Mart's philosophy of "participative management" is a solid and stable vehicle for remaining union free. Aside from the time devoted to participative programs, the need for having upward communication channels through which associates may share their concerns and frustrations is also important. Furthermore, how supervisors and managers "perceive" what is important to associates, as measured against, what associates feel is "really important, is sometimes startling. Therefore, we must use every tool available to ensure that we as managers receive as much information from associates as possible.

Listed below are some good communication techniques and activities that we all should be aware of to maintain a successful UNION FREE center.

- o Open Door Policy
- o Orientation/Reorientation Program
- o Performance Coaching/Evaluation Program
- o Mini and annual Grass Roots meetings
- o Associate involvement in various committees
- o Warehouse Newsletters
- o Start-up meetings
- o General meetings
- o Associate Handbook
- o Asset Program
- o Cookouts and Holiday dinners
- o Associate of the Month recognition
- o Management Contact meetings
- o Safety programs
- o Associate Surveys
- o Management By Walking Around (MBWA)

This list is not inclusive of all of the activities which we do to take care of our associates. You must always provide an open channel of communication between you and your associate.

In that we are operating a center in a "union sensitive" environment, it behooves us to understand how unions organize themselves. The various methods they utilize to enter non-union work sites, the means by which they gather data and the means by which they gain recognition are all elements of labor relations which we must understand.

THE UNION DRIVE TO ORGANIZE YOUR ASSOCIATES

Early Warning Signs of Unionization

Why does a union seek to organize a company, and why are certain associates receptive to these efforts? Associate dissatisfaction is one of the main reasons a unionization drive begins. Workers are concerned about job security, wages, fringe benefits and general working conditions, all of which are within the control of their employer. Generally, wages are not the driving issue.

Associates are often concerned about the quality of their supervision and the way they are treated by their first-line supervisor, such as yourself. Poor supervisors are often more effective tools for unionization than the paid union organizers themselves. Remember, associates do not vote for a union, they vote against management. On the other hand, many union organizational campaigns have been stopped at their inception through the efforts of a single first-line supervisor, who was highly respected and well-liked by his/her associates. Therefore, it is very important for you to treat your associates fairly, to make them feel appreciated and secure, and to make yourself accessible to them so that they will feel free to discuss their problems with you.

Despite your best efforts however, a union may attempt to organize your associates. Early warning signs include the following: You may notice associates talking in hushed tones with one another. Possibly you may hear rumors of union activity, find union literature lying around, or see strangers talking to associates outside the building. Do not bring up the subject of unions with your associates at this stage. Instead, pay attention and keep your OPS Manager, Personnel Manager and General Manager informed about your suspicions regarding union activity. It is important, however, to avoid actual surveillance of the associates or creating the impression of surveillance. If an associate wants to discuss the union with you or ask questions about it, make note of the questions asked, but defer all answers and discussions until you have spoken to your Operations Manager and Personnel Manager. They will direct you to taking the best course of action. It is important, however, to find out the answers and get back to the associate as soon as possible.

Handbilling, Solicitation and Card Signing

Typically, during the early phases of an organizational campaign, the union will begin distributing pro-union literature and soliciting associates to join the union. Before union activity starts, the company, on advice of their attorneys, may post rules governing union solicitation of associates and the distribution of literature to them. Management should be cautious about initiating such a rule while the union is organizing; the National Labor Relations Board may consider that it was management's intent to interfere with the associate's right to organize.

The Labor Board has established guidelines on so-called "no solicitation" and "no distribution" rules which balance a union's organizational rights with an employer's property rights. The guidelines/rules are 1.) No Solicitation and 2.) No Distribution. It is important for you to be aware of these guidelines because you will be enforcing the company's rules.

No Solicitation Rule

Generally, management may prohibit the solicitation of union membership during the time in which associates are performing job duties. This is because union activity, while associates are actually working, interferes with their work. However, management may not prohibit solicitation by associates, even on company property, during periods when the associates are not working, such as lunch breaks, rest periods, and coffee breaks, even though the associates may be paid for these time periods. The Labor Board considers rules which prohibit associates from engaging in solicitation during working time, without further clarification, presumptively invalid. To ensure that a 'no solicitation' rule will not be considered unlawful, management should incorporate in the rule a clear statement that the restriction does not apply during break periods and mealtimes, or other periods during the workday when associates are properly not engaged in performing their work tasks. "No solicitation" rules are valid only if they are applied against all solicitations, including those for charitable or religious purposes.

Therefore, if our center has a "no solicitation" rule, we must be sure to enforce it even-handedly and at all times, not just during an organizational campaign.

No Distribution

The guidelines on 'no distribution' rules are somewhat different. Management may prohibit distribution of union literature and handbills in working areas during both working and nonworking time. A rule prohibiting distribution is presumed valid unless it extends to activities in nonworking areas or to activities during time in which associates are not actually working. Management may restrict distribution in nonworking areas, however, if necessary to maintain production or to prevent safety hazards. Again, be on the lookout for union organizers distributing literature and report it to your Operations Manager and Personnel Manager immediately.

Other Handbill/Distribution Activity

Be aware that non-employees can be prohibited from soliciting or distributing literature on company premises at all times, as long as there are other methods of communication available to the union to reach associates, and as long as the rule is enforced consistently. However, off-duty associates may return to non-working areas of the company to solicit and handbill, unless their activity interferes with production, discipline or safety.

Along with distributing literature and urging associates to support the union, organizers will be trying to gather proof that a majority of our associates support the union. Under the NLRA, management must bargain with the union when it represents a majority of the associates in an appropriate unit and when it makes a demand upon management. The union commonly attempts to achieve "majority status, 30%" through union authorization cards, signed by the majority of associates. By signing these authorization cards, an associate joins the union, designates it as his/her exclusive bargaining representative, and authorizes the employer to deduct union dues from his wages. In other words, the associate gives the union all rights to deal with management directly. In addition, the union may attempt to demonstrate the extent of its representation by union membership applications, petitions, proxies, and other documentary evidence. (See Appendix A - Union Signature Card)

Union Demand for Recognition

After collecting proof of support from associates, the union may demand that management recognize it as the exclusive bargaining representative of the associates. Usually, the union sends the company a letter claiming that it represents a majority of associates and demanding that management immediately recognize the union as the associates' bargaining agent. Management may legally refuse to recognize a union at this point and, instead, demand that the union prove its claim of majority status in an appropriate bargaining unit through a Labor Hoard election. The company must exercise caution in this regard and should not meet with the union until it has consulted its attorneys.

If a union organizer contacts you, demanding recognition or seeking to show authorization cards to you, refer him/her to you Operations Manager, Personnel Manager or General Manager.

- (1) DO NOT acknowledge that the union represents a majority of your associates. Once recognition is granted, your company cannot reverse its position and decline recognition. The union is "in" and there will be no election.
- (2) DO NOT agree to look at any proof of majority support which the union offers, such as authorization cards or membership applications. Examination of cards or membership applications may be viewed as tacit approval and may preclude the associates and the company from having an election.
- (3) DO NOT ask to be shown any proof of majority support.
- (4) DO NOT agree to have a "neutral" party (such as a priest, minister or rabbi) examine the offered proof of majority status. Once a third party informs you that the union has a majority, you may be precluded from getting an election.
- (5) DO NOT poll your associates to see if they signed authorization cards for the union.

- (6) DO NOT decline recognition, ask for an election, and then commit unfair labor practices in an effort to destroy the union's strength. Firings and layoffs of known union activists and threats of economic retaliation against supporters of union may result in a Labor Board order setting aside an election and directing the employer to bargain with the union.

WHAT TO DO? The proper response when a union organizer seeks recognition, either by letter or in person, is to refer him/her to your Personnel Manager or General Manager who will notify the organizer that: "We must decline to extend recognition to your labor organization unless and until it is certified by the National Labor Relations Board in a manner appropriate for collective bargaining." SAY NO MORE. Refuse to accept any documents from the union, such as authorization cards.

Petition for Election

If management refuses to extend recognition, the union will probably file a petition for an election with a Regional Office of the Labor Board. In fact, many unions just file a petition without first making a demand for recognition. The petition will describe the group of associates the union is seeking to represent, such as all office clerical employees, all drivers, or all lift operators. For the petition to be valid, the union must show the Labor Board that it has the support of at least 30% of the associates in the group it wants to represent.

Once a union has petitioned the Labor Board for an election, the employer may agree to the holding of an election. This is recommended when you are sure that the union does not have the support of a majority of your workers and you want to force the issue before the union has a chance to improve its position. If, however, there are contested issues (such as whether the group of employees the union seeks to represent is an appropriate one), the Labor Board will hold a hearing to resolve the contested issues. Usually, the election will be held about six to eight weeks after the petition is filed, although some elections are delayed for much longer periods of time.

The Election Campaign

In the one or two month period before the election, an election "campaign" will take place. Both the company and the union will be trying to convince associates of the wisdom of their respective positions. Once again, the Labor Board has rules governing the conduct of employers and unions during the campaign.

You, as a manager, are expected to support the company's position and you may be asked to be a campaigner for your company. This may mean walking a tightrope between legitimate campaigning and improper conduct.

You may wonder why you must be careful about what you say and do during an election campaign. The law requires that nothing interfere with the associates' free choice in deciding whether they want a union. If the union loses an election, it may file objections to the election with the Labor Board charging that the employer or a manager acted improperly during the campaign or at the time of the election. If the Labor Board finds that the conduct of a supervisor interfered with the associates' freedom in deciding about unionization, it may order a new election. Elections may be set aside where the employer threatens the associates' not to vote the union in, promises associates certain benefits if they vote no, or interrogates associates about their union activities and sentiments.

In cases of very serious violations, the Labor Board can order the employer to bargain with the union, even though the union lost the election: This penalty is imposed when the employer's improper conduct has so undermined the union's support that a fair election would be impossible. Wholesale firings or elimination of existing benefits are examples of conduct which may result in an order to bargain without a rerun election.

