ABSTRACT

Title of Dissertation: RESISTANCE IN THE DIGITAL WORKPLACE: CALL CENTER WORKERS IN BELL TELEPHONE COMPANIES, 1965-2005

Dissertation directed by: Professor Julie Greene, History Department

Resistance in the Digital Workplace analyzes the ways in which a predominantly female unionized workforce contested the degradation of the labor process and downward pressure on living standards and job security in the automated call centers of two leading telecommunications companies, AT&T and Bell Atlantic (now Verizon) in the latter decades of the twentieth century. In their struggles with employers, the call center workers and their union, the Communications Workers of America (CWA), fought for good, secure, humane jobs amidst the digital revolution, neoliberal policy regime, the financial turn in capitalism, and the decline of unions. The study argues that the very forces that were driving change in the call centers also shifted and frequently narrowed the terrain upon which these call center workers struggled with management for control and power. While CWA and its call center members scored impressive victories in placing limits on abusive surveillance, work speed-up, and some forms of outsourcing, the study also demonstrates the boundaries of collective worker power in the highly automated call center environment.

Resistance in the Digital Workplace examines key questions of labor history: workers' struggles for job control in automated workplaces; the opportunities and constraints of the U.S. enterprise-based collective bargaining system; the failure of U.S.

labor law to protect workers when organizing; alternative organizing models such as CWA's bargain to organize strategy; the impact of neoliberal regulatory and economic policies on the decline of union power; the rise and fall of labor-management partnerships in the 1990s; the financial turn in capitalism; the fissuring of employment systems; global outsourcing of service work; and the successful strike against the corporate giant Verizon in the year 2000.

The contests of CWA and its call center members, operating in one of the most dynamic and important sectors of the U.S. and global economy, highlight the opportunities, challenges, and constraints that so many U.S. service workers face in their struggles for power in the post-industrial service economy.

RESISTANCE IN THE DIGITAL WORKPLACE;
CALL CENTER WORKERS IN BELL TELEPHONE COMPANIES, 1965-2005

by

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AFL-CIO	American Federation of Labor – Congress of Industrial Organizations
ALJ	Administrative Law Judge
AWT	Average Work Time
AT&T	American Telephone and Telegraph
BCS	Business Communications Services
BOC	Bell Operating Company
C&P	Chesapeake and Potomac Telephone Company
CWA	Communications Workers of America
CWAC	Concerned Women's Advancement Committee
CSSS	Customer Sales and Service Specialist
CWA-TL	Communications Workers of America Tamiment Library Collection
EDS	Electronic Data Systems
EEOC	Equal Employment Opportunity Commission
FCC	Federal Communications Commission
FWTW	Federation of Women Telephone Workers
IBEW	International Brotherhood of Electrical Workers
IVR	Interactive Voice Response System
LCF	La Conexion Familiar, a Sprint subsidiary
NAFTA	North America Free Trade Agreement
NCR	National Cash Register Corporation
NLRA	National Labor Relations Act
NLRB	National Labor Relations Board
NOW	National Organization of Women
NFTW	National Federation of Telephone Workers
QWL	Quality of Work Life
RBOC	Regional Bell Operating Company
SBC	Southwestern Bell Corporation
SBMS	Southwestern Bell Mobile Systems
STRM	Sindicato de Telefonistas de la Republica Mexicana
T&T	CWA Telecommunications and Technologies division
ULP	Unfair Labor Practice
WPOF	Workplace of the Future

Introduction

Victoria Kintzer sat at her desk in the Bell of Pennsylvania residential business office, heard the ring of the black rotary dial telephone on her desk, and before it could ring again, she picked up the receiver. The customer wanted to place an order for telephone service and also had a question about her bill. Kintzer looked for the customer's record in the file cabinet next to her desk. The file cabinet, known as a tub, contained all the records of customers in the local telephone exchange for which she was responsible. If the customer lived in a nearby exchange, Kintzer got up to get the record from a co-worker's tub, stopping for a moment to chat, and then returned to her desk to service the customer. She wrote up the customer's request, put her notes in the out box for the service order writer to type up for distribution to the proper department to process the order. Although her supervisor listened in on some of her calls to ensure conformance with the detailed Bell system methods and procedures, and she resented the rules that made her raise her hand to go to the bathroom, Kintzer had relative autonomy to use her skills, knowledge, and emotional intelligence to assist her customers. She took satisfaction in helping them, solving problems, making sure the job was done right from start to finish. She knew that she could turn to her union if she had problems on the job. This was the work life of the Bell telephone service representative in the monopoly era in the 1970s and early 1980s, before the introduction of digital technologies and market forces driving change in the customer service operations.

Fast forward to 1994. Kintzer still worked for Bell of Pennsylvania, but her job as a service representative had changed dramatically. It was a decade since the 1984 break-up of the Bell system that accelerated market competition in the telecommunications industry. Kintzer now sat in a cubicle with shoulder-high dividers separating her from her co-workers. She trained her eyes on her computer, with the automatic call distributor dropping one call after another into her headset with no time between calls. She took only sales calls; the automated system sent billing inquiries to a different call queue staffed by lower-paid collections representatives. The job had become quite complex, with various rates for different geographic areas, multiple products and services, and data entry and retrieval from several software systems. Kintzer entered her service orders directly into the computer, frequently overlapping while taking the next call. Electronic scripts guided her through conversations with customers designed to upsell additional products and services. Digital software tracked her every move in real time – how long she took on each call, the time between calls, adherence to her daily schedule, sales performance, the manner in which she moved through her scripts and databases, even how many keystrokes she took to perform a task. Supervisors evaluated her performance on all these measures and imposed discipline for failure to meet sales quotas and time measurement benchmarks. As a local union leader, Kintzer faced challenges protecting her members from the intensified monitoring, sales pressures, and work speed-up. This was the work life of the service representatives in the former Bell telephone companies in an era of increased competition and fully automated workplace management systems.

Within the space of a decade, Bell of Pennsylvania, along with the other legacy Bell system companies, had revolutionized the work life of tens of thousands of service representatives who worked in the customer care call centers. As the corporate executives transformed their businesses from monopoly era regulated public service organizations with guaranteed rates of return to competitive enterprises in pursuit of ever-higher profits, the managers of the customer service operations struggled to reduce costs and boost revenues while still providing quality service. These managers turned to Bell system engineers, programmers, and outside vendors to enhance the digital technologies that distributed the calls to the service representatives with sophisticated workforce management capabilities that enabled them to intensify control and increase surveillance over the pace and manner in which the frontline customer service representatives did their work. The resulting work organization of high demand with little control was a recipe for debilitating and demoralizing stress on the job.[1]

What impact did these changes have on the service representatives in the call centers? How did the service representatives wrestle with their employers over the degradation of the working conditions and downward pressure on living standards in the call centers? What strategies did they adopt to push back against the enormous power of automated technology to control and surveil their work? How effective were those strategies and under what conditions? Did the service representative's unique role as the face of the company to the customer elevate her power, and if so, how and under what conditions? What difference did it make that this struggle took place in a unionized setting? How did the union fight for greater influence over work organization, technology deployment, and the labor process, areas traditionally considered management rights not subject to mandatory negotiation with the union? And how did larger social, economic, and political forces shape the boundaries and outcomes of these battles between labor and capital in the electronically managed call center environment?

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[1] Robert A. Karasek Jr., "Job Demands, Job Decision Latitude, and Mental Strain: Implications for Job Redesign," *Administrative Science Quarterly* 24:2 (June 1979): 285-308.

Resistance in the Digital Workplace addresses these questions through a historical analysis of the ways in which a predominantly female unionized workforce contested the transformation of the labor process and downward pressure on living standards and job security in the customer service operations of two legacy Bell system telecommunications companies, AT&T and Bell Atlantic (now called Verizon). The introduction of new digital technologies, the intensification of market competition facilitated by those technologies and neo-liberal regulatory policies, the financial turn in capitalism, and corporate and managerial business choices drove monumental changes in the AT&T and Bell Atlantic call centers in the latter two decades of the twentieth century. The customer service workers served as the shock troops (who often felt like cannon fodder) on the frontlines of this tumultuous transition.[2]

Resistance in the Digital Workplace argues that the AT&T and Bell Atlantic customer service workers coalesced into a workforce of resistance in response to the degrading, stressful conditions in their call centers. They demanded that their union, the Communications Workers of America (CWA), fight on their behalf for humane, safe, secure good-paying jobs. Yet, the very forces that were driving change in the call centers

[2] Neoliberalism is based on the belief that market forces and market relations should structure economic activity with little government regulation or intervention in economic, social, or public life. Neoliberals support deregulation of basic industries, the financial sector, labor markets, and anti-trust enforcement; cutbacks in public spending on social welfare and many public services; tax cuts for the wealthy and corporations; privatization of public services; marginalization of collective bargaining and casualization of jobs. David Kotz, *The Rise and Fall of Neoliberal Capitalism* (Cambridge MA: Harvard University Press, 2017), 8-44. The financial turn of capitalism refers to a broad-based transformation in which financial activities have become increasingly dominant in the U.S. economy. Greta R. Krippner, *Capitalizing on Crisis: The Political Origins of the Rise of Finance* (Cambridge MA: Harvard University Press, 2011), 27-57; The financial turn in business refers to a shift in value creation from creating value through the labor process to value creation through a range of financial transactions that have little to do with producing goods and services. Rosemary Batt, "The Financial Model of the Firm, the 'Future of Work'" in *The Routledge Companion to Employment Relations,* eds. Adrian Wilkinson, Tony Dundon, Jimmy Donaghey, and Alex Colvin (New York: Routledge, 2012).

also shifted and frequently narrowed the terrain upon which these call center workers struggled with management to shape their conditions at work and undermined the power of the union. In their struggles with employers, the call center workers and the CWA challenged neoliberal policies amidst both the digital revolution and the decline of unions. *Resistance in the Digital Workplace* argues that while technology reconfigures the economic terrain, it is human beings, with competing interests, resources, and power, who make the decisions about how to deploy technology and which institutional structures will frame the social impact of those technologies.[3] Those decisions about how to configure technology are social and political choices, with outcomes determined by political struggles between management and labor, shaped by the institutional structures of the political economy in which they take place. As Karl Marx wrote, "People make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly found, given, and transmitted from the past."[4]

The AT&T and Bell Atlantic customer service workers had one important resource that most U.S. call center workers, indeed most service sector workers, do not have: they were represented by a union. The Communications Workers of America (CWA) had a mature bargaining relationship with the Bell companies dating back to the post World War II period, giving them a vehicle for collective resistance not available to most call center employees who work in an almost exclusively non-union sector. To be

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[3] David Noble, *Forces of Production: A Social History of Industrial Automation* (New York: Oxford University Press, 1986); Michael Burroway, *Manufacturing Consent: Changes in the Labor Process Under Monopoly Capitalism* (Chicago: Chicago University Press, 1979).

