
CRAIN'S CLEVELAND BUSINESS

Finding the middle ground

Coalition of local business, union leaders work to send message of improved labor-management relations here

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Unions. The mere word evokes an emotional response from many people.

Economic development officials and business representatives say the response is so strong that it keeps some companies from even considering a move to Northeast Ohio — for fear of facing organization efforts and subsequent labor strife. And that's a big problem, say local union and business leaders who maintain that the perception of hostile labor-management relations here is outdated.

To quench the fires stoked by Cleveland's pro-union image, leaders from business, labor, government and nonprofits are holding a "Labor Economy Summit," planned for April 29 at Cleveland State University. The effort is spearheaded by the Work in Northeast Ohio Council, whose mission is to help employers and employees create positive work environments in the region.

The summit's goal is to provide economic development officials with a new message they can convey to the companies they court: The region's unions are less threatening and more cooperative than ever before.

"We know it's an issue because we have worked over the last couple of years to develop relationships with site-selection consultants," said Carin Rockind, vice president of marketing and communications for the regional economic development group Team NEO, which is participating in the April conference.

"They have shared with us that there are projects they don't even send us to look at, because their clients have a strong perception about Northeast Ohio's strong unionization," Ms. Rockind said.

Steve Weitzner agrees. As president of Cleveland site-selection firm Silverlode Consulting, Mr. Weitzner knows firsthand that the perception of Cleveland as a labor town persists, and it hurts efforts to attract companies to the region.

"It's not that unions themselves are necessarily negative, but business owners want to minimize costs, and labor is the single biggest cost factor they have," he said. "Whether it's true or not, the perception is that unions increase their costs."

Perception trumps numbers

Mr. Weitzner, who plans to make a presentation at the April summit, said when companies look closely at the local landscape, they can be surprised.

“The perception is still that this is a heavily unionized part of the country, but for serious site location projects, when the data and the facts are known, that kind of goes away because the numbers just aren't there anymore,” Mr. Weitzner.

In 1986, more than 18% of the private work force in Northeast Ohio was unionized and nearly one-third of manufacturing employees were union members. Today, slightly less than 9% of the region's private work force is represented by a union, and in the manufacturing sector unions represent an even smaller 8.5% of area workers.

Those figures put local union membership only slightly above the nation as a whole, where 7.6% of privately employed workers are union members, according to the U.S. Bureau of Labor Statistics. More so than in the rest of the nation, union jobs here have disappeared — often due to the closing of large, old industrial plants — and many of the smaller manufacturers that survived or sprung up have managed to keep unions out.

But outsiders don't see that trend, according to folks such as Mr. Weitzner.

The problem, he said, is that the area's union reputation too often keeps it from ever getting the “serious” look that site selectors could provide, because the region rarely makes the short list of sites to be explored.

“By the time site consultants are brought in, that list has already been drawn up,” Mr. Weitzner said. “If we're not on the list, it's difficult to get them to look at us.”

A tale of two messages

Economic development experts have a two-pronged approach to educating outsiders.

First, they want outsiders to know that the region is not the union hotbed it once was — and that, in the private sector, unions represent far fewer workers than they did 20 or even 10 years ago.

That's not a message many in labor appreciate hearing, though they acknowledge its accuracy. However, the second message is one that labor wants out as much as anyone — that today's unions are working to help employers thrive.

Today, many unions say they realize it's in their best interest to help the remaining unionized companies grow — and ultimately to hire more union employees.

“They're providing more and more help now, because the unions desperately want these companies to prosper,” said Harriet Applegate, executive secretary for the North Shore Labor Council, the local arm of the AFL-CIO.

Today's unions are willing to work with management to make operations more efficient, and can provide management with a unique means of communicating with a company's work force and engaging employees in new initiatives, Ms. Applegate said.

“The union can help discipline the work force and it can also help with attitudes, especially in times like these,” Ms. Applegate said.

Even staunch business advocates agree labor relations have improved.

"I think workers and employers are much more on the same page than they were," said Steve Millard, president of Cleveland's Council of Smaller Enterprises. "We've come a long way since the days of huge splits between management's and labor's views on things."

United, they stand to gain

Bob Meyer, executive vice chairman of the Work in Northeast Ohio Council, is looking for examples of local unions working to help local companies succeed. The man most responsible for putting together the April summit said such examples are an important part of the message that economic developers need to attract companies to the area.

"The conference is really geared toward economic development people, to give them a new spin on the community — that this (local union representation) is a positive, not a negative," Mr. Meyer said.

Mr. Meyer said Clevelanders only need to look at the ArcelorMittal steel plant in Cleveland's Flats, where over the years unions have made numerous concessions and worked with management to find ways to make the plant more productive and efficient.

"Mittal has really figured this out over the last few years," Mr. Meyer said. "Fifteen-hundred people are making as much steel as 4,500 people used to make."



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