Since the stakes are high, you should be careful to follow the rules in this guide. Remember that often during the campaign, it is not necessarily what you say, but how you say it that counts. By and large, you are entitled to state your position and explain the position of your company. There are, however, some limitations on what you can say during an election campaign. Your job will not be hard if you remember that the Labor Board rules are meant to protect associates from interference while still being fair to you. You may not coerce employees or interfere with their right to organize by threatening them with loss of their jobs or a change in their working conditions because of their union sympathies. Nor may you promise them any benefit if they will agree to vote against the union.

Be aware that seemingly innocent statements may later be construed by the Labor Board to be veiled threats. For example, predictions that the company will not give the union anything in negotiations or that associates will lose wages or their jobs if the union wins may lead the Labor Board to set aside the election or order the company to bargain despite a union defeat. Just bear in mind that you have the right to express your opinion about unionization in general and to predict unfavorable consequences which you believe may develop from union representation, as long as, these predictions are based on reasonable, objective facts and are not mere guesswork.

Although the Labor Board in the past has overturned elections on the basis of an employer's misrepresentations during a union campaign, the Board recently stated that it will not probe into the truth or falsity of campaign statements and it will not set an election aside on the basis of misleading statements, including misstatements of law. Of course, it is advisable of employers and supervisors to tell the truth when discussing union matters, as well as all other work-related matters, with associates. Moreover, it is important to ensure that campaign documents be recognizable as what they are. The Board may set aside an election if either the employer or the union makes representations in a deceptive manner, as by using forged documents.

If a union misstatement comes to your attention, point it out to associates, correct it and report it to your superiors. It is a good idea to keep records of all of your conversations with associates concerning union matters, as this will avoid misquotation later. If a question comes up which you are not sure how to answer, withhold comment until you have had a chance to discuss it with your superiors. Find out the answer and get back to the associate as soon as you possibly can.

During the election campaign, as always, you must also be careful to treat your associates fairly. The law forbids you from discriminating against associates because of their union beliefs or membership. You are still permitted to discipline associates for misconduct and insubordination, but you must be careful to enforce company rules fairly. DO NOT enforce rules vigorously against union sympathizers and leniently against anti-union associates. It is critical for you to keep good records of any disciplinary action taken against associates. In this way, you will be able to justify your actions should they be called into question later.

What You Can Say and Do During an Election Campaign

You are free to make many comments about unions and unionization as long as you do not threaten associates or otherwise coerce them. Here are some examples of statements which are allowed during election campaigns and will not be considered unfair labor practices. You can tell associates that:

- (1) You are opposed to the union and you prefer to deal with associates directly on day-to-day problems, rather than through an outside organization.
- (2) You or another member of management are always willing to talk with associates about any matter which they wish to discuss.
- (3) No union can obtain more from an employer than it is capable of giving or willing to give in bargaining.
- (4) Although the company would be obligated to bargain in good faith with the union, no union can make an employer agree to anything it does not wish to. The duty to bargain with a union does not compel the company to come to an agreement on the union's terms.
- (5) Present benefits can be bargained away by the union in exchange for something that it is interested in, such as the check-off of union dues.
- (6) There are disadvantages that may result from belonging to a union, such as paying initiation fees, dues, fines, and other assessments.
- (7) If the union tries to force the company to give in to its demands by calling an economic strike, the company can permanently replace the economic strikers with new associates.
- (8) If a strike is called by the union, striking associates lose their pay checks, but the union rarely loses anything since it does not necessarily pay strike benefits. During a strike, union officials still get paid. (Try not to convey the impression that a strike is inevitable, however.)
- (9) The union may fine members who work or fail to picket during a strike.

- (10) If the union gets in and labor problems follow, the company might lose investors and customers, and that means that everyone in the company will suffer.
- (11) Union or no union, the company will continue to be fair with associates and will try to give them the wages and benefits they deserve.
- (12) No union can guarantee jobs or job security. Collective bargaining agreements almost always state that associates may be fired. "for just cause".
- (13) The union is not required to take every grievance to-arbitration; even if an associate wants his grievance arbitrated.
- (14) If the union wins, every associate might be forced to join the union or; pay union dues (except in "right-to-work" states).
- (15) Associates are not required to "vote for the union in" during the election just because they signed a union authorization card or application for membership. They are free to vote against the union in the secret ballot election.
- (16) The law guarantees associates the right to resist a union.

Actions Management May Take During an Election Campaign

Management may take any of the following actions during an election campaign:

- (1) Distribute articles containing information about unions in general or the union at your company in particular.
- (2) Enforce company rules impartially and in accordance with customary practice, irrespective of an associate's membership or activity in the union.
- (3) Lay off, discipline, and discharge for good cause, as long as the action follows our normal practice and is done without regard to union membership. You should check with your OPS Manager and Personnel Manager before you discipline or discharge an associate.
- (4) Enforce rules requiring that solicitation of union membership or discussion of union affairs be conducted outside of the time during which associates are actually performing job duties. But remember, both union and non-union solicitors must be treated alike.
- (5) Reply to union attacks on company policy and actively campaign against the union seeking representation.
- (6) Discuss union matters with an associate or small groups of associates, even on company time, at the associates' work station, in the cafeteria, or at any other neutral spot. Be sure not to speak to them in a setting which might be intimidating, such as your office. The Labor Board considers the technique of calling associates into the employer's office individually to urge them to reject the union, in itself, to be conduct calculated to interfere with the associates' free choice.
- (7) If you already have a union, and a rival union is campaigning, state, with supporting reasons, with which union the company prefers to deal. (You must be careful not to extend active support to one of the unions, however.)

- (8) Urge all associates to vote in the election. Tell associates that the union will win if it receives the support of a majority of those associates who actually vote in the election. This means that not voting may increase the chances of the union winning the election.
- (9) Tell associates that the company would like them to vote against the union.
- (10) Discuss the benefits that associates now enjoy. Remind them that they received these benefits without a union and that they do not need a union now to keep or improve them.
- (11) Tell associates about any experiences you have had with unions.
- (12) Tell associates anything you know about the union or its officers.
- (13) Tell associates about any untrue or misleading statements made by a union organizer or in union handouts. You should give associates the correct facts.
- (14) Tell associates about known racketeering or any other undesirable activities of the union.
- (15) Denounce the union, its policies, leaders, and record.
- (16) Tell associates about the Labor Board election procedures, the importance of voting, and the secrecy of the ballot.
- (17) Tell associates what happens to their union dues, such as the high salaries and expense accounts of union officials.
- (18) Compare associates' wages, benefits, and working conditions with those of workers at other companies, whether unionized or not.

What You Cannot Say or Do During An Election Campaign

As you can see from the following list of prohibited actions, the type of conduct which is forbidden could interfere with associates' freedom to make a decision by scaring them or "buying" their vote. The Labor Board has ordered rerun elections where managers said or did these things. Therefore, you should NOT:

- (1) Announce that the company will not deal with the union if it wins the election.
- (2) Threaten that the center will close down or move or that operations will be reduced if the union is elected.
- (3) Threaten loss of jobs, reduced pay, or elimination of any privilege or benefit now enjoyed due to the union's election.
- (4) Threaten or actually discharge, discipline, or lay off associates because of their activities on behalf of the union.
- (5) Threaten, through a third party, any of the above acts of interference or let a third party commit any of them.
- (6) Use intimidating or coercive language which may discourage associates from joining the union.
- (7) State that a strike is inevitable if the union wins the election. It is all right to say that a strike might be called if the union and the company cannot agree to terms of a contract. Just don't say that a strike will be called.
- (8) Promise or give associates a pay increase, promotion, benefit, or special favor if they stay out of or vote against the union.
- (9) Take any actions that adversely affect an associate's job or rate of pay because of union participation.

- (10) Discipline pro-union associates for misconduct while permitting anti--union associates to go unpunished for the same conduct.
- (11) Prohibit associates from soliciting for union membership during time when they are not performing job duties, or interfere with associates who distribute union literature in nonworking areas during time in which they are not working.
- (12) Discriminate against associates who support the union by assigning them undesirable work because of their union activities, while assigning preferred work to anti-union associates.
- (13) Make work assignments for the purpose of causing union sympathizers to quit their jobs.
- (14) Deviate from company policy in any way for the purpose of getting rid of a union supporter.
- (15) Transfer associates to less desirable positions because of their union affiliation.
- (16) Favor anti-union associates over pro-union associates because of their union activities.
- (17) Assign mark or transfer associates in order to separate pro-union from those you believe are not interested in joining the union.
- (18) Spy on union meetings, for example, by parking across the street from the meeting place in order to watch associates.
- (19) Conduct yourself in any way which would indicate to associates that you. are watching them to determine whether they are participating in union activities.
- (20) Ask associates whether they or any other associates have attended union meetings.
- (21) Ask associates whether they belong to a union or have signed up for the union.
- (22) Ask associates for an expression of their-thoughts about the union or its officers.
- (23) Ask associates how they intend to vote in the election.
- (24) Ask job applicants about their union sentiments.
- (25) Make anti-union statements during a hiring interview that might show your preference for a non-union associate.
- (26) Select associates to be laid off with the intention of weakening the union's strength.
- (27) Give .financial support or other assistance to union or to associates for either supporting or opposing the union.
- (28) Ask associates about the internal affairs of unions (for example, what happens at meetings). Note that associates may tell you about it of their own accord. It is not an unfair labor practice for you to listen, but do not ask questions to train information.
- (29) Call associates into your office to discuss union matters or make threatening statements under any circumstances.
- (30) Visit the homes of associates for the purpose of urging them to reject the union.
- (31) Encourage associates to revoke their union authorization cards.
- (32) Start or encourage a petition against the union.
- (33) Suggest the formation of an associate committee to discuss terms and conditions of employment directly with the company.

- (34) Interfere with the right of associates to wear union buttons, hats, or t-shirts. In certain circumstances where the associate has contact with the public, and a button, hat, or shirt is gaudy and conflicts with a uniform, you may limit the wearing of union buttons.
- (35) Force associates to wear "vote no" or "no union" buttons. However, you may leave this type of button in a box and allow associates who want to wear one to pick one up, provided that the box is placed where you cannot catch which associates choose buttons.
- (36) Reproduce and distribute to eligible voters sample National Labor Relations Board ballots with the "HO" box checked.