[4] Karl Marx, *The Eighteenth Brumaire of Louis Bonaparte* in *Karl Marx: A Reader*, John Elster, ed. (New York: Press Syndicate of the University of Cambridge, 1986).

sure, individual call center workers have some degree of agency as individuals in pushing back against conditions in the digital workplace – they can game the system, they can quit – but without organization they have limited power to impact fundamental issues of work organization, technology deployment, job security, and compensation.

The CWA-represented customer service workers struggled for power not only with their employers, but also within their union. Although militant women operators built CWA, by the 1960s the predominantly male technicians were the dominant force within the union.[5] With technology gradually decimating the operator workforce, and competition elevating the size and strategic importance of the customer sales and service operation, the service representatives now fought for greater voice within their union. Labor historians have catalogued the struggles of women unionists for power within their unions.[6] Dorothy Sue Cobble's *Dishing It Out* study of waitress unions makes a powerful case that the craft- and gender-based structure of the Hotel and Restaurant Employees (HERE) union gave power, voice, and autonomy to female waitresses that women unionists in amalgamated industrial unions battled to achieve.[7] My case studies complicate Cobble's argument, finding that while female-led customer service bargaining

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[5] Stephen Norwood, *Labor's Flaming Youth: Telephone Operators and Worker Militancy, 1878-1923* (Urbana: University of Illinois, 1990); Venus Green, *Race on the Line: Gender, Labor, and Technology in the Bell System, 1880-1980* (Durham NC: Duke University Press, 2001).

[6] Dorothy Sue Cobble, *Dishing It Out: Waitresses and Their Union in the Twentieth Century* (Urbana: University of Illinois Press, 1991). For the struggle of flight attendants in the male pilot-dominated union structure, see Georgia Panter Nielsen, *From Sky Girl to Flight Attendant: Women and the Making of a Union* (Ithaca NY: ILR Press. 1982). For a study of women autoworkers' struggles in a male-dominated union, see Nancy Gabin, *Feminism in the Labor Movement: Women and the United Auto Workers, 1935-1975* (Ithaca NY: Cornell University Press, 1990). For more general histories see Alice Kessler-Harris, *Gendering Labor History* (Urbana: University of Illinois Press, 2007); Ruth Milkman, ed. *Women, Work, and Protest* (Boston: Routledge and Kegan Paul, 1985).

[7] Cobble, *Dishing it Out*, 3-4.

units excelled at crafting local solutions to workplace problems and developing strong leaders, it was necessary to mobilize the full power of their diversified union to make significant progress on their issues. This was a formidable task, but when successful, as during the Verizon strike in the year 2000, proved critical to winning a pathbreaking stress relief package after eighteen days on the picket lines.

Resistance in the Digital Workplace focuses on the contest between labor and capital in a pivotal industry of the post-industrial economy – telecommunications – and within that sector, customer sales and service. The digital revolution coupled with the growth of the consumer economy transformed the ways in which people bought products and sought customer service and support in the U.S. economy.[8] Beginning in the 1980s and accelerating since then, call centers became the primary vehicle through which businesses (and many public agencies) interact with customers, clients, and citizens. An estimated 3.7 million workers in the United States work in almost 40,000 domestic call centers, representing about three percent of the U.S. workforce.[9] The global call center

[8] Lizabeth Cohen, *A Consumers' Republic: The Politics of Mass Consumption in Postwar America* (New York: Vintage Books, 2004); Andrew J.R. Stevens, *Call Centers and the Global Division of Labor: A Political Economy of Post-Industrial Employment and Union Organizing* (New York: Routledge, 2014), 2.

[9] The U.S. Office of Management and Budget's North American Industry Classification System (NAICS) does not have a code for the "call center industry" nor does the Bureau of Labor Statistics collect data for a unique "customer service" occupation code. The source for the 3.7 million statistic is Contact Babel, a private research firm. Contact Babel. *US Contact Centers, 2021- 2025*, eighth edition (http://contactbabel.com/pdfs/2021/US%20SOITP%202021-25%20Marketing%20v1.pdf). Using the Bureau of Labor Statistics *Current Employment Survey*, I estimate about 3.5 million workers in 2012. This represents about 2.6 percent of the 134.7 million non-farm employees in the United States in 2012. U.S. Bureau of Labor Statistics, Employment, Hours, and Earnings from the Current Employment Survey, December 2012 (http://data.bls.gov/pdq/querytool.jsp?survey=ce).

industry employs millions more.[10] According to one research report, the U.S. domestic call center industry generated $100 billion in revenue in 2000; global call center industry revenue was $339 billion that same year.[11] In 2020, the five largest call center companies employed 875,000 workers in more than 900 global call centers.[12]

While call center employees work in virtually every sector of the U.S. and global economy, *Resistance in the Digital Workplace* focuses on call center workers employed by two leading progenies of the Bell telephone system, AT&T and Bell Atlantic (now known as Verizon). Many of the forces driving change for service workers in the late twentieth century come together in a study of the telecommunications industry and the Bell corporate family: the impact of digital technologies on the reorganization of work; the transformative impact of new technologies on market structure, competition, and consumer services; the ascendance of neoliberal free market ideology over the New Deal Order regulatory framework; the declining power of unions; the impact of digital technologies on work organization and the labor process; and the role of emotional labor in the female-dominated service economy.

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[10] There is no data source on the size of the global call center industry. Country estimates in the early 2000s include United Kingdom (800,000), Canada (500,000), Germany (400,000), Austria (250,000), India (500,000), and South Africa (100,000). David Holman, Rosemary Batt, and Ursula Holtgrewe, *The Global Call Center Report: International Perspectives on Management and Employment* (Ithaca NY, 2007). The Philippines has now eclipsed India as the leading location of offshore call centers; in 2012 scholar Jan Maghinay Padios reported 400,000 Filipino call center workers and in 2015 journalist accounts cited one million Filipino call center workers. Jan Maghinay Padios, *Listening Between the Lines: Culture, Difference, and Immaterial Labor in the Philippine Call Center Industry*, PhD diss., New York University, May 2012, 3; Don Lee, "The Philippines has become the call center capital of the world," *Los Angeles Times*, February 1, 2015.

[11] StrategyR, Global Industry Analysts, Inc. https://www.strategyr.com/market-report-call-centers-forecasts-global-industry-analysts-inc.asp.

[12] The five global call center companies are Concentrix (which merged with Convergys in 2018), Teleperformance, TTEC Holdings, Sitel, and Sykes. Concentrix SEC Form 10-K for the year ended November 30, 2020; Sykes SEC Form 10-K for the year ended December. 31, 2020; TTEC Holdings SEC Form 10-K for the year ended December 31, 2020; Sitel website visited May 30, 2021; Teleperformance 2020 Universal Registration Document available on the website.

The Bell system provides an excellent case study to unravel the multiple forces driving change and setting the bounds for organized worker resistance in the customer service workplaces. Two distinct regulatory events accelerated market competition in telecommunications markets. The 1984 AT&T divestiture broke up the integrated Bell system monopoly. In order to resolve a longstanding anti-trust suit, the AT&T consent decree limited the company to long-distance service, equipment manufacturing and installation, and research in the world renowned Bell Labs, while requiring it to spin off the local networks to seven Regional Bell Operating Companies (RBOCs), which included Bell Atlantic. The RBOCs were limited to provision of local telephone service. Bell system employees who weathered the 1984 dissolution of the AT&T monopoly talk about work life "before" and "after" divestiture. "Before" were the good old days, "after" led to massive job cuts, insecurity, and weakening of union power. Twelve years after divestiture, Congress passed the Telecommunications Act of 1996 which opened all telecommunications markets to competition and accelerated a dizzying wave of mergers, acquisitions, and cost-cutting pressures, including outsourcing of call center work. These two government policy changes serve as markers for transformation in market structure and competitive conditions which in turn shifted the terrain upon which the union and management contested for control.[13] Union representation in the telecommunications

[13] For a discussion of AT&T divestiture, see chapter two, 100-109. For a discussion of the Telecommunications Act of 1996, see chapter five, 243-248.

industry declined during this period from about 60 percent in the early 1980s to 22 percent in 2005, the concluding year of this study. Today it stands at 16 percent.[14]

Throughout this study, I compare worker and union resistance to corporate and managerial changes in the call centers at post-divestiture AT&T and Bell Atlantic. Because competition came much earlier to challenge AT&T's dominance in long-distance service than it did to the more protected local markets of the RBOCs, the comparison provides another lens through which I analyze the impact of market forces and regulatory structures on the power of the union and its call center members.

Customer service union leaders and their members mobilized to promote an alternative vision of the customer service workplace. That vision emphasized quality customer service delivered by highly skilled professionals working in an environment that valued their judgment, experience, and skills to respond to customer needs. CWA customer service members and their leaders mobilized to fight for working conditions in the call centers that emphasized quality rather than low-cost, based on the belief that the benefits in customer satisfaction and loyalty, as well as the reduced costs from lower rates of turnover, absenteeism, and stress-related illness, could support the higher wages, benefits, and investment in training. They articulated a program that would use the enormous power of the information generated by the digital technologies as tools to improve worker performance and customer care, rather than for monitoring, speed-up, and delivery of scripts for customer interactions.

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[14] John Schmitt and Jori Kandra, *Decades of Slow Wage Growth for Telecommunications Workers* (Washington DC: Economic Policy Institute, 2020) Table 4, 8 (for 1970s); Barry T. Hirsch and David MacPherson, "Union Membership, Coverage, Density and Employment from the CPS," http://unionstats.gsu.edu/ (for 2005); Bureau of Labor Statistics, "Union affiliation of employed wage and salary workers by occupation and industry," Table 3 (for 2020).

Indeed, the union won important victories for its members: curbing secret supervisory monitoring, limiting discipline for failure to meet sales quotas and time measurement benchmarks, raising the wages of service representatives, fighting the functionalization and downgrading of non-sales positions, bringing back outsourced work, and gaining access to the internet (and at AT&T, wireless) jobs of the future. But the union and its customer service members faced formidable challenges as their employers reorganized their businesses many times over to compete against non-union companies with lower labor costs and more favorable regulatory treatment, while at the same time meeting the demands of capital owners to deliver ever-higher returns on their investments. Weak U.S. labor laws provided little assistance to non-union workers seeking union representation. The victories of the CWA call center workers frame the boundaries of organized worker power in contesting managerial control in the automated workplace in the context of the neoliberal political economy and financial turn of capitalism. The contests of this pivotal unionized workforce, operating in one of the most dynamic and important sectors of the U.S. and global economy highlights the opportunities, challenges, and constraints U.S. service workers face in their struggles for power in the post-industrial service economy.

The digital transformation impacts virtually every workplace in today's highly automated post-industrial economy. From the Amazon warehouses, to UPS drivers, to modern manufacturing systems, employers deploy the vast capabilities of information technology to regulate, track, and control the pace and the manner in which workers do their jobs. These electronic systems give employers tools that Frederick W. Taylor only dreamed of when he pioneered his system of Scientific Management in the factories of the early twentieth century.[15] Not only do they give management the ability to control workers' time and the labor process far beyond the machine pacing of the assembly line, they enable employers to break up internal labor markets and to outsource production and service functions to third parties across the globe. In the call center, automated systems add a third dimension, as they mediate the interaction between workers and customers. The same digital technologies that employers use to control the labor process, technology companies use to track and monetize our lives as we move through websites, emails, texts, and social media posts. Business historian Shoshanna Zuboff calls this the *Age of Surveillance Capitalism*.[16] This study of the ways in which organized workers mobilized to resist dehumanizing labor in digital workplaces, and the constraints they encountered in the context of a neoliberal political economy that provides few guardrails against the ravages of financial capitalism, has wider implications as we reexamine the regulatory regime that has made this possible.

Historiographical Interventions

The workplace is contested terrain, an arena for struggle between management and labor for job control and allocation of a firm's resources.[17] Labor historians have produced a rich literature exploring how and under what conditions craft and industrial workers fought with management over control on the job. *Worker Resistance in the Digital Workplace* builds upon this literature to explore worker agency and union power

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[15] Frederick Taylor, *The Principles of Scientific Management* (New York: Harper and Brothers, 1911).

[16] Shoshana Zuboff, *The Age of Surveillance Capitalism* (New York: Public Affairs, 2019).

[17] Richard Edwards, *Contested Terrain: The Transformation of the Workplace in the Twentieth Century* (New York: Basic Books, 1979).

in the highly automated digital call center during the era of financial capitalism in a neoliberal political economy.[18]

I draw upon the research of labor scholars David Montgomery, David Brody, Stephen Meyer, and Daniel Nelson who studied the multiple ways that U.S. workers resisted and managers asserted their authority to impose time discipline and Frederick Taylor's system of Scientific Management to control the labor force in industrial workplaces.[19] David Brody's nuanced analysis of post-World War II era industrial unionism is particularly useful in his discussion of the dialectical nature of the union contract which simultaneously protects workers against arbitrary management authority and at the same time contains workers' rights to those items detailed in the contract.[20] Brody wrote his critique of industrial unions' acquiescence to "management rights" on the job in 1980, before the massive deindustrialization wave devastated the unionized manufacturing sector.[21] In today's labor environment and in the call center workplace, I argue contractual protections are critical to protect workers against the most intrusive

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[18] For a discussion of labor in the era of financialization, see Sanford Jacoby, *Labor in the Era of Financial Capital: Pensions, Politics, and Corporations from Deindustrialization to Dodd-Frank* (Princeton NJ: Princeton University Press, 2021.)

[19] David Montgomery, *Worker's Control in America: Studies in the History of Work, Technology, and Labor Struggles* (New York: Cambridge University Press, 1987); David Brody, "The Uses of Power I: Industrial Battleground," *Workers in Industrial America: Essays on the 20th Century Struggle* (New York: Oxford University Press, 1980), 202, 207; David Brody, *In Labor's Cause: Main Themes on the History of the American Worker* (New York: Oxford University Press, 1993); Stephen Meyer III, *The Five-Dollar Day: Labor Management and Social Control in the Ford Motor Company, 1908-1921* (Albany: SUNY University Press, 1981).

[20] "Contractual rules could never totally penetrate the core of informal shop-floor activity…But the contractual net did progressively narrow the scope of such activity, and what was no less important, increasingly designate it as extralegal in character. At the point that workers began to accept the underlying premise – if it was not in the contract, it was not a right – half the battle was over." Brody, "The Uses of Power I: Industrial Battleground," 202.

[21] Barry Bluestone and Bennett Harrison, *The Deindustrialization of America* (New York: Basic Books, 1982).

elements of the digital workplace. All too few call center workers have access to this essential element of worker power.

The publication of Harry Braverman's *Labor and Monopoly Capital* in 1974 unleashed a flood of scholarly research exploring the ways in which capital deploys technology and organizes work to control the labor process, adopting Frederick W. Taylor's system of Scientific Management to deskill, routinize, and control workers.[22] Scholars critiqued Braverman's work as overly deterministic, ahistorical, and silent on the gendered nature of the division of labor.[23] Venus Green's *Race on the Line* detailed study of the Bell systems' adaptation of Taylorist principles to the operator services work environment addresses this gap and sets the stage for my discussion of the call center workforce.[24]

A second wave of labor process theory complicated Braverman's analysis, adding worker agency as a critical component. In this dissertation, I rely heavily on Richard Edwards' theory of the workplace as an arena in which workers and managers wrestle for control. In *Contested Terrain*, Edwards describes a dialectical process in which workers' reactions to new technologies and work organization create a dynamic response and

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[22] Harry Braverman, *Labor and Monopoly Capital: The Degradation of Work in the Twentieth Century* (New York: Monthly Review Press, 1974); Noble, *Forces of Production*; Burroway, *Manufacturing Consent*.

[23] Daniel Nelson, *Frederick W. Taylor and the Rise of Scientific Management* (Madison: University of Wisconsin Press, 1980); Ava Baron, "Contested Terrain Revisited: Technology and Gender Definition of Work in the Printing Industry," in *Women, Work, and Technology* ed. Barbara Drygulski Wright (Ann Arbor: University of Michigan Press, 1987) 61-2; Myra Marx Ferree, "Introduction," in *Women, Work, and Technology*, 139-144.

[24] I disagree with Green's critique of CWA failure to save operator jobs after the introduction of the electronic console. Put simply, unions can shape but cannot block technological progress. Green, *Race on the Line*, 248-253.

counterresponse in a struggle over technology and job design. The contest between labor and capital takes place within a specific historical context, shaped by the degree of competition, size of the corporation, extent of union organization, level of worker class consciousness, the impact of government policies, and the speed of technological change. Edwards identifies three types of managerial control: simple control consists of direct and personal discipline; bureaucratic control emphasizes conformity to rules, methods, and procedures embedded in the social relations of the workplace; and technical control refers to machine pacing of the labor process.[25] The Bell system perfected systems of personal and bureaucratic control over the customer service workforce during the era before computers; during the 1990s the legacy companies struggled with the high costs and inflexibility of bureaucratic controls; and in the digital age, managers deployed automated systems capable of unprecedented levels of technical control.