In addition to these prohibitions, there is a rule known as the "24 hour rule," which prohibits both the company and union from making campaign speeches on company time to a massed group of associates within 24 hours of the election. If the rule is violated, the Labor Board will set aside an election victory by the speaker and order a new election. The rule does not prohibit, within the 24 hour period, the dissemination of election documents or the making of campaign speeches, either on or off company property, if associate attendance is voluntary and on their own time.

TIPS

All these "don'ts" basically fall into four categories of things you should not do. You may remember these four things by thinking of the word "TIPS"

T - Threaten

Management may not threaten or intimidate associates with anything. Management may inform associates of facts as we understand them.

I - Interrogate

Interrogations are not allowed for any reason regarding unions. Remember that you may not ask associates about who gathers at meetings, who distributes literature (where did you get this? - referring to union literature) or anything regarding the union.

P - Promise -

Do not promise anything in regard to a union situation. Don't promise raises, promotions, favorable or unfavorable situations for anyone.

S - Spy - Surveillance

Do not attempt to spy or observe any union organizing or meetings boldly or surreptitiously.

If you remember these four "don'ts," you should have no trouble obeying the law.

What the Union Cannot Do During An Election Campaign

Just as the union can file objections with the Labor Board about your conduct during a campaign, we, as the company, can file objections to improper union conduct.

A union's improper conduct during an election campaign may warrant a rerun election, if the union wins and the Labor Board finds that the Union violated the law.

You should be familiar with what union officials, organizers, and other union agents cannot do so that you can immediately report union misconduct to your superiors.

Specifically, union officials and organizers, and their agents cannot:

- (1) Threaten associates, who refuse to join or assist the union, or who refuse to sign authorization cards.
- (2) Waive initiation fees only for those associates who sign authorization cards or otherwise commit themselves to supporting the union. (However, the union can promise to waive initiation fees if this applies to all voters, and not just to union supporters.)
- (3) Promise a monetary reward for each signed authorization card an associate produces or each fellow associate he or she convinces to join a picket line.
- (4) Make promises or give gifts to associates that are contingent on how they vote in the election. Gifts are allowed, however, if used solely to promote attendance at union meetings.
- (5) Distribute faked or forged campaign materials, which are not recognizable as campaign propaganda, so as to confuse voters.
- (6) Distribute sample National Labor Relations-Board ballots with the "YES" box marked.
- (7) Disregard an employer's no distribution or no solicitation rules.
- (8) Hold meetings on company working time without permission from the company.
- (9) Predict or threaten loss of jobs if the union loses the election.
- (10) Make racial appeals to associates to inflame prejudices.
- (11) Picket the company, for the purpose of gaining recognition, for more than 30 days without filing a petition with the Labor Board.

Note that unions can do some things that employers are expressly prohibited from doing. Unions may poll associates during nonworking hours and may also promise associates substantial benefits if the union wins the election. Why can the union make promises while you and the company cannot? The union organizer is a salesperson; he has no power to grant the benefits he promises. As a supervisor or manager, you do have the authority to give associates benefits. Associates know this and, according to the Labor Board, this rule is meant to make sure that associate votes are not "bought" with promises from their employer.

SUSIE JONES CASE STUDY

Susie Jones, a manager in the caselot order filling area was eating lunch in the associate break room. She was approached by several associates and asked her opinion and feelings concerning a union drive which was going on at the time. In response to this inquiry, Susie told the associates, among other things, the following:

- (A) That she was opposed to the union.
- (B) That with a union there was a possibility of strikes.
- (C) That the union couldn't guarantee anything to the associates.
- (D) That she was aware of another employer where associates were on strike for 8 weeks and ended up getting no more than they would have gotten before the strike.
- (E) That her husband, Jim Jones, had worked in a union shop once and had quit his job because the union steward wouldn't handle his problem or grievance.
- (F) That unions are only interested in the dues they can collect.
- (G) That she didn't believe the union could do anything for associates and in fact they would be better off without it.
- (H) That some unions are corrupt and have ties with the Mafia and underworld.

List which statement, if any, would be in violation of the TIPS discussed earlier in this class.

Election Day

The Labor Board has specific rules governing conduct on the day of the election as well as during the campaign period. At the election site only the Labor Board officials, associate observers (an equal number appointed by both the company and the union) and voters are permitted. During the balloting, no one from the company or the union and no associate is allowed to engage in any last minute electioneering among the associates entering the area to vote or standing in line to cast their ballots. A mistake by you at the very end of an election campaign may cause months of hard work and effective campaigning to go down the drain. The Labor Board may overturn an election that is tainted at the ballot box by last minute electioneering. And, of course, report to your superiors immediately if you observe any union electioneering at the polls.

Once the voting has been completed, an official from the Labor Board will open the ballot box, count the secret ballots in front of representatives from the company, the union, and the associates and inform all present of the election results. Hopefully, with the help of your effective campaigning and adherence to all these guidelines, a majority of the ballots cast will be marked 'NO' and the union will have been defeated in its attempt to unionize your company (at least for a period of one year, when it can start its drive all over again). If however, a majority of the ballots are marked 'YES,' then the union is 'in" (assuming the count stands up after post-election objections) and the Labor Board will certify it as the exclusive bargaining representative of your associates.

Following an election, any party has the right to file post-election objections to the conduct of the election or the conduct of other parties or of Board agents which allegedly prejudiced the proceedings. Such objections must be filed within five days after the tally of the ballots has been furnished to the parties. The Labor Board's regional office investigates any objections and may schedule a hearing if it determines that substantial issues are presented. If a party's objections are sustained, the Board will usually set aside the election and direct that a new one be held.

You now have a somewhat detailed analysis of how unions originate. We must appreciate that this process is involved, complex and treacherous. Our ability to remain as we are a company needing no one to mediate or talk for our associates, is kept intact through knowledge of how unions operate and care for our associates.

SUMMARY

This guide was developed with one very important goal in mind-to help develop and maintain harmonious labor relations in our center. The importance of achieving this goal cannot be overemphasized. While it is true that we cannot control the external forces operating in our community, it is true that we can control the environment of our center. The direct leadership that we apply in our day to day affairs with associates and each other will determine whether we remain UNION FREE or become embroiled in union organizing efforts.

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APPENDIX

REVIEW QUESTIONS TO CONSIDER

Check either 'yes' or 'no' to indicate how you feel the questions should be answered.

Q. May managers visit associates' homes in an effort to dissuade associates' interests in unions?

YES _____ NO _____

Q. May managers prohibit associates from wearing union badges, buttons or similar insignia that express their support for a union?

YES _____ NO _____

Q. May managers call an associate into an office for the purpose of a one-on-one conversation about the potential disadvantages of a union?

YES _____ NO _____

Q. May managers assist and encourage associates to commence a petition to keep a union out?

YES _____ NO _____

Q. May managers solicit grievances and correct such grievances during a union campaign in an effort to dissuade associate interest in the union?

YES _____ NO _____

Q. During a NLRB Representation Election Campaign, may management suggest to associates that a union strike is inevitable?

YES _____ NO _____

LABOR RELATIONS AND YOU
AT THE
WAL-MART DISTRIBUTION CENTER #6022

DIAGNOSTIC EXERCISES

Please answer the following questions.

1. Describe Wal-Mart's philosophy relative to unions.

2. What are the three obligations managers owe their associates?

3. How does a union free manager have a 'potential opponent?'

4. Who is the union free manager's 'potential opponent?'

5. What do each of the letters in the word TIPS represent?

6. What is meant by the statement: "Associates do not vote for a union, they vote against management?"

7. Provide four types of conduct that management may not engage in during an election campaign.

8. Explain, two disadvantages of unionization to associates.

9. Explain the "No Solicitation Rule" regarding labor relations.

10. Provide four comments which management may say to associates during an election campaign.

11. What is the N. L. R. A. ?

12. In recent times, several non-union companies in the Greencastle/Cloverdale area have withstood union organizing attempts. Name two companies.

13. List two of the seven types of associates who would be attracted to unions.

14. Provide seven reasons why associates resort to unions.

15. What percentage of signature of employees, within a given bargaining unit, must a union present to the National Labor Relations Board before it will be entitled to a representation election?

16. List five tool/programs which can be used to keep our DC union free.

WALj MART

A
Manager's
Toolbox
To
Remaining
Union Free

CONFIDENTIAL

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INTRODUCTION

As a member of Wal-Mart's management team, you are our first line of defense against unionization.

It is important you be ...

- constantly alert for efforts by a union to organize your associates, and
- constantly alert to any signs your associates are interested in a union.

This toolbox has been put together for you by your Labor Relations Team. Take time to familiarize yourself with the contents in this toolbox. It will provide you with valuable information on how to remain union free in the event union organizers choose your facility as their next target.

WHEN UNION ACTIVITY OCCURS, CALL...

THE UNION HOTLINE

501-273-8300

Charlyn Jarrells
(Corporate) 501-273-4456

Linda Tipton
(Wal-Mart Stores) 501-277-1202

Matt Loveless
(Supercenters) 501-277-1167

Jill Wesbecher
(SAM'S Club) 501-277-7913

John Bell
(Distribution/Transportation) 501-273-4252

**DO NOT GIVE THESE PHONE NUMBERS
TO A UNION REPRESENTATIVE OR
ANYONE OUTSIDE WAL-MART!**

WAL-MART'S
PHILOSOPHY on
UNIONS -
PD42

Wal-Mart is strongly opposed to third-party representation. We are not anti-union; we are pro-associate.

We believe in maintaining an environment of open communication among all associates, both hourly and management.

At Wal-Mart, we respect the individual rights of our associates and encourage everyone to express his/her ideas, suggestions, comments or concerns.

Because we believe in maintaining an environment of open communication through the use of the Open Door policy, we do not believe there is a need for third-party representation. It is our position every associate can speak for him/herself without having to pay his/her hard-earned money to a union in order to be listened to and have issues resolved.