Although labor historians have largely ignored the study of call center workers, industrial relations scholars and sociologists have written extensively about this labor force. They engaged in the labor process debate over the degree of worker agency in the heavily automated call center. *Resistance in the Digital Workplace* enters into this debate, rejecting the position argued by some that digital surveillance technology gives management "ultimate" or "total" power in the workplace, making call centers the

[25] Edwards, *Contested Terrain*.

epitome of Michel Foucault's description of panoptic power.[26] My project demonstrates that even in this highly controlled environment, a unionized workforce retains some degree of agency to impact conditions in the call centers, though it has many steep hurdles to climb to do so. Arlie Hochschild's concept of emotional labor identifies one important source of autonomy even in the most highly regimented call center that customer service workers utilized in their struggles for independence on the job.[27]

Resistance in the Digital Workplace joins a growing body of labor history focused on women workers. We are long past the days when Alice Kessler-Harris lamented "Where are the Organized Women Workers?"[28] Historians of twentieth century women workers have analyzed the ways in which waitresses, department store saleswomen, flight attendants, home care workers, among others, used gendered notions of women as emotional laborers as a source of power in their struggles to build unity and improve their conditions at work. Dorothy Sue Cobble's study of female waitresses emphasized the ways in which their craft-based solidarity sustained unionization, female leadership, workplace control, and upgrading of their trade.[29] Sue Porter Benson demonstrated how

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[26] For the "total control" argument, see Susan Fernie and David Metcalf, *(Not) Hanging on the Telephone: Payment Systems in the New Sweatshops* (London: Centre for Economic Performance, London School of Economics, 1998). For descriptions of worker resistance in call centers, see Phillip Taylor and Peter Bain, "An Assembly-line in the Head: The Call Center Labor Process," *Industrial Relations Journal* 30:2 (1999), 101-17 and George Callaghan and Paul Thompson, "Edwards Revisited: Technical Control and Call Centres," *Economic and Industrial Democracy* 22 (2001), 13-37. For a discussion of union exercise of collective voice to mitigate electronic monitoring practices, see Virginia Doellgast and Sean O'Brady, "Collective voice and worker well-being: Union influence on performance monitoring and emotional exhaustion in call centers," forthcoming: *Industrial Relations: A Journal of Economy and Society*.

[27] Arlie Hochschild, *The Managed Heart: Commercialization of Human Feeling* (Berkeley: University of California, 1983).

[28] Alice Kessler-Harris, "Where are the Organized Women Workers?" *Feminist Review* 3 (Fall 1975): 92-105.

[29] Cobble, *Dishing it Out*, 1-14.

department stores employees used their relations with customers as a source of power and resistance to retail managers' failed attempts to impose scientific management principles in their workplaces.[30] Kathleen Barry described the ways in which flight attendants turned their employers' emphasis on "femininity in flight" and their relationship with air travelers into a resource to boost their profession.[31] Eileen Boris and Jennifer Klein traced the ways in which home care workers were able to use the issue of quality to unite with organizations representing their disabled and elderly clients to gain collective bargaining rights, improved compensation, and enhanced job security.[32] Call center workers also attempted to use customer relationships, craft identities, and an emphasis on quality service as sources of power and solidarity, but the machine-paced, highly scripted, and heavily monitored call center environment imposed limitations on these strategies.

Union representation in the United States has dropped to seven percent of the private sector workforce.[33] *Resistance in the Digital Workplace* argues that unions are essential to give call center workers, and all working people, a collective voice to counter the power of capital in the workplace and in the larger economy. Government policy plays a critical role in structuring the labor market institutions and regulatory framework within which unions contest for power in representing their members and in their ability

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[30] Susan Porter Benson, *Counter Cultures: Saleswomen, Managers, and Customers in American Department Stores, 1890-1940* (Urbana: University of Illinois Press, 1986).

[31] Kathleen M. Barry, *Femininity in Flight: A History of Flight Attendants* (Durham NC: Duke University Press, 2007).

[32] Eileen Boris and Jennifer Klein, *Caring for America: Home Health Workers in the Shadow of the Welfare State* (New York: Oxford University Press, 2012).

[33] Union representation across the entire economy (including both private and public sectors) was 12 percent in 2020. Bureau of Labor Statistics, "Union Members Summary," Table 1 and Table 3, January 22, 2021. https://www.bls.gov/news.release/union2.t03.htm

to assist non-union workers who want union representation. While there is a substantial literature on union revitalization efforts in the United States, this literature has largely ignored CWA's innovative bargain to organize strategy that I discuss in chapter three and CWA militant strike activity that I discuss in chapter six.[34]

Call center researchers have made significant contributions to the impact of labor market institutions on worker power. Industrial relations scholar Rosemary Batt and an international group of researchers conducted a global survey of call center work organization and employment practices in seventeen countries during the early 2000s. They categorized the countries in their survey by the strength of labor market institutions. Coordinated or 'social market' countries are those with relatively strong labor market regulations and institutions, including Germany, Sweden, Denmark, Austria, Spain, Netherlands, France, and Israel. Germany and the Scandinavian countries, in particular, have labor market institutions that include co-determination statutes requiring worker representation on corporate boards; sectoral bargaining structures that include all employers and workers in a single industry; and substantial government support for worker training, retraining, and other labor supports. At the other extreme are liberal

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[34] On union revitalization, see Kim Voss and Rachel Sherman, "Breaking the Iron Law of Oligarchy: Union Revitalization and the American Labor Movement," *American Journal of Sociology* 106:2 (September 2000), 303-349; Ruth Milkman and Kim Voss, eds., *Rebuilding Labor: Organizing and Organizers in the New Labor Movement* (Ithaca NY: ILR Press, 2004). Two monographs that discuss CWA union revitalization efforts are Harry C. Katz, Rosemary Batt, and Jeffrey Keefe, "The Revitalization of the CWA: Integrating Collective Bargaining, Political Action, and Organizing," *Industrial and Labor Relations Review*, 56:4 (July 2003), 573-589 and Kate Bronfenbrenner and Robert Hickey, "Changing to Organize: A National Assessment of Union Strategies" in *Rebuilding Labor*, 17-61. On the absence of scholarly discussion of CWA strikes, note the omission in Jeremy Brecher, *Strike! Revised and Expanded* (Oakland, CA: PM Press, 2004) and Aaron Brenner, Benjamin Day, and Immanuel Ness, eds., *The Encyclopedia of Strikes in American History* (Armonk, NY: M.E. Sharpe, 2009).

market economies with more relaxed labor market regulations and institutions, including the United States, Canada, the United Kingdom, and Ireland. The third category are newly industrializing or transitional economies, including Brazil, India, Poland, South Africa, and South Korea. (The research took place before the large expansion of call centers in the Philippines, now home to the largest number of offshored call centers.) The researchers found many similarities in call center organization around the globe, and at the same time, they conclude that "[la]bor market institutions influence management strategies. Call centers in coordinated economies tend to have better jobs, lower turnover, and lower wage dispersion than call centers in liberal economies and newly industrializing ones, where labor market regulations and unions are weaker." Unions represent 71 percent of surveyed call centers in the coordinated economies, but only 22 percent of call centers in the liberal economies (and 36 percent in industrializing countries).[35]

Virginia Doellgast built upon this research in *Disintegrating Democracy at Work*, a comparative study of call centers in the telecommunications industry in Germany and the United States. She found that German call center workers were generally paid higher salaries and had more control over their work than those in the United States. They were more likely to be treated like professionals, with greater flexibility and protections against intrusive electronic monitoring. "The most striking difference," she wrote, "concerned the process of management decision making…Worker representatives used

[35] Holman, Batt, and Holtgrewe, *The Global Call Center Report*, vi-vii. See also Batt, Holman, and Holtgrewe, "The Globalization of Service Work: Comparative International Perspectives on Call Centers, *Industrial and Labor Relations Review* 62:4 (2009), 453-88.

their strong participation rights to help managers find compromise solutions that reduced costs and improved productivity and service quality, while ensuring that the privacy, dignity, and economic interests of the workforce were respected." Doellgast traced the differences in practices and outcomes between German and U.S. call centers directly to the German institutions of co-determination, works councils, and sectoral bargaining, "strong institutions for workplace democracy [that] pushed call center managers to take the high road in workplaces where there were many incentives to reduce pay and rationalize work."[36]

Finally, *Resistance in the Digital Workplace* draws upon the growing economic and business scholarship on the financial turn of capitalism and its impact on corporate employment practices. During the years covered by this dissertation, the former Bell companies transformed themselves from a Chandlerian model of managerial capitalism to a financial model. Briefly stated, this transition, driven by capital's laser focus on boosting shareholder value, transformed the managerial function from one that coordinated vertically integrated activities within a firm to the manipulation of assets to be bought, sold, and reengineered with the goal of boosting returns to shareholders. As a firm's financial success became less dependent on productive activity, managers increasingly viewed labor as another factor of production to be squeezed rather than a reciprocal relationship that could add value to the company. The logical extension of the financial turn, as David Weil explains in *The Fissured Workplace*, is the outsourcing of

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[36] Virginia Doellgast, *Disintegrating Democracy at Work: Labor Unions and the Future of Good Jobs in the Service Economy* (Ithaca NY: Cornell University Press, 2012) ix-xx. Doellgast also highlights the challenges that unions in both Germany and the United State faced in fighting the outsourcing of their call center members' work.

larger and larger portions of the work producing goods and delivering services. Call center workers experienced the impact of the financial pressures on AT&T and Bell Atlantic to maximize short-term shareholder value over longer-term investments in growing job insecurity, downward pressures on living standards, and intensification of the stressful conditions in the call centers.[37]

Chapter Outline

CWA and its customer service leaders and members used multiple approaches in their attempts to translate their vision of good, humane customer service jobs into concrete changes to improve the working conditions, job security, and living standards in the call centers, including collective bargaining, labor-management partnerships, regulatory interventions, public relations campaigns, and in the year 2000, going on strike. The chapters in the dissertation explore the effectiveness of these strategies, with particular attention to the context in which they took place and the product market serviced by the call center workers. CWA made gains or defeated cost-cutting measures when the impacted customer service workforce sold higher value products and services;