THE OPEN DOOR

Wal-Mart's Open Door policy is our greatest barrier to union influences trying to change our corporate culture and union-free status.

As a member of Wal-Mart's management team, your responsibility is to ensure that "... any associate, at any time, at any level, in any location, may communicate verbally or in writing with any member of management up to the president, in ` confidence, without fear of retaliation..."

When an associate uses the Open Door policy, management has a responsibility to listen and respond. If we do not take care of our associates' needs and concerns, our associates will find someone who will. And that someone may just be a union representative!

It is important our members of management are always interested in the needs and concerns of our associates. Make time for positive management/associate relations through the use of the Open Door policy.

Open communication is the key to stopping a union organizing attempt before it ever gets started.

MORALE

Maintaining a high morale level in a facility is crucial to remaining union free. If a union organizer approaches an associate in a facility with low morale, the associate may believe the organizer's "sales pitch." Therefore, management must constantly monitor the morale level. There are several tools available to measure morale. They are:

- One-on-One Meetings
- Grass Roots Surveys
- Open Doors
- Departmental Meetings
- Safety
- Exit Interviews
- Attendance
- Turnover Rate
- Coachings
- Evaluations

Although this list is not all-inclusive, using these tools will help you identify areas of opportunities within the facility. The key is LISTENING to what your associates are telling you and responding to their concerns accordingly.

REASONS WHY
ASSOCIATES TURN
to UNIONS

- "Closed" Open Door
- Heavy-handed management
- Inconsistent policies
- Inconsistent direction
- Cursing, jokes in bad taste, gossiping
- Inconsistent dress code
- Lack of recognition for accomplishments (such as anniversaries)
- Late evaluations
- Being made to or asked to "work off the clock"
- Jobs filled with no prior notice of the available positions
- Derogatory remarks made by management
- Lack of respect for the individual
- Lack of training or understanding of job functions (result: feeling inadequate)
- Work schedules changed or not posted 3 weeks out
- Neglect of safety
- Favoritism
- Management not responding in a timely manner
- Unrealistic deadlines
- Understaffing
- Wage programs administered unfairly
- No sponsorship of new associates
- Sexual harassment complaints not investigated
- Wages not competitive
- Dirty restrooms or breakrooms
- Management neglecting the evening and third shifts

HOW VULNERABLE
ARE YOU?
(A MORALE SURVEY)

Ask yourself the following questions to determine your facility has low morale.

BE HONEST

- Are associates comfortable using the Open Door policy in the facility?
- Are associates supportive of all members of management?
- Is there one manager's name that continually comes up during an Open Door discussion?
- When an associate uses the Open Door, does management look into the concern and follow up with the associate as soon as possible?
- Are there daily meetings held with associates on all shifts?
- When associates discuss concerns in daily meetings, does management answer their concerns or follow up with an answer promptly?
- Have the issues identified on the grass roots survey been addressed/corrected?
- Are company policies consistently and fairly enforced with all associates?
- Are there coachings or terminations that associates have questioned?

MORALE SURVEY (continued)

- Is the facility following guidelines for job announcements?
- Are jobs being filled by the most qualified associates?
- Have any associates been promoted from the hourly ranks?
- If so, has the promotion been well received by the other associates, both hourly and management?
- Does the facility provide proper and adequate training for the job? (CBL or First Step)
- Does the facility have a good safety record?
- Does the facility have high absenteeism?
- Is the turnover rate in the facility high?
- Do the exit interviews show a "common reason" for associates leaving the company?
- Does the facility pay comparable wages based on the competition in the marketplace?

If your responses to the morale survey indicate the facility may have low morale, then you could be vulnerable to a union organizing attempt. Now is the time to fix them! Address your associates' issues!

Don't wait for a union to volunteer to fix the morale problems for you.

THE FACTS on UNIONS

Unions are not a club, sorority, fraternity or social organization. They are a business, a big business, that needs to make money. However, unions do not make or sell products. Like any other company, they, too, must meet their expenses if they are to continue operating.

So where do they get their money? Out of the pockets of their members! A union's income is received in the form of dues, fees, fines and assessments.

Due to the decline in union membership in recent years, new members are more crucial than ever if unions are going to survive. Wal-Mart is an attractive target for unions because of the large number of associates we employ.

It is important associates understand the facts about unions. Organizers may promise associates more money, better benefits... anything... to get them to sign union authorization cards. It is imperative our associates know what unions can and cannot do for them.

UNIONS CANNOT:

- Guarantee higher wages
- Guarantee better benefits
- Guarantee employment
- Guarantee hours worked
- Prevent terminations
- Set job standards

UNIONS CAN:

- Collect dues, fees, fines and assessments
- Negotiate
- Strike

UNION AUTHORIZATION CARDS

A union will attempt to organize your facility in one of three ways:

1. A union organizer will approach your associates,
2. Dissatisfied associates will seek out a union organizer, or
3. A union organizer will seek employment in the facility and attempt to organize from within, also known as "salting." (See page 14.)

Regardless of which one of these three methods of organizing is used, the organizer's primary objective is to obtain associates' signatures on union authorization cards.

The law requires a union to obtain signatures on union authorization cards from a minimum of 30% of all associates in the facility before they can petition the National Labor Relations Board (NLRB) for an election.

If a union obtains more than 50% of associates' signatures on authorization cards, they may attempt to bypass an election and ask the NLRB to be recognized as the associates' bargaining agent because they have a majority of signatures.

In the event you find a union authorization card in your facility or hear associates are attending union meetings and signing authorization cards, it is imperative you contact the Union Hotline at 501-273-8300 immediately.

Wal-Mart must respond to this type of union activity immediately in an effort to stop card signing before the required 30% signatures have been obtained.

UNION AUTHORIZATION CARDS

Organizers will use a variety of tactics to get associates to sign union authorization cards. Associates will be told their signature on a union authorization card is only to:

- request an election
- request additional information

THIS IS NOT TRUE!!!!

By signing a union authorization card, the associate is actually signing a legal document that authorizes the union to represent the associate as his/her collective bargaining agent in all matters pertaining to his/her conditions of employment.

Let's look at a typical union authorization card.

United Food & Commercial Worker Local #7
Affiliated with AFL-CIO-CLC
AUTHORIZATION FOR REPRESENTATION

I hereby authorize the UNITED FOOD & COMMERCIAL WORKERS INTERNATIONAL UNION, Local 7, chartered by the UNITED FOOD & COMMERCIAL WORKERS INTERNATIONAL UNION, AFL-CIO, to represent me as my collective bargaining agent with my employer concerning wages, hours and other conditions of my employment.

(Print Name)

(Signature)

Note the card says nothing about an election or obtaining additional information about the union. Point this out to your associates.

UNION
DEMAND for
RECOGNITION

Once a union organizer has obtained the required signatures, a demand for recognition or a demand for an election will usually follow. It could come in the form of a letter, a telegram, a personal visit from the union organizer, a telephone call, or some other type of communication. How you respond to the union's request for recognition could determine whether you will or will not have a union in your facility.

Remember, as a member of Wal-Mart's management team, the company will be held responsible for your actions and statements.

HOW to RESPOND
to UNION DEMAND
for RECOGNITION

- Never look at signed authorization cards.
- Never agree to discuss representation of our associates with a union representative.
- If contacted by a union representative, inform him/her you are not authorized to look at authorization cards or discuss representation. Direct him/her to call Corporate Labor Relations at 501-273-4456.

Remember, do not give the Union Hotline number
501-273-8300
to anyone outside the company.

Immediately after any conversation with a union rep,
you call the Union Hotline at 501-273-8300.
Never give the Union Hotline number to a union
representative or anyone outside Wal-Mart.

SALTING

The Supreme Court ruled a union practice called "salting" is legal.

This practice involves sending a paid union organizer (known as a "salt") to a non-union company to apply for a job with the specific intent of organizing the employees of the company from within the facility.

The Court said it would be illegal for a company to refuse to hire an applicant because the applicant's sole intent is to organize employees. The Court also said it would be illegal for a company to terminate an existing employee because he/she was attempting to organize the employees from "inside" the facility.

"SALTING" - THE UNION'S ADVANTAGE

"Salting" is advantageous for the union because the organizer can actually organize the associates from "inside" the facility. He/she can obtain firsthand knowledge about Wal-Mart and the associates that a union organizer on the outside would never have access to.

For example, a salt would have access to all locations within the facility; a salt would have access to all policies and other confidential company information available to associates on CBL or First Step and shared in daily meetings; a salt would have access to information found on reports posted throughout the facility concerning our company's goals and strategic objectives; a salt would have access to our technology, such as telxons; and a salt would have access to associates' work schedules which can be easily removed from the facility and given to outside organizers so they can begin visiting associates at their homes to discuss joining a union.

But most importantly, a salt has access to our associates! By being inside the facility, a salt can ...

- easily identify those associates vulnerable to union organizing tactics, and
- easily identify associates he/she wants to recruit as "internal organizers" to help obtain signatures from co-workers in an attempt to organize the facility.

HOW "SALTS" CREATE PROBLEMS for WAL-MART

Once inside the facility, a salt's primary objective is to convince associates of the "benefits" of unionization and ultimately obtain their signatures on union authorization cards. Salts can be harmful to Wal-Mart, not only because of their organizing activities, but also because they typically feel they are "above" company policies. It would not be uncommon for salts to engage in destructive behavior to provoke management into a coaching and/or termination so they can file an unfair labor practice (ULP) charge against the facility.

Although a salt is still subject to the policies of the company, as are all associates, the National Labor Relations Act (NLRA) protects the salt's organizing activities. Depending on the severity of the ULP charge, the National Labor Relations Board (NLRB) could require Wal-Mart to recognize and bargain with a union without an election as a consequence of unfair labor practices.

HOW WAL-MART CAN COMBAT "SALTS"

1. Pre-screen as many applicants as possible to ensure you are hiring the most qualified person for any opening you have available.

*** The National Labor Relations Act (NLRA) prohibits an employer from refusing to hire an applicant because of his/her union affiliation. However, the law does not prevent us from selecting the most positive, dedicated, enthusiastic applicant available. We are under no obligation to hire an applicant who is defiant or negative. Keep looking until you find the best applicant to join our Wal-Mart family.

2. Utilize "consensus" interviewing. Several members of management should interview applicants in which we have a strong interest. Then compare notes and recommendations for hiring.

3. A Wal-Mart application says ... "List entire employment history, starting with present employer. For any unemployed or self-employed periods, show dates and locations. (Attach additional sheets when necessary)."

* * * There are only three spaces on the application to list existing or former employers. Ask applicants if they have completed their entire employment history. If they have not, ask them to attach additional sheets.

* * * Ensure applications show entire work history with no gaps in employment. If you notice gaps, question them. Then ask applicants to fill in those gaps.

4. Check references thoroughly. This is a must!

COMMONLY ASKED
QUESTIONS & ANSWERS
ABOUT "SALTS"

Q - Can we ask job applicants about their union affiliation?

A - No. It is illegal to ask applicants their position on unions or whether they have ever been in a union.

Q - What should I do if an applicant volunteers information he/she is a union member?

A - Explain to the applicant his/her union affiliation makes no difference in our hiring procedures. Then just continue to follow your usual hiring practices.

NOTE: Because an applicant is a former or current union member does not mean he/she will not be a good associate. Many of our associates are former union members who did not like working in a union environment and sought employment in a non-union company such as Wal-Mart.

Q - Must we hire a pro-union or paid union organizer?

A - No. The law simply says you cannot discriminate against an applicant because of his/her union affiliation. Hire the best candidate for the position.

MORE
QUESTIONS AND ANSWERS
on "SALTS"

Q -Can we disqualify an applicant who falsifies his/her application?

A -Yes. Regardless of union affiliation, falsifying an application at Wal-Mart will result in termination or being disqualified from obtaining employment with Wal-Mart.

Q -Can we terminate a salt who works in our facility?

A - Salts, like all other associates, must meet our expectations and are subject to performance coachings, up to and including termination. We CANNOT terminate an associate because we believe or have confirmed they are a salt.

Q -If we hire an applicant who is unproductive and also happens to be a salt, can we terminate him/her?

A -Yes, as long as the reason for termination is based on job performance and not his/her union affiliation. Be sure you have documentation to support the termination.

If you suspect there is a "salt" in your facility, contact the Union Hotline at 501-273-8300.

EARLY WARNING SIGNS of UNION ORGANIZING

Most union organizing will begin as "covert" (undercover) activity. By keeping all union activity covert, the organizer is hoping management will not be alerted to his/her organizing efforts.

The Labor Team has identified two categories of early warning signs. If you suspect any of these early warning signs of union activity are occurring at your facility, call the Union Hotline at 501-273-8300 immediately.

EARLY WARNING SIGNS - CATEGORY 1

- An increase in associate phone calls in and out of the facility.
- Increased curiosity in benefits and policies.
- Associates receiving unusual attention from other associates.
- Abnormal amount of absenteeism.
- Excessive turnover.
- Slowdown in work productivity.
- An increase in errors in associates' work.
- Exit interviews indicating associates are in conflict.
- Surge of complaints by associates against management.
- Associates confront management.
- Associates "bait" management into discipline or termination.
- Abuse of restroom visits.
- Argumentative questions are asked in departmental/facility meetings.

EARLY WARNING SIGNS - CATEGORY 2

- Confidential information being misplaced or removed from files
- "Strangers" spending an unusual amount of time in the associates' parking areas at the beginning or end of shifts
- Associates spending an abnormal amount of time in the parking lot before and after work
- Frequent meetings at associates' homes
- Associates coming back to the facility to talk to associates on other shifts
- Open talk about unions among associates
- Reports from associates of the union visiting their homes, calling them, or sending them literature in the mail
- Union literature found around the facility
- Associates using union terms such as arbitration, grievance, and seniority
- Interest in obtaining names and addresses from schedules or associate listings
- Associates leaving work areas on a frequent basis to talk to other associates
- Associates who are never seen together start talking or associating with each other and begin forming strange alliances

HOW to RESPOND to UNION ACTIVITY

The Labor Relations Team has developed action plans for all types of union activity. In the event you encounter any of the following activities, or any other type of union activity, contact the Union Hotline at 501-273-8300 as soon as possible. The Labor Team will work with you to develop strategies to combat these and all other types of union activities.

UNION ACTIVITY CATEGORIES

Category 1: Activity designed to distract our customers and encourage them not to shop at Wal-Mart as well as divert our associates' attention from their primary purpose of servicing the customers. Generally, this type of activity is not designed to organize associates.

Category 2: Activity indicates either the union is interested in the facility or the associates are interested in the union. These situations should be monitored closely to ensure they do not escalate to Category 3.

Category 3: Activity indicates there is a union organizing campaign under way. An immediate response and intervention is crucial to stop the activity.

HOW to RESPOND
to UNION ACTIVITY (continued)

CATEGORY 1 UNION ACTIVITY

- Picketing (pg 24)
- Handbilling (pg 24)
- Negative Publicity (pg 25)
- Union Rally (pg 26/27)
- Union Contests (pg 26/27)
- Early Warning Signs - Category 1 (pg 28)

CATEGORY 2 UNION ACTIVITY

- Union reps visiting with associates (pg 29)
- Union cards/literature found in the facility (pg 30)
- Reports of associates talking about unions (pg 31)
- Associates asking management questions about unions (pg 31)
- Early Warning Signs - Category 2 (pg 28)

CATEGORY 3 UNION ACTIVITY

- Handbilling in an effort to organize associates (pg 32)
- Associates attending union meetings (pg 33)
- Union cards being distributed or signed (pg 34)
- Union reps talking to management about representing associates (pg 35)
- Union reps attempting to hand management union cards/petitions signed by associates (pg 13)

PICKETING or
HANDBILLING - CATEGORY 1

Call the Union Hotline at 501-273-8300.

Be prepared to provide the following information:

- Name and title of caller
- Facility Manager's name
- Facility number, city, state
- Who is the sponsoring organization
- What do the signs or leaflets say
- Number of picketers or union reps present
- Location of picketers or union reps
- Are picketers or union reps blocking entrances/exits
- Are picketers or union reps harassing customers/associates - If there are numerous complaints, politely ask the harassed customers for their names and telephone numbers. If they do not want to provide their names, don't press them.

NOTE

- If hourly associates want to participate in picketing or handbilling while off the clock, we cannot prohibit them from doing so.
- If associates ask questions about the picketing or handbilling, explain the situation truthfully.

If picketers or union representative are placing
leaflets on cars:

- Ask them not to place leaflets on the cars.
- Remove leaflets from the cars. (Hourly associates can assist with this.)

NEGATIVE
PUBLICITY - CATEGORY 1

Call the Union Hotline at 501-273-8300.

Be prepared to provide the following information:

- Name and title of caller
- Facility Manager's name
- Facility number, city, state
- What is the medium of the negative publicity
- Date of the publicity
- What are the issues
- Was facility contacted by the media for a statement
- Are we receiving comments from associates or customers about the publicity

UNION RALLY/CONTEST
(Advance Notice) - CATEGORY 1

Call the Union Hotline at 501-273-8300.

Be prepared to provide the following information:

- Name and title of caller
- Facility Manager's name
- Facility number, city, state
- Sponsoring organization
- What are the issues
- Date of rally
- Location of rally

NOTE:

- If hourly associates want to participate in the rally or contest while off the clock, we cannot prohibit them from doing so.
- If associates ask questions about the rally or contest, explain the situation truthfully.
- Management cannot participate.

UNION RALLY/CONTEST
(No Advance Notice) - CATEGORY 1

Call the Union Hotline at (501) 273-8300.
Be prepared to provide the following information:

- Name and title of caller
- Facility Manager's name
- Facility number, city, state
- What are the issues
- How many people are present
- Location of rally
- Are they blocking entrances/exits
- Are they harassing customers
 - If there are numerous complaints, politely ask the harassed customers for their names and telephone numbers. If they do not want to provide their names, don't press them.

Note

- If hourly associates want to participate in the rally or contest while off the clock, we cannot prohibit them from doing so.
- If associates ask questions about the rally or contest, explain the situation truthfully.
- Management cannot participate.

EARLY WARNING SIGNS -
CATEGORIES 1 & 2

Call the Union Hotline at (501) 273-8300.

Be prepared to provide the following information:

- Name and title of caller
- Facility Manager's name
- Facility number, city, state
- What is occurring
- How many associates are involved
- Management's response
- Who was involved
- Is the associate morale low
 - what are the issues

UNION REPS VISITING with
ASSOCIATES INSIDE/OUTSIDE
the FACILITY - CATEGORY 2

Call the Union Hotline at 501-273-8300.

Be prepared to provide the following information:

- Name and title of caller
- Facility Manager's name
- Facility number, city, state
- What union is involved
- When did this happen
- Where did this happen
- How many reps are involved
- How many associates were talked to
- Was anything overheard - what was said
- How was the information obtained
- Is the associate morale low - what are the issues
- Is any literature/cards being passed out
- Are the reps blocking entrances/exits
- Have other early warning signs occurred

UNION CARDS or LITERATURE
FOUND in the FACILITY -
CATEGORY 2

Call the Union Hotline at (501) 273-8300.
Be prepared to provide the following information:

- Name and title of caller
- Facility Manager's name
- Facility number, city, state
- What organization is the literature from
- Where was literature/cards found
- By whom
- Who reported the incident
- Is the associate morale low -what are the issues
- Have other early warning signs occurred

ASSOCIATES DISCUSSING
UNIONS AMONG THEMSELVES
or ASKING MANAGEMENT
QUESTIONS - CATEGORY 2

Call the Union Hotline at (501) 273-8300.