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[37] David Weil, *The Fissured Workplace: Why Work Became So Bad for So Many and What Can Be Done to Improve It* (Cambridge MA: Harvard University Press, 2014). For a discussion of the impact of financialization on employment and management structures, see Arne Kalleberg, *Good Jobs/Bad Jobs: The Rise of Polarized and Precarious Employment Systems in the United States, 1970s to 2000s* (New York: Russell Safe Foundation, 2011), 28-29; Rosemary Batt, "The Financial Model of the Firm;" Daniel T. Rodgers, *Age of Fracture* (Cambridge: Harvard University Press, 2011), 41-76; Greta Krippner, *Capitalizing on Crisis: The Political Origins of the Rise of Finance* (Cambridge MA: Harvard University Press, 2011); William Lazonick, "Profits without Prosperity," *Harvard Business Review* (September 2014), 3-11; Gerald Davis, *Managed by the Markets: How Finance Reshaped America* (New York: Oxford University Press, 2009); Eileen Appelbaum and Rosemary Batt, *Private Equity at Work: When Wall Street Manages Main Street* (New York: Russell Sage Foundation, 2014). For a discussion of managerial capitalism see Alfred D. Chandler, Jr., *The Visible Hand: The Managerial Revolution in American Business* (Cambridge MA, Harvard University Press, 1977 generally and 195-206 (for discussion of AT&T organizational structure) and Alfred D. Chandler, Jr. and Richard S. Tedlow, *The Coming of Managerial Capitalism: A Casebook on the History of American Economic Institutions* (Homewood, Ill.: Richard D. Irwin, Inc., 1985).

when regulatory structures protected markets from downward pressure on labor costs; when their employer's financial performance was strong; when union density remained high; and when customer service members and leaders were able to mobilize the full power of the union behind their demands.

Chapter One describes the life of the customer service representative in the pre-divestiture monopoly era Bell System. The chapter highlights the relative stability of employment, the contrast between the highly regimented operator work environment and the greater autonomy in the customer service offices, the fight of CWA women for leadership within a male-dominated union against job pressures, and the landmark Equal Employment Opportunities Commission affirmative action case against the Bell system. The chapter sets the stage for the monumental changes that will take place in the AT&T and Bell Atlantic call centers after divestiture and the introduction of digital technologies.

Chapter Two describes the transformation of the call centers as a result of two major changes: the 1984 AT&T divestiture that broke up the integrated Bell system and the introduction of digital technologies into the call center workplace. In response to work speed-up, intensified monitoring, and downward pressure on compensation, call center workers coalesced into a workforce of resistance, demanding that their union take up their issues. The chapter compares the effectiveness of CWA collective bargaining strategies at AT&T and Bell Atlantic between 1984 and 1995 with attention to the impact of the level of competition and regulatory oversight on the power of the different bargaining units to negotiate provisions regarding compensation, supervisory monitoring, and a new and even more intrusive form of managerial surveillance known as adherence.

With the introduction of competition and new technologies, CWA adopted a strategic organizing program in the 1990s to assist non-union telecommunications workers gain union representation. Chapter Three contrasts the CWA organizing campaign at Sprint Communications' Spanish-language telemarketing center, conducted within the framework of our nation's weak labor laws, with the successful CWA bargain-to-organize campaign at Southwestern Bell Mobility Systems that enabled 40,000 wireless workers to select union representation free from fear of job loss or harassment.

During a brief transitional period in the 1990s, employers adopted programs to engage workers in the design of new so-called high-performance work systems to improve competitiveness. Chapter Four examines CWA joint projects with AT&T, Bell Atlantic, and another former Bell company (US West) to redesign the call center job. Through the process, CWA call center workers articulated a vision of a good call center job supported by significant investments in training and reconfiguration of automated systems, but the projects ultimately faltered as corporate executives prioritized reengineering through job cuts over high-performance work organization.

Chapter Five turns attention to the fight of CWA customer service leaders and members against the outsourcing of their work as new competitive pressures ushered in by passage of the Telecommunications Act of 1996 and financialization of capital drove call center managers to implement these fissuring strategies to reduce costs and gain flexibility. I compare largely unsuccessful efforts to staunch AT&T's outsourcing and eventual offshoring of roughly half of its core call center operation with the successful effort to block outsourcing of new internet sales by Bell Atlantic.

In August 2000, 87,000 union members went on strike against Verizon Communications (the former Bell Atlantic) over three issues: organizing rights at Verizon wireless, job security, and stress relief in the call centers. Chapter Six analyzes the institutional factors and the union education, mobilization, and organizing effort that led to the successful conclusion to the strike, including agreement on a pathbreaking stress relief package that included many provisions that the union had fought for over the years. These achievements – while significant – fell short of the union vision for the organization of work in the call centers. By concluding the dissertation with the negotiation of the stress relief package, regarded by CWA leaders and customer service workers as a high point in their struggle over conditions in the customer service operations, the dissertation indicates the boundaries of organized worker power in countering technology-driven managerial control in a deregulated market dominated by non-union and increasingly global competitors.

The Conclusion brings the situation of the CWA-represented call center workers at AT&T and Verizon up to date. Verizon management refused to abide by the wireless card check/neutrality agreement negotiated after the 2000 strike and today Verizon Wireless remains a largely non-union company. Both Verizon and AT&T have escalated outsourcing call center work. CWA has responded with a dual strategy: mobilizing to preserve in-house jobs and uniting with workers abroad to support their collective efforts to organize. The chapter concludes with a call for political action to strengthen labor laws, financial regulation, and other public policies to restore the ability of working people to organize collective power as a countervailing force to the largely unrestrained power of capital in our economy, our polity, and in the workplace.

Methodology and Sources

I used a rich set of source material to uncover the world of the Bell system customer service representative in the pre-divestiture era. During the monopoly era, the Federal Communications Commission (FCC) required AT&T to maintain detailed employment records by occupation and gender for supervisory and non-supervisory employees. This data is available from 1945-1981 in the FCC's *Statistics of Common Carriers*. The dataset stops in 1982, the year that AT&T and the Department of Justice signed the divestiture consent decree. The National Archives in College Park, Maryland house forty-two boxes of material collected by the EEOC in the early 1970s as evidence in the affirmative action case against AT&T. The material includes demographic information by race, gender, and occupation, job descriptions, advertisements, training manuals, internal Bell company reports, and public hearing testimony which together paint a rich picture of the customer service job during this period. The AT&T Archives in Warren, New Jersey includes a wealth of well-catalogued material on AT&T business history prior to divestiture. CWA Archives at the Tamiment Library of New York University document the history of the union and the campaign of CWA operators against job pressures.

After 1982, detailed corporate and government records of telecommunications company employment by occupation, gender, and race dry up. AT&T does not maintain employment data in its archives; Bell Atlantic does not have an archive. I relied on public corporate documents filed with the Securities and Exchange Commission to track total employment and union membership, financial information, and corporate business strategies. I hungered for access to internal memos, correspondence, and consultants' reports to understand the complex pressures behind key corporate decisions. They are not available.

In the absence of corporate documents, I have relied almost exclusively on union sources and interviews in reconstructing the life and struggles of AT&T and Bell Atlantic call center workers in the post-divestiture period. I had hoped to create a time series database of customer service employment at the two companies based on data provided by each company to CWA in response to pre-bargaining data requests, which typically took place every three years. AT&T marked all this information proprietary and confidential and turned down my request to use it in this dissertation. Union records of Bell Atlantic data is incomplete.

I conducted extensive interviews with twenty-five former service representatives and CWA leaders and five former Bell Atlantic and AT&T managers to learn everything they could tell me about the life of the customer service representative, in particular what it felt like, what gave them satisfaction from their work, and what obstacles they faced in doing their jobs. Their responses were filled with poignant memories, rich details, much laughter, and recollections of moments of deep frustration. They remembered their first day at work: what they wore, how they felt, what they earned. Inevitably they told me how much more stressful the job became over time with more monitoring, escalating sales quotas, intensified pace, scripting of conversations, and fewer personal relationships among coworkers. But they found it hard to pinpoint exact moments when particular changes took place and when new workforce management tools were implemented.[38]

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[38] Memory tells us much about a person's values and cherished moments. It is also fallible. See, e.g, Daniel James, *Dona Marie's Story* (Durham NC: Duke University Press, 2000); Alessandro Portelli, *The Death of Luigi Trastulli and Other Stories: Form and Meaning in Oral History* (Albany: State University of New York Press, 1991).

I therefore turned to CWA records from locals, regional districts, and the national union for memos, flyers, minutes, correspondence, arbitration documents, speeches, reports, and especially materials collected in preparation for and during collective bargaining negotiations. The latter included collective bargaining demands, data provided by the company, bargaining minutes, reports, contracts, and memoranda of agreement. Some CWA locals were pack rats; others did not save anything. Some participants provided me with personal records. Often I had to read between the lines of the union documents to tease out management practices and objectives. The CWA Research Department, the Organizing Department, and the Telecommunications and Technologies unit responsible for the AT&T bargaining unit provided particularly rich materials.

There are gaps and omissions in any project. I would have liked to explore more deeply the impact of race on service representative resistance, but my sources were largely silent on this issue. My incomplete data indicates that about one-quarter of the service representatives were people of color, with variation based on the racial makeup of the working population in the call center location.