Be prepared to provide the following information:

- Name and title of caller
- Facility Manager's name
- Facility number, city, state
- Who asked the questions
- Where do they work
- What are their work hours
- Who did they ask
- What was the question
- What was the response
- What were other associates saying
- How did management find out associates were talking about unions
- Where were the associates overheard talking about unions
- Is the associate morale low - what are the issues
- Have other early warning signs occurred

HANDBILLING in an EFFORT
to ORGANIZE ASSOCIATES -
CATEGORY 2

Call the Union Hotline at 501-273-8300.

Be prepared to provide the following information:

- Name and title of caller
- Facility Manager's name
- Facility number, city, state
- Who is the sponsoring organization
- What does the handbill say
- How many people are handbilling
- Are they associates or non-associates
 - * If associates are off the clock, are outside the facility, and are handbilling, we cannot take any action against them.
 - * If associates are on the clock, direct the associates to go back to work.
- What is the location of the handbillers
 - * If associates are handbilling inside the facility, determine if they are on the clock.
 - * If they are, instruct associates to stop and explain they cannot handbill while on the clock.
 - * If they are not on the clock, escort them out of the facility.
- Are the handbillers blocking the entrances/exits
- Are the handbillers harassing customers -
 - If there are numerous complaints, politely ask the harassed customers for their names and telephone numbers. If they do not want to provide their names, don't press them.
- Is the associate morale low
 - what are the issues
- Have other early warning signs occurred

ASSOCIATES ATTENDING
UNION MEETINGS -
CATEGORY 2

Call the Union Hotline at 501-273-8300.

Be prepared to provide the following information:

- Name and title of caller
- Facility Manager's name
- Facility number, city, state
- How did we learn associates were attending union meetings
- Who told management about the meetings
- What did they say
- What was management's response
- Do we know who attended the meeting
- Do we know how many associates attended the meeting
- What has been the associates' behavior since the meetings
- Have there been union cards passed out or signed
- Is the associate morale low
 - what are the issues

UNION AUTHORIZATION
CARDS BEING DISTRIBUTED
or SIGNED - CATEGORY 3

Call the Union Hotline at 501-273-8300.

Be prepared to provide the following information:

- Name and title of caller
- Facility Manager's name
- Facility number, city, state
- How did we learn about the cards being signed/passed out
- Do we know who was passing out the cards
- Who told management
- What was the response of the member of management
- Do we know how many cards have been passed out or signed
- What has been the associates' behavior since the cards appeared
- Is the associate morale low
 - what are the issues

UNION REPS WANT
to TALK to MANAGEMENT
ABOUT REPRESENTING
ASSOCIATES - CATEGORY 3

Call the Union Hotline at 501-273-8300.
Be prepared to provide the following information:

- Name and title of caller
- Facility Manager's name
- Facility number, city, state
- When did the call/visit occur
- Who was approached
- What union organization do they represent
- What position is the rep
- What did the rep say
- Who was present
- How did management respond

KNOW YOUR TIPS

As a member of Wal-Mart's management team, you are a representative of the company. Anything you do or say is binding on the company. It is important you understand what is considered legal and illegal conduct before, during, and after a union organizing campaign.

All you need to know are your TIPS.

TIPS

Threaten
Interrogate
Promise
Spy

Know your TIPS. As long as you do not threaten, interrogate, promise, or spy on your associates, Wal-Mart, through your efforts, will be able to share its views on unionization in an open, honest and legal manner.

T - THREATEN

- You cannot threaten or imply the company will take adverse action of any kind for supporting the union.
- You cannot threaten to terminate or coach associates because of their union activities.
- You cannot threaten to close the facility if a union is voted in.
- You cannot threaten to transfer associates to other locations because of their union affiliation.
- You cannot threaten associates with loss of their wages and benefits during negotiations.
- You cannot threaten associates with loss of their job if they sign a union authorization card.
- You cannot threaten associates by saying, "With the union there will be a strike."
- You cannot threaten to penalize associates who actively support the union for violations of company policies which non-union associates are permitted to commit without being disciplined.
- You cannot make work assignments with the intent of causing an associate who has been active on behalf of the union to quit his/her job.
- You cannot take any action that is intended to impair the associate's job or pay because of his/her activity on behalf of the union.
- You cannot intentionally assign work or transfer associates so that those active on behalf of the union are separated from those you believe are not interested in the union.
- You cannot reduce hours of associates with the intention of curtailing the union's strength of organizing.

I - INTERROGATE

- You cannot interrogate or ask associates their position concerning unions.
- You cannot ask associates how they are going to vote in an election.
- You cannot ask associates if they or anyone else signed a union authorization card.
- You cannot ask associates if they are going to the union meeting or who else may be attending.
- You cannot ask associates their opinion of the union organizer.
- You cannot visit associates' homes for the purpose of asking questions about the union or urging them to reject the union.

P - PROMISE

- You cannot promise associates a pay increase, better benefits, or special favors if they vote against the union.
- You cannot promise associates a promotion if they vote against the union.
- You cannot promise associates all the concerns they brought to management before the election will be corrected to their advantage if they vote against the union.
- You cannot engage in favoritism of associates who are pro-company.

S - SPY

- You cannot spy on any union activities the associates may be involved in, such as attending union meetings, nor can you have another person do this for you.
- You cannot attend a union meeting, even if invited.

HOW YOU SHOULD RESPOND to ASSOCIATES' QUESTIONS ABOUT UNIONS

Every time an associate asks you a question concerning the union, it is important you ...

- First, thank the associate for coming to you and asking a question.
- Second, state Wal-Mart's position on unions.
- Third, answer the question. If you do not know the answer, tell the associate you do not know. Assure the associate you will find the answer and get back with him/her shortly.

Many union organizers will purposely tell associates not to discuss unionization with you or ask questions. Watch for the disappearance of normal communication. If associates ask you questions, answer them honestly. If you do not know the answer, call the UNION HOTLINE at 501-273-8300 to get the answer and then follow up with the associate.

SAMPLE QUESTIONS AND ANSWERS

WAL-MART'S POSITION ON UNIONS

Q - What is Wal-Mart's position on unions ?

A - At Wal-Mart, we do not believe we need third-party representation. We value the open communication we have between management and our associates. You can come and talk to me anytime about your job or any concerns you may have.

QUESTIONS AND ANSWERS

UNION ORGANIZERS/UNION PROMISES

Q - What is a union organizer ?

A - Most unions have a staff of representatives called "organizers." These individuals are paid by the union to organize a company.

Q - Am I under any obligation to talk with a union organizer ?

A - No. Associates are under no obligation to talk with a union organizer.

Q - Are union organizers the only people who will try to get me to sign a card ?

A - No, the union organizer will use pro-union associates inside the facility to try and obtain your signature on an authorization card.

Q-The union organizer "promised" me an increase in wages and benefits. Can an organizer guarantee these will happen ?

A- No. Union organizers can and will make promises to associates in order to obtain their signatures on union authorization cards. If an organizer promises a particular benefit, ask for that benefit in writing. You should know - the organizer will not put the promise in writing.

Q - Why would union organizers tell me all the things they can do for me when in reality they can't ?

A - Union organizers will tell you whatever they have to if it will help get your signature on a union authorization card. If a union representative does make you promises, your best bet is to get it in writing.

Q - Can a union guarantee me job security and prohibit Wal-Mart from terminating or coaching an associate who violates company rules ?

A- No. Unions may claim they can provide "job security," but in actuality they cannot. All associates are subject to performance coachings, up to and including terminations, if they do not meet our company's expectations.

Q - Can a union have a member of management removed because the union or associates think the manager is unfair ?

A - No. Only the company has the authority to decide who its management will be.

QUESTIONS AND ANSWERS

UNION AUTHORIZATION CARDS

Q - What is an authorization card ?

A - A union authorization card is a legal document which, when signed by an associate, gives the union the authority to become his/her legal representative in all matters pertaining to his/her wages, hours, and working conditions.

Q - Am I under any obligation to sign a union authorization card ?

A - Absolutely not. No one can require you to sign a union authorization card. In fact, it is unlawful for a union organizer or other associate to threaten you into signing a card.

Q - What are authorization cards used for ?

A - Signed authorization cards are used by the union to either petition the National Labor Relations Board for an election or to try to gain representation without an election.

Q - If I signed an authorization card, do I have to vote for the union ?

A - NO! Even if you signed a card, you can vote for whomever you want in the election. The election is a secret ballot process. No one will know how you voted unless you tell them.

QUESTIONS AND ANSWERS

UNION MEETINGS

Q - I heard there is a union meeting tonight. Do you want me to go and report back to you who was there and what was said ?

A - If you would like to attend the meeting tonight, that is your choice. If you want to tell me about the meeting tomorrow you absolutely can. However, I must tell you that it would be illegal for me to ask you any questions about the meeting, but you can tell me anything you want to.

DECERTIFICATION

Q - Why shouldn't we try a union for a year and see what they can do for us, and then if we don't like them, tell them to leave ?

A - It's not that easy. You voted a union in and you will have to vote the union out. But you cannot do so for at least one year and sometimes longer. Also, associates would be responsible for the entire legal cost of the decertification process. Wal-Mart could not help with any of the legal expenses.

ASSOCIATES' RIGHTS TO OPPOSE UNIONS

Q - Can I oppose the union ?

A - Yes! You have the legal right to oppose the union. You also have the right to let other associates know your opinion and can communicate that opinion in whatever manner you choose.

Q - I'm planning to make leaflets to show my support for the company. Can I use the copy machine in the manager's office ?

A - The law prohibits the company from assisting your efforts to oppose the union. However, you certainly have the right to actively campaign against the union. It's just that Wal-Mart cannot be involved.

QUESTIONS AND ANSWERS

UNION ELECTIONS

Q - Will anyone know how I vote in the election ?

A - No. The election is a "secret ballot."

Q - Do I have to vote if there is an election ?

A - No, you are not required to vote, but I would certainly encourage you to vote. The outcome of the election could have a tremendous impact on your job and working environment.

Q - How is the outcome of the election determined ?

A - The outcome of the election is determined by the number of votes actually cast, not the number of associates eligible to vote. That is why your vote is so important. The winner must have 50% plus one of the votes cast.