Strategic Positionality

As scholars, we must always reflect upon the elements of our personal background that impact the quality of our research.[39] My study of call center workers in the legacy Bell companies draws upon my career as a member (and in the latter years, director) of the CWA Research Department (1992-2020). During this period, my responsibilities included providing assistance to the customer service occupational group

[39] For an excellent overview of how a researcher's visible (gender, race/ethnicity) and invisible (social capital) identities impact research, see Victoria Reyes, "Ethnographic toolkit: Strategic positionality and researchers' visible and invisible tools in field research," *Ethnography* 21:2 (2020): 220-240.

in contract negotiations and enforcement, organizing, and labor-management initiatives. Over the years, I visited multiple AT&T and Bell Atlantic call centers, sat next to service representatives as they fielded calls, and was briefed by managers who demonstrated the workforce management tools they used to monitor performance. I supported the annual customer service conferences described in chapter two, provided research to CWA organizers at Sprint and Southwestern Bell Mobile Systems discussed in chapter three, served as an expert witness in the US West reasonable sales objectives arbitration highlighted in chapter four, analyzed data for the union members of the AT&T/CWA outsourcing committee analyzed in chapter five, and facilitated development of the service representative bargaining agenda discussed in chapter six. After passage of the Telecommunications Act of 1996, I directed CWA's telecommunications policy program with multiple interventions before the FCC, state commissions, the U.S. Department of Justice, and Congress.

My personal background and "insider" status impacts this study in several ways. First, my female gender, my union status, and my relationship with many of the CWA call center and other union leaders opened many doors, built and sustained trust and rapport in extensive interviews, provided me access to key documents, helped me identify important struggles that informed my case studies, and facilitated introductions to call center workers and other union and management leaders that were essential to my research. For example, when I reached out to a retired AT&T sales and marketing executive, he agreed to an interview because we had worked together on the joint CWA/AT&T outsourcing committee; he then introduced me to another top AT&T executive who agreed to an interview based on his colleague's "seal of approval." These interviews helped me understand the competitive and business pressures they faced managing call center operations in the post-divestiture period. On the other hand, my union status also closed the door when another top AT&T manager declined a formal interview; it also likely played a role in the AT&T legal department's decision to refuse access to certain documents provided under confidentiality to the union.

Second, my "insider" status and background gives me deeper understanding of the world of the service representative, her struggles for good jobs and meaningful work, internal union political dynamics, and the impact of regulatory change. My deep knowledge of the call center workforce and the telecommunications industry helped me ask the right questions and probe more deeply in analyzing the impact of social, economic, and political forces on the frontline workforce. My study would certainly have benefitted from access to internal company documents, managers, and executives that described the options and rationale behind key management decisions with the same level of detail as the union documents.

Certainly, I have written *Resistance in the Digital Workplace* with a clear point of view. I believe unions empower workers, capital concedes only what labor power successfully demands, and government institutions profoundly impact the outcome of the contest between labor and capital in society and in the workplace. My goal in this project is to take advantage of this "insider" background to present a rich, nuanced portrait of the ways in which call center workers experienced the impact of neoliberalism and financialization on the job, how they fought against the degradation of conditions at work, and the constraints they faced in the context of the larger political economy.

Conclusion

In their struggles with employers, the call center workers and CWA challenged neoliberal policies amidst both the digital revolution and the decline of unions. They deployed multiple strategies in their fight for good, secure, satisfying jobs that gave them the autonomy to use their knowledge, skills, and experience to serve their customers. CWA proved to be a powerful force for collective resistance to the worst abuses that drove the unhealthy, stressful, dehumanizing conditions in the call centers and in gaining union jurisdiction over jobs of the future in new internet and, at AT&T, wireless services. Indeed, the union made a difference in shifting the balance of power for call center workers.

And yet, union power proved necessary but not sufficient to address the root causes of the insecure, unhealthy, and dehumanizing jobs in the call centers. The contest between the CWA-represented call center workers and their employers took place at a time that neoliberal ideology with its overriding faith in unfettered market forces provided few, if any, public policies to restrain the power of capital. Telecommunications policies favored non-union new entrants. Weak labor laws were no match for aggressive anti-union employers determined to prevent their workers from organizing. Financial deregulation eliminated the few public policy guardrails on capital, leading to the financial turn in capitalism and management practices that drove cost-cutting, outsourcing, intensified speed-up, and stressful surveillance in the call centers. The call center workers and CWA wrestled with employers for control in an arena that was heavily stacked against them.

We have entered a new Gilded Age, one in which the fifty richest Americans hold more wealth than the combined total of the bottom half (165 million) of all Americans.[40] To restore a modicum of balance for working people, we need fundamental reform of our labor laws, stronger financial regulation, strengthening of the social safety net, tax and budget policies that finance investments not only in our physical infrastructure but most important in our people, and a restoration of our democratic institutions. Working people cannot be left on their own to battle the tremendous power of unrestrained capital, but need the support of government institutions to give them a fighting chance to come together to exercise collective power, to gain their fair share of the wealth that they create, and to win a measure of control over the great power of digital technology to improve conditions in our modern automated workplaces.

[40] The wealthiest fifty Americans are worth almost $2 trillion, while the total net worth of the bottom half of the U.S. population is worth just $2.08 trillion. Ben Steverman and Alezandre Tanzi, "The Richest 50 Americans are Worth as Much as the Poorest 165 Million Americans," *Bloomberg Wealth*, October 8, 2020 citing U.S. Federal Reserve data.

Chapter 1. The Way It Was: The Bell System, Labor-Management Relations, and Customer Service Operations before Divestiture, 1965-1983

Sandy Kmetyk, dressed in white gloves and a pillbox hat, began her first day of work as a telemarketing representative in the downtown Pittsburgh office of the Bell Telephone Company of Pennsylvania in November 1967. Everyone in her working class neighborhood of North Hills, a community just outside of Pittsburgh populated by first and second-generation Croatian and Italian immigrants, knew that the telephone company offered stable employment and decent pay, especially given the other options available to a female high-school graduate in 1967. Kmetyk was pleased when the telephone company offered her a telemarketing job at $68.50 per week, and then, to her delight, gave her a promotion a month later to customer service representative in the residential business office on Pittsburgh's north side, earning a weekly wage of $81. Kmetyk would remain a telephone company customer service representative for the next twenty-two years, with a three-year break in the mid-1970s to care for her young children. Although Kmetyk left the company payroll in 1989, her life remained rooted in the world of Bell System customer service workers as she assumed leadership in her union, first as executive vice-president and then, in 1996, president of Communications Workers of America (CWA) local 13500, a statewide local of telephone company customer service employees throughout Pennsylvania.[1]

[1] Sandy Kmetyk interviews with author, February 1, 2012 and January 21, 2013.

Kmetyk began her tenure as a customer service employee in the vast Bell Telephone System in the waning years of the New Deal Order.[2] The Bell system's status as a regulated monopoly insulated the company from many of the economic pressures transforming business operations and labor relations in other large private sector companies in the 1970s. The corporate organization, with federated entities reporting to AT&T headquarters in New York City, followed a classic Chandlerian bureaucratic organizational model.[3] Labor-management relations were firmly grounded in the collective bargaining framework of the 1935 National Labor Relations Act (NLRA), one that provided secure, relatively well-compensated jobs to more than half a million union-represented employees. While the 1960s and 1970s were a time of relative stability in the Bell system and in the business offices where the customer service representatives worked, a storm was brewing as ascendant neoliberal economic policies and technological innovations opened the door to regulatory change and the 1984 AT&T divestiture.

This chapter describes the world of the customer service employees in the two decades before the break-up of the Bell system. I examine the gendered, paternalist

[2] The New Deal Order refers to the political relationships and ideological constructions that dominated the U.S. political economy from the Great Depression of the 1930s through the election of Ronald Reagan in 1980. The New Deal Order was characterized by Keynesian economics, liberal political philosophy, support for government intervention and regulation to contain the excesses and failures of market capitalism, a moderate social welfare state, and support for unions as a countervailing force in the economy. See Steve Fraser and Gary Gerstle, *The Rise and Fall of the New Deal Order* (Princeton: Princeton University Press, 1989). For a reevaluation of the New Deal Order, see Gary Gerstle, Nelson Lichtenstein, and Alice O'Connor, *Beyond the New Deal Order: U.S. Politics from the Great Depression to the Great Recession* (Philadelphia: University of Pennsylvania Press, 2019.)

[3] Alfred Chandler describes the managerial business enterprise as one characterized by distinct operating units managed by a hierarchy of salaried executives in which the "visible hand" of professional managers takes the place of the "invisible hand" of market mechanisms in coordinating economic activity and allocation of resources. Chandler names this "managerial capitalism." Alfred D. Chandler Jr., *The Visible Hand: The Managerial Revolution in American Business* (Cambridge: Harvard University Press, 1977).

management systems in the customer service workplaces and the impact of the landmark 1973 affirmative action Consent Decree on the gender-based employment system that put a wall between technician jobs for men and operator and customer service jobs for women. The chapter paints a detailed portrait of the women (and eventually some men) who worked as customer service representatives in these years, how they found meaning on the job, and the ways they navigated the management systems that both supported yet at other times undermined their deep commitment to a culture of customer service. During this period, the customer service employees worked in small business offices, selling telephone service to customers and dealing with billing issues over the phone. The records were all on paper; there were no computers then. These service representatives were a relatively small portion of the vast Bell system workforce, one that would grow in size and importance in the post-divestiture era.

Richard Edwards' *Contested Terrain* describes three systems of management control in the workplace: personal control by supervisors, bureaucratic control through rules and procedures, and technical control through automated systems.[4] In the pre-divestiture era, the Bell system implemented a highly structured system of bureaucratic, supervisory, and technical control over the largest occupational group in the Bell system, the heavily monitored and tightly managed telephone operators who handled long-distance calls and directory assistance. In contrast, during this period of relative market stability before the introduction of digital workforce management systems in the business offices, the Bell system managed the customer service employees largely through

[4] Richard Edwards. *Contested Terrain: The Transformation of the Workplace in the Twentieth Century.* (New York: Basic Books, 1979), 18-20.

detailed, bureaucratic methods and procedures, supplemented by supervisory oversight, but had not yet introduced automated systems to regulate the pace and manner in which the service representatives did their work. Although the service representatives resented the Bell system's bureaucratic rules, they identified with its culture of service, and found meaning in their work. The customer service representatives had not yet coalesced into a workforce of resistance, meaning a workforce that defined its interests as distinctly different from those of its Bell employers, one that mobilized collectively to push for those interests. Rather, during this period, it was the female operators who rose up both within their union and against the company to demand greater power to shape conditions at work. The female operators' campaign for greater control over their working environment pushed the union to win contractual provisions that opened the door to a greater union voice over traditional management rights regarding technological change and the organization of work – openings that the customer service workers would attempt to capitalize on in the post-divestiture era.

Pre-Divestiture Bell System: The Phone Company

Throughout most of the twentieth century, American Telephone and Telegraph (AT&T) was *the* phone company, a vertically integrated, regulated monopoly that provided local telephone service to locations serving 80 percent of U.S. households and businesses through twenty-one wholly-owned and two partially-owned Bell Operating Companies (BOCs); long-distance and international telephony to virtually all U.S. customers through the Long Lines Department; telephone equipment to homes and businesses manufactured and distributed by its Western Electric subsidiary; and world-renowned basic and applied research centered at Bell Telephone Laboratories.[5] AT&T owned the stocks of the local operating companies and provided them with central planning, policy-making, research and development, consultant service, and financial assistance.[6] While the BOCs, with their own Boards of Directors and management teams, had a significant amount of flexibility in managing their operations, core policies were set by and directed from AT&T corporate headquarters at 195 Broadway in New York City.[7]

For much of the twentieth century, AT&T operated in a relatively stable environment as a regulated monopoly with little competition and a controlled pace of technological change. A Harvard Business School case study described AT&T's industry environment from 1913 through the 1970s as "an organizational and strategic equilibrium with its environment under state and federal regulation."[8] Policymakers considered the telephone system a natural monopoly, with efficiencies rooted in the scale and scope

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[5] Sonny Kleinfeld, *The Biggest Company on Earth: A Profile of AT&T* (New York: Holt, Rinehart and Winston, 1981), 6; Peter Temin and Louis Galambos, *The Fall of the Bell System* (New York: Cambridge University Press, 1987), 11-12.

[6] FCC, *In the Matter of Petitions filed by the Equal Employment Opportunity Commission (EEOC) et al*, Memorandum accompanying the August 1, 1972 Submission of the Bell Companies, Docket No. 19143, Box 565, Vol. 12, 12 (hereafter EEOC Case).

[7] AT&T leadership used its federated structure as a mechanism to weaken labor negotiating power and as a defense in the landmark 1970 employment discrimination case. As early as 1950, CWA testified before a Senate committee that AT&T Corporation "completely controls the labor relations and labor policies of the Bell System," yet the Corporation insisted upon collective bargaining "on a local basis" with separate negotiations with each Bell Operating Company. It was not until 1974 that CWA achieved a longstanding goal of national system-wide bargaining with A&T Corporation. Testimony of Joseph A. Beirne, President of Communications Workers of America, "Labor-Management Relations in the Bell Telephone System," Senate Subcommittee on Labor Management Relations of the of the Committee on Labor and Public Welfare, 81st Congress, 2nd Session, August 10, 1950. Similarly, in the landmark EEOC affirmative action case against AT&T, AT&T Corporation claimed that it did not "directly control the associated companies' handling of problems connected with their local operations." Memorandum accompanying August 1, 1972 Submission of the Bell Companies, EEOC Case, Box 157, Vol. 12.

[8] Leonard Schlesinger, Davis Dyer, Thomas N. Clough, and Diane Landau, *Chronicles of Corporate Change: Management Lessons from AT&T and Its Offspring* (Lexington MA: Lexington Books, 1987), 11.

economies of one integrated network. The Federal Communications Commission (FCC), established by the Communications Act of 1934, regulated AT&T's long-distance service; state regulatory commissions had oversight over local and intra-state toll service.[9] Regulators established the rates AT&T and the BOCs could charge for services with the guarantee of a "fair rate of return," usually 5 to 7 percent.[10] AT&T's mission, first articulated in 1907 by then-president Theodore Vail, was "one system, one management, universal service."[11] Or, as W.S. Gifford, AT&T CEO in the 1920s, described the corporation's goal, it was "to furnish the best possible service at the lowest possible cost consistent with financial security."[12] The service ethic permeated Bell system culture. In 1971, AT&T CEO H.I. Romnes told the annual meeting of AT&T shareholders that "our first responsibility today remains what it has always been: service….[I]t requires that we shun any action that is merely expedient, offering temporary advantage or momentary favor at the cost of sound long-term growth."[13] In this environment, free from competition, the key Bell management objective during the first six decades of the twentieth century was to grow and integrate the national telephone network.[14] By the early 1970s, the Bell system had largely achieved this mission. In

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[9] For history of how federal policy and AT&T management reached agreement on a regulated monopoly structure for the Bell system, see Richard John, *Networked Nation* (Cambridge MA: Harvard University Press, 2010).

[10] Schlesinger et al., *Chronicles of Corporate Change,* 13.

[11] Citation from 1907 AT&T Annual Report in Robert W. Garnet, *The Telephone Enterprise: The Evolution of the Bell System's Horizontal Structure, 1876-1909* (Baltimore: Johns Hopkins University Press, 1985).

[12] Ibid.

[13] Schlesinger et al, *Chronicles of Corporate Change*, 12-13.

[14] Ibid., 2.

1979, fully 98 percent of U.S. households had telephone service (up from 62 percent in 1950). A grand bargain between AT&T and federal and state regulators facilitated this post-World War II telephone service expansion. In a series of agreements beginning in 1943 and culminating in the Ozark Plan of 1971, the Bell system adopted below-cost pricing for local residential and rural customers cross-subsidized by above-cost pricing for business and long-distance services. This system of cross subsidization provided affordable, near-universal local telephone service supported in large part by revenue from long-distance and business customers. The system worked as long as AT&T remained a monopoly provider to all these customer segments, but came under stress as regulators opened the network to competition.[15]

In the late 1960s, the departments where Bell system customer service employees worked represented a small but growing fraction of the vast non-supervisory workforce in what was then "the biggest company on earth."[16] In 1967, the year Sandy Kmetyk took her job at Bell of Pennsylvania, the Bell Telephone System had 668,000 employees.[17] Eighty-percent of Bell telephone workers – 571,000 employees – were classified as non-supervisory, most of whom were eligible for and represented by a union. In 1967, the largest occupational groups in the Bell system were the operators (175,000), technicians (168,000), and clerks (108,000), with customer service employees (42,000) far behind. But over the course of the next fourteen years, this would change dramatically, as

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[15] Temin and Galambos, *The Fall of the Bell System*, 23-27, 54, 59, 126.

[16] AT&T, *Bell System Statistical Manual, 1950-1981* (June 1982), 702; Kleinfeld, *The Biggest Company on Earth*.

[17] In addition, the Bell system employed 170,000 people at its Western Electric manufacturing subsidiaries and another 15,000 employees at Bell Labs. AT&T, *Bell System Statistical Manual, 1950-1981* (June 1982), 702.

automation allowed the Bell system to slash 73,000 operator jobs, and as new network technologies, infrastructure expansion, and increased demand for services resulted in the addition of 100,000 technician positions, 63,000 more customer service employees, and 47,000 more clerical workers. By 1981, the last year for which the U.S. government collected comprehensive Bell system employment data, there were 677,000 Bell system non-management employees, an increase of 139,000 workers, or 26 percent growth over 1967. Non-management employees continued to comprise the overwhelming majority (78 percent) of the Bell Telephone System workforce. Among non-management employees in 1981, technicians (270,000) and clerical employees (155,000) dominated, while the number of customer service workers (104,000) edged out the number of operators (100,000).[18] (See Appendix Figure 1, page 307.)

In the early 1970s, one out of every fifty-six employed women in the United States worked for the Bell system, making the Bell system the largest employer of women in the United States at that time.[19] By 1981, the Bell telephone system employed 463,000 women, representing 54 percent of the total workforce. A full 391,000 of these women (58 percent) were classified as non-supervisory employees, eligible for union representation.[20]

The Bell system maintained a deeply gendered and race-based employment system. Beginning in the 1880s, Bell companies hired native, white women as operators

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[18] Author calculations based on Federal Communications Commission, *Statistics of Communications Common Carriers*, Table 10, 1969 (for the year ending December 31, 1967) and 1983 (for the year ending December 31, 1981). *Bell Statistical Manual*, 1980, 702.

[19] Testimony of Dr. Ann Scott, EEOC Hearing, Washington, D.C., June 5, 1972, EEOC Case, Box 565, Vol. 11, 12.

[20] FCC, *Statistics of Communications Common Carriers,* Table 10, 1983.

to project, in the words of historian Venus Green, a feminine image of "white ladies" as the "voice with a smile." Green traces the origins of the Bell system's paternalist, regimented, and highly supervised management of the operator workforce to this early decision to employ only women – and only white women -- as the voice of the Bell system assisting customers on their telephone calls.[21] In 1967, the gender breakdown among the various job titles is striking: of the 175,000 operators in 1967, only forty-one were men and only 821 of the 167,000 technicians were female. [22] The Bell system carried the gender-based customer service image into the business offices. Among the 32,740 service representatives in the Bell system in 1970, all but 353 were women. In the business offices, men dominated the higher-paid job titles of commercial representative and sales consultant, employees who traveled outside the business office to meet on-site with large business and institutional customers.[23] Even eight years after the 1973 affirmative action Consent Decree, 91 percent of operators, 74 percent of non-management customer service employees, and 22 percent of technicians were women.[24] (See Appendix Table 1, page 305.)

Women applicants began their initiation into the company's gendered, paternalistic, and highly intrusive employment practices from the moment they applied

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[21] Venus Green, *Race on the Line: Gender, Labor, and Technology in the Bell System, 1880-1980* (Durham NC: Duke University Press, 2001), 53-55. See also Kenneth Lipartito, "When Women Were Switches: Technology, Work, and Gender in the Telephone Industry, 1890-1920," *The American Historical Review* 99:4 (October 1994): 1075-1111.

[22] FCC, *Statistics of Common Carriers,* Table 10, 1969.

[23] Fully 92 percent of the 2,078 commercial representatives and sales consultants in 1970 were men. Author calculations based on EEOC Statistical Database. EEOC Case, Exhibit 6, Box 160. Vol. 26.

[24] FCC, *Statistics of Common Carriers,* Table 10, 1983.

for a job with Ma Bell. Prior to the 1970s, the Bell operating companies maintained separate male and female recruitment offices.[25] The companies listed female jobs as operators and service representatives and male jobs as technicians.[26] C&P Telephone of Washington, D.C. insisted that their female applicants take a pregnancy test, ostensibly to protect against hiring a woman who would squander company training investment by leaving to have a baby. The C&P of Maryland's home visit for applicants asked the number and age of children, home duties, method of transportation, appraisal of child care arrangements, and whether the applicant was living with her husband. Prior to 1969, Bell of Pennsylvania recruiters made visits to the homes of female applicants to "talk to the parents and assure them that…the girl would be taken care of at the office." An AT&T recruiting manual from this period explained that recruiters for service representative positions should consider the plans of the applicant's husband or father, the likelihood of marriage and maternity, and encouraged recruiters to make home visits to "help establish a better understanding of the job with the family or husband of the applicant." Similarly, a New Jersey Bell interviewers' evaluation form asked whether the "father/husband" was employed and a C&P of Maryland questionnaire for departing service representatives asked whether the attitude of the husband toward his wife had been explored.[27] Not until 1972 did AT&T's Assistant Vice-President for Human

[25] For example, Bell of Pennsylvania had separate male and female employment offices in Philadelphia and recruited for operators and service representatives in the female columns of the help-wanted ads. Testimony of H. Weston Clarke, Vice President of Personnel, Bell of PA. November 30, 1972, EEOC Case, Box 566, Vol 16, 7047; EEOC Exhibit R-1114, January 31, 1972, EEOC Case, Box 567, Vol. 21.

[26] EEOC Exhibits C-1111, C-1112, C-216, R-1111, January 31, 1972, EEOC Case, Box 567, Vol. 21.
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[27] EEOC Exhibits R-1174, Z-698, Z-157, Z-172, EEOC Case, Box 567, Vol. 21; Bell of PA Testimony of H. Weston Clarke, Vice-President of Personnel, Bell of Pennsylvania, EEOC Hearing Transcript, December 1, 1972 and December 4, 1971, EEOC Case, Box 566, Vol. 16, 7159-69.

Resources John W. Kingsbury advise all AT&T Vice Presidents for Personnel that these types of questions and practices "might not be considered job related and of questionable utility."[28] The EEOC case and 1973 affirmative action Consent Decree brought an end to these formal practices.

By the late 1960s, the Bell system was no longer able to maintain a racialized white voice. In fact, during the 1960s, the Bell system's racial composition of the operator workforce changed dramatically. In most urban areas, one-third of the operators were black women; in heavily Hispanic El Paso and San Antonio, Texas, one-third of the operators were Hispanic.[29] The growth of the African-American and Hispanic operator labor force reflected the changing demographics among working class women and the relatively tight labor market for women with at least a high-school education during this period. AT&T was acutely aware of this change. A report by AT&T Vice President Walter W. Straley to the Bell System President's Conference in October 1969 bemoaned the fact that the tighter labor market meant that "there are not enough white middle class success-oriented men and women in the labor force – or at least that portion of the labor force available to the telephone companies – to supply our requirements for craft and occupational people." The Bell system was a vast employment engine. According to Straley, the Bell system interviewed 1.9 million people annually and hired 200,000 of them as new employees every year. In a frank acknowledgment of the race-based discrimination in the labor market, Straley told the Bell System presidents that "it is

[28] Letter from John W. Kingsbury, AT&T Assistant Vice-President to All Personnel Vice Presidents and to all AT&T Assistant Vice-Presidents, August 12, 1971, EEOC Case, Box 577, Vol. 52.

[29] Author's calculations based on EEOC Statistical database. EEOC Case, Box 160. Vol. 6.

therefore just a plain fact that in today's world, telephone company wages are more in line with black expectations….Most of our new hires go into entry level jobs which means we must have access to an ample supply of people who will work at comparatively low rates of pay. That means city people more than suburbanites. That means lots of black people." He went on to explain that "it is perfectly clear that we need non-white employees. Not because we are good citizens or because it is a national goal to give them employment. We need them because we have so many jobs to fill and they will take them."[30]

In the 1960s, the Bell system began to hire African-Americans and (in heavily Hispanic cities) Hispanic women as service representatives. In preparing its affirmative action case, the EEOC requested and was provided Bell system detailed demographic data by major job title in major metropolitan areas for the year 1970. According to the EEOC data, African-American women comprised about 14 percent of the service representative workforce in these large cities, with significant Hispanic female representation in El Paso (22 percent) and San Antonio (13 percent).[31] Even as it opened up jobs to people of color, the Bell system maintained highly racialized employment practices: black women were most heavily represented in the lower-paid operator job title. For example, in Baltimore, Maryland, 35 percent of operators, 10 percent of service representatives, and 6 percent of technicians were black; in Washington, D.C., 45 percent of operators, 22 percent of service representatives, and 9 percent of technicians were

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[30] Walter W. Straley, "Force Loss and the Urban Market," *Report to Bell System Presidents' Conference*, October 9, 1969. EEOC Exhibit 5, EEOC Case Box 568, Vol. 23.

[31] Author calculation based on EEOC Statistical Database, EEOC Exhibit 6. EEOC Case, Box 160, Vol. 26.

black; and in Richmond, Virginia, 50 percent of operators, 11 percent of service representatives, and five percent of technicians were black.[32]

AT&T was (and still is) one of the largest private sector unionized companies in the United States. In 1981, unions represented 573,000 employees at AT&T, or 67 percent of the total workforce and about 85 percent the non-management labor force. The largest union was the Communications Workers of America (CWA) which represented 435,000 operators, technicians, customer service employees, and clerical workers at AT&T and the Bell Operating Companies in 46 states, clerical workers at Bell Labs, and factory workers at Western Electric. The International Brotherhood of Electrical Workers (IBEW) represented an additional 92,000 Bell system employees, concentrated in the Western Electric manufacturing facilities. The IBEW also represented technicians in New Jersey, technicians and operators in Illinois, Montana, and Hawaii, and, after 1971, technicians and operators and some service representatives in New England. Independent unions, organized as the Alliance of Independent Telephone Unions, represented another 45,000 Bell workers. Eventually, a number of the largest affiliates of the Alliance joined the CWA, including the Federation of Telephone Workers, representing 10,000 telephone operators in southern California, in 1974 and the Pennsylvania Telephone Guild representing technicians and customer service employees in 1985.[33]

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[32] Author calculation based on EEOC Statistical Database, EEOC Exhibit 6. EEOC Case, Box 160, Vol. 26.

[33] AT&T SEC Form 10K for the year ended December 31, 1982 (for total employment and union employment); FCC *Statistics of Common Carriers*, Table 10, 1983 (for the number of non-management employees). Dina Beaumont, who became top assistant to President Morton Bahr and a fierce advocate for the customer service representatives brought the (California) Federation of Telephone Workers into CWA. Sandy Kmetyk, whom we met at the beginning of this chapter, became a CWA member when the Pennsylvania Telephone Guild merged into CWA after AT&T divestiture.

The origins of union representation in the Bell system date back to the 1910s, when militant female operators, concentrated in Boston and New England, organized themselves into local unions affiliated with the IBEW. The IBEW also established a few local unions of linemen in the second decade of the twentieth century. In the spring of 1919, with the telephone system still under U.S. Postal Service wartime control, a wave of telephone worker strikes led by 3,000 militant New England telephone operators forced U.S. Postmaster Albert S. Burleson to issue a directive granting telephone company employees the right to collective bargaining. But these efforts largely faded in the anti-union 1920s when the Bell system established company unions through the American Bell Association designed to squash independent work organization.[34]

CWA's origins date to the New Deal era.[35] The National Labor Relations Act of 1935 (NLRA) banned company unions, and after the Supreme Court upheld the NLRA in 1937, the Bell system dissolved the company associations and, fearful of the AFL and CIO, in many locations actually helped or remained neutral as Bell workers transformed their company unions into independent organizations. In Pennsylvania, for example, Bell of Pennsylvania commercial department employees reached agreement with their employer on a process to convert the company union into the independent Pennsylvania

[34] Stephen Norwood attributes operator militancy in Boston in the 1910s to three factors: the cross-class alliance of women organized through the Women's Trade Union Unity League; local traditions of labor struggle and labor organization; and the emerging youth culture shaping young female operators' independence, solidarity, and consumer orientation. Stephen Norwood, *Labor's Flaming Youth: Telephone Operators and Worker Militancy, 1873-1932* (Urbana IL: University of Illinois Press, 1990), 1-24; 169-198; See also Venus Green, *Race on the Line*, 89-114; Thomas R. Brooks, *Communications Workers of America: The Story of a Union* (New York: Mason/