Q - If the union wins the election, which associates does it represent?

A - If the union wins the election, it will represent every associate in the bargaining unit who is eligible to vote. Not only does it represent those associates who voted for the union, it also represents those who voted against the union, as well as those who failed to vote. That is why your vote is so important.

QUESTIONS AND ANSWERS

UNION ELECTIONS (continued)

Q - Will I lose my job if I vote for the union ?

A - No.

Q - Why is it important every eligible associate vote in an election ?

A - Your vote could decide whether or not your facility will be represented by a union. Even though you may have signed a union authorization card, the election is your final chance in deciding if you want to accept the responsibility of expenses incurred through dues, fees, fines, and assessments and whether or not you want to continue representing yourself to the management team or pay the union to speak on your behalf. It is one of the most important decisions you will ever make in your professional career.

Q - What happens the day after the election if the union is voted in ?

A - Nothing! It is business as usual. The union and Wal-Mart will proceed with negotiating the details of the contract. Until a contract is reached, all associate wages and benefits are "frozen." They cannot be increased or decreased without the union and the company agreeing to such action.

Q - If the union wins the election, do I have to join the union ?

A - That depends. The union will try to negotiate with the company to require all associates who work in the facility to join the union and pay union dues or be terminated. Naturally, the company would oppose such a demand by the union.

QUESTIONS AND ANSWERS

UNION FEES

Q - Does it cost money to be a member of a union?

A - Yes. In fact, over a period of time it can cost a great deal of money. Unions survive on the money they receive from their members in the form of dues, fees, fines and assessments. That is why they want you to become a member of their union.

Q - What are union dues ?

A - Dues are money you pay to "belong" to a union on a monthly basis. They vary in amount from union to union. Generally, they can range from \$20 to \$50 per month.

Q - What are initiation fees ?

A - An initiation fee is the initial cost charged by a union to the associate for the "privilege" of joining a union.

Q - What are union fines ?

A - Fines are charged against members by unions for violations of rules of the union constitution and bylaws. For instance, you may be fined for crossing a picket line, failing to attend a union meeting, or for conduct unbecoming a union member. When a union member is found guilty of having committed an offense, most unions "discipline" members by fining them for the offense.

QUESTIONS AND ANSWERS

UNION FEES (continued)

Q - What are assessments ?

A - These are the "extra" costs of unionization to the associates. They are expenses over and above the payment of normal dues, fees and fines. The most common reasons to charge members assessments are for strike funds, money for political contributions, and to help the union with its operating costs. These fees are not voluntary. The union will deduct them automatically whether you agree with them or not.

Q - What is "checkoff" ?

A - "Check-off" is a procedure whereby union dues, fees, fines and assessments are deducted from the associate's paycheck by the company and given to the union as opposed to being collected by the union. Generally, this is the first item the union tries to negotiate for in a contract. Unions have been known to forego demands for greater associate wages and benefits to obtain "check-offs."

QUESTIONS AND ANSWERS

NEGOTIATIONS/BARGAINING

Q - Is it possible an agreement between the union and Wal-Mart could result in less wages and benefits than I currently have ?

A - Yes. Negotiations are much like the game show "LET'S MAKE A DEAL." You could get more, you could get the same, or you could get less.

Q - If the union and Wal-Mart are not able to agree during bargaining, what will happen?

A - There are two options: Leave things the way they are, or strike. Regardless, you will be responsible for paying dues, fees, fines and assessments.

Q - Can the union "fix" anything or "force" Wal-Mart to do anything ?

A - By law, Wal-Mart does not have to agree to any union demands.

Q - What is "checkoff" ?

A - "Check-off" is a procedure whereby union dues, fees, fines, and assessments are deducted from the associate's paycheck by the company and given to the union as opposed to being collected by the union. Generally, this is the first item the union tries to negotiate for in a contract. Unions have been known to forego demands for greater associate wages and benefits to obtain "check-offs."

QUESTIONS AND ANSWERS

STRIKES

Q - If a strike is called, does Wal-Mart continue to pay wages and benefits to striking associates ?

A - No. Once a strike begins, all wages stop. You may retain some benefits; however, you would be responsible for paying the entire amount, which includes your portion and the portion the company pays.

Q -Can I collect unemployment compensation while on strike ?

A - When striking over economic reasons (wages and benefits), most states do not allow employees to collect unemployment compensation.

Q - Does the union provide strike benefits ?

A - Some unions provide strike benefits, others do not. It could be as little as \$50 a week.

Q - If I go out on strike, can I be replaced ?

A - Yes. If the union calls an economic strike (over wages and benefits), you can be permanently replaced by the company.

Q - Can I come to work if I decide I do not want to strike anymore ?

A - Yes, provided you have not been permanently replaced. However, you may face the prospect of being fined by the union for crossing the picket line.

DOs

- Do tell associates we do not believe they need third-party representation.
- Do tell associates we believe in the Open Door policy and are willing to discuss any subject with them.
- Do tell associates by signing a union authorization card, they may have authorized the union to become their legal representative in all matters pertaining to wages, hours, and working conditions.
- Do tell associates if they have already signed a union authorization card, it does not mean they must vote for the union in an election. An election is a secret ballot process. • Do tell associates if a union is voted in, everything (their wages, benefits and working conditions) would go on the bargaining table. It is much like the game show LET'S MAKE A DEAL! They could get more, they could get the same, or they could get less. Regardless, they will be responsible for dues, fees, fines, and assessments.
- Do tell associates the law permits the company to permanently replace them if there is a strike.
- Do tell associates the union cannot make Wal-Mart agree to anything it does not want to during negotiations.
- Do share any personal experiences you may have had with a union with associates. • • Do tell associates they can actively campaign against the union, you just cannot help them in any manner.

DON'Ts

- Don't threaten associates with the loss of their jobs, wages or benefits.
- Don't interrogate or question associates on their positions concerning unions.
- Don't promise associates pay increases, promotions, benefits or favors.
- Don't spy on union activities your associates may be involved in.
- Don't threaten to close or move a facility if the union is elected in.
- Don't discipline or transfer associates for actively supporting a union.
- Don't ask associates how they intend to vote.
- Don't ask associates at the time of hiring if they belong to a union.
- Don't prevent associates from soliciting union membership during their free time at work (breaks, lunches, off the clock).
- Don't ask associates if they or anyone else has signed a union authorization card.
- Don't ask associates if they are going to a union meeting or who else may be attending.
- Don't engage in favoritism of associates who are pro-company. Don't visit associates' homes for the purpose of asking questions about the union or urging them to reject the union.

SAM'S CLUB

SUPERVISOR'S HANDBOOK

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I. SAM'S POSITION

We intend to strongly oppose the union's efforts to organize our Club. There are no unions anywhere in Sam's and we do not want Club___ to be the first and only. Sam's has never had a union election among its 65,000 partners. It is important for you to understand our position and to do your part to help our partners remain non-union. Our position must be clear:

- We strongly believe that unionization is not in our partners' best interest or in our Company's best interest.
- Sam's management philosophy assumes that partners want work and responsibility. Sam's philosophy encourages Company loyalty, pride in excellence, a sense of ownership in the Company, trust, and motivation to do the best job possible. Managers show partners respect and we can expect partners to give a fair day's work for a fair day's pay.
- Sam's provides competitive wages, benefits and a unique profit-sharing plan. Raises are based on how each partner performs not on what a union can negotiate for everyone.
- We do not believe that any part of the wages we pay our partners should go into the pockets of outside union organizers who are here to enrich themselves at our partners' expense.

Sam's is new to this area and we all have a lot to do to make sure we grow and prosper. This is a time when all our partners must work together to help increase our productivity, and keep Sam's competitive.' Unions threaten our ability to do these things by creating conflict and by misleading partners with false promises. Already our partners have been promised big

changes that no union can deliver. We are not the enemy of our partners. We believe in treating our partners with respect and to provide them opportunities for their growth.

It is your job to see to it that our partners are not misled by union organizers. Our partners must understand that union promises are only promises. The only way for this Club to prosper and for our jobs to be secure is delivering quality products and service to our customers. Unions only interfere with this.

II. THE RIGHT TO OPPOSE UNIONS

It is not necessary for you to become an expert on labor law for this campaign. However, it will help you to have some general information on the legal rights that our partners have.

- The law recognizes that supervisors are part of management. Sam's managers are supervisors under the law. You will be representing management in our effort to help Sam's and its partners remain union-free. Sam's expects you to do your part as a loyal member of our management team.
- The law also protects the right of partners NOT to join or support a union.
- The law gives Sam's managers and partners the right to express opinions, state facts and make arguments against the union.

III. UNION AUTHORIZATION CARDS

It is important to realize that many partners sign cards not because they really want a union, but because they are tired of being pressured to sign by union organizers and by partners

who support the union. Sometimes partners don't really understand what a union card means. You should tell them that if Club ____ is organized, the Union will expect partners who signed cards to join the union and to pay union dues. They may also have to pay initiation fees and assessments.

Sadly, some partners actually vote for a union on election day because they think they promised to do so when they signed a card. You should make sure this does not happen. Signing a card does not mean you must vote for a union. Voting is in secret. Each partner should vote the way that's best for him, even if it means voting NO UNION after he has signed a card.

IV. NLRB ELECTION PROCEDURES

The union has petitioned for an election: At this time, the date and time for the election have not been determined. NLRB rules allow a campaign just like a political election. Sam's partners are the voters. The choice on the ballot will be "Yes" - for union representation -- and "No" - against the union.

- NLRB elections are by secret ballot, and the union needs a majority of the votes cast to win. That means that if partners who oppose the union don't vote, it increases the union's chances of winning.
- Management partners, confidential partners, security guards, and temporary partners are not eligible to vote.

A few weeks prior to any election, an eligibility list containing names and home addresses of the voters must be supplied to the NLRB by the Company. A copy of this list will be given to the union by the NLRB. This means that union organizers may attempt to visit

partners at their homes. It does not mean that our partners have to permit them to come into their homes or talk to them on the telephone.

V. A REVIEW OF SOME RULES

Sam's Partner Handbook contains several rules that you should know and apply.

Partner solicitation or distribution - Sam's partners may not engage in solicitation during working time. Solicitation means asking for help or support for a cause such as a charity, a political candidate or a labor union. This rule must be uniformly and consistently enforced. Solicitation is allowed only during nonworking time such as before and after work, during meal time or other breaks.

Sam's partners may not distribute written materials of any type for any purpose during working time in areas where work is performed, except what is necessary to carry out their assigned job duties. Partners may distribute written materials on nonworking time in nonworking areas. Sam's management may distribute written material to partners when requested to do so by the Club Director.

Outsider solicitation or distribution - Sam's has a long standing rule against solicitation or distribution of written material on Sam's property by outsiders who are not partners. Working time is for work and outsiders should not be allowed to interfere with partners trying to do their jobs. Therefore, outsiders may not solicit or distribute written material to partners on working time -- either inside the Club or on the sidewalk outside the Club. Furthermore, outsiders are not permitted into any area of the Club which is not open to the general public, such as the partner's break room, the receiving area, the meat and bakery preparation areas, behind the membership desk or in the administrative office area.

By Non-Partners:

We have experienced incidents in the past in which non-partners have come into private areas of our Clubs or interfered with partners in working and shopping areas of the Club during partners' work time. In some instances, we have had to escort these outside union organizers out of the Clubs. These guidelines are intended to assist you in the proper administration of the no-solicitation/distribution policies. The guidelines concern activities in the following areas:

- A. aisles and other shopping areas
- B. partners' break rooms
- C. work areas not opened to the public
- D. parking lots and sidewalks

A. Aisles and Other Member Areas

The situation here is clear. Outside organizers are not permitted to distribute literature in the shopping and selling areas of the Club at any time or to solicit partners in these areas during their working time. If the outside organizers engage in such activities, they should be firmly asked to leave and escorted at least to the point where their departure can be observed. If they refuse to leave, the organizer should be kept under close surveillance and a decision made as to whether to call the police. In the past, most organizers have left when firmly requested to do so.

Along these lines, we do not want partners to have the notion that outside union organizers can interfere with our right to run our Clubs. You should be firm but polite in dealing with outside union organizers.

B. Break Rooms

Outside organizers are not allowed in partner break rooms at any time, just as other members of the public are not allowed in such areas. If they are found in the break rooms, they should be asked to leave and the procedure outlined above should be followed. In any of these situations, where outside organizers have engaged in activities in our Clubs exceeding their legal rights, a record of such activity should be kept.

With respect to the break rooms, please note the distinction between partners and outside union organizers. Partners may use the break rooms for solicitation and distribution of literature during their nonworking time. Outside organizers, in contrast, have no right to be there at any time.

C. Work Areas Not Open to the Public

Outside union organizers have no right to be present in a work area which is not open to the public such as the stock room and the loading dock. They should immediately be instructed to leave if they are found in these areas.

D. Parking Lots and Sidewalks

This is an area in which we are likely to find substantial outside organizer activity, including passing out leaflets to customers or partners as they enter or leave the Club on the sidewalks immediately in front of the Club or placing literature on cars in the parking lots.

Outside organizers may not engage in activity amounting to harassment of partners or customers, obstruction of entrances or exits to the Clubs or to the parking lot, or in threatening or other behavior that is likely to intimidate or interfere with customers. They have no right to approach on-duty partners while our partners are assisting customers outside the Club. They

have no right to place or affix leaflets or posters to the doors or walls of our buildings. If any such activity occurs, you should instruct the outside organizers to immediately cease the activity, remove the leaflets and make a log of the occurrence.

VI. EXPECTED UNION CAMPAIGN ACTIVITIES
AND THE PROPER RESPONSE

- UNION PARTIES AND MEETINGS:

During an election campaign, Union organizers become very friendly with partners all of a sudden. The Union will hold parties, meetings and all sorts of get togethers. They will invite partners out for a beer after work and offer to give them rides. Most partners can see this for what it is. Our response should be to point out that the Union organizers are acting like they want something -- and they do! They want partners' dues badly. The organizers get bonuses and promotions when their organizing is successful. We should not spy on Union meetings.

- UNION ENTRY INTO THE CLUB:

We have seen that Union organizers will come into the Club to solicit partners. They may come in later to create a disturbance or call attention to the Union. Organizers who are members can shop but we will not permit them to interfere with partner's work, distribute literature or disrupt the business. If these things happen you should call the Club manager to have them removed.

- BULLETIN BOARDS:

"Club" bulletin boards may only be used by management. They should not be used to display union organizational materials, pro-union materials produced by partners or anti-union materials produced by partners.

- COMPLAINTS AND UNFAIR LABOR PRACTICE CHARGES:

This union often initiates unfair labor practice charges and makes complaints during a campaign. They then publicize the charges in an effort to impress partners and stir up controversy. You should not feel threatened by this or any other union tactic. You can and should continue to supervise your partners as you normally would. Partners still have a responsibility to perform their work; a union campaign in no way changes that. If you are doing your job the Club will back you up whatever the union says. However, remember that you represent the Club in the eyes of the partners. What you say and do affects how they feel about Sam's and may influence their thinking about the need for a union.

VII. WHAT YOU CAN DO TO HELP KEEP SAM'S NON-UNION

The campaigns run by unions often contain a great deal of propaganda and promises intended to divide partners from management. The Union will say that management is unfair and that partners need a union for protection or better wages or benefits. You have already seen some of this and there will be more to come. Our campaign will be based on truth and fact, and will be responsive to the questions that are on the minds of our partners.

The facts show that our partners do not need a union. They will be better off without one. You are the most important source of facts for your partners and you represent the Club in their eyes. The most effective thing that you can do to help maintain a union-free environment is to be fair and to maintain good communication with your partners. You should talk to your partners freely. Don't be afraid to start conversations with them about the Union:

- talk to partners about why the Club is opposed to a union and why you are opposed to it.

- Labor unions normally insist that a dues checkoff provision be included in the contracts they negotiate. Under checkoff, a member's dues are automatically deducted from his or her paycheck each month and paid directly to the union. Partners never see this money.
- Union dues are increased often. It is not unusual for unions to promise a smaller amount of dues to win a partner's vote and then to increase the dues later after the union is established.
- Dues are only one way unions collect money from their members. There can also be initiation fees, assessments, and fines. The union never tells partners about these. In fact, Local 400 members were asked in 1992 for a period of months to pay double the amount of their weekly dues as a special assessment.
- The National Labor Relations Board has recognized the right of unions to fine members who do not obey union rules. Partners need to read and understand the Union's rules before they vote.
- Unions often solicit members for political contributions. Many unions are seeking to expand the checkoff clause to include political contributions to union supported candidates.

IX. STRIKES

With a union there is always a possibility of a strike. Labor strikes sometimes occur when partners can least afford them.

- The UFCW has a long history of going out on strike.
- When partners engage in an economic strike:

- they receive no pay or benefits from the Company and usually little or no strike benefits from the union,
- they can be permanently replaced by other partners who are willing to work, and
- in many cases they are not eligible for unemployment benefits.
- Frequently unions expect their members to support strikes by other unions by engaging in "sympathy strikes." A "sympathy strike" takes place when partners honor another union's picket line and refuse to go to work.
- When partners go on strike, those that need to work to support their families will have to cross the picket line. This is often unpleasant and sometimes dangerous.

X. UNION PROMISES

Unions may make big promises to partners about wages and job security to get their votes, but unions don't provide one penny in wages and they can't create a single new job.

- The Club creates jobs and pays wages and salaries. In the last ten years, Sam's has opened 427 Clubs, creating many new jobs and opportunities for promotion.
- Unions may make big promises to partners to get their votes, but unions can guarantee nothing.
- In collective bargaining, there is an obligation to bargain in good faith. Bargaining is a two-way street. The Club does not have to agree to what the union has promised partners.

- If a union has promised wage increases that are not good for Sam's, what happens when Sam's won't agree to them? A strike is one possibility.
- The union cannot even guarantee that our partners will continue to enjoy all the Club benefits they now have. Some of these could actually be lost in negotiations.

Consider what has happened recently in many industries in this country. Many unionized companies have gone out of business or suffered significant job losses. Companies close to us have closed their doors. This should make our partners think long and hard about the union's promises of job security.

The number of unionized stores is declining, not growing. As more and more union stores close, the union's membership shrinks.

- ! If unions were such a good thing for partners, their membership would not be decreasing.
- ! The pattern is unmistakably clear. Unionized facilities are either closing their doors or their partners are deciding they don't need or want a union; at the same time non-union operations are expanding, providing job opportunities for new partners and job security for existing partners.

The unions need new members to help pay union expenses. This campaign is not a spontaneous action by our own partners. It is a campaign by professional outsiders who are concerned about their jobs - not yours.

XI. BENEFITS OF A UNION-FREE ENVIRONMENT

- Sam's partners are eligible for merit increases based on their individual performances.
- They pay no dues, fines or assessments.

- Our partners have the valuable right to deal freely and directly with management. They don't have to take their problems to a union steward.
- In addition, our partners already enjoy a wide variety of benefits, such as:
 - Profit sharing
 - Life insurance coverage for full-time partners at no cost to the partner.
 - Medical and dental insurance coverage for full-time partners.
 - Paid personal/sick leave.
 - Paid vacations beginning after the first year of service; up to three weeks for full-time partners depending on length of service
 - Six paid holidays.
 - Three paid bereavement days.
 - Pay for jury duty.
 - Free membership to Sam's.

All of these benefits were given by Sam's. No union had anything to do with them.

Sam's is committed to improving our partners' welfare.

XII. CONCLUSION

This is an important time in our Club's history. We are committed to winning this campaign so that Sam's record of having no unions will remain intact. We believe it is in the best interest of everyone to keep Sam's union-free. In large part, it will be up to you to convey this message to our partners. Your effective participation in the campaign is critical. Sam's is counting on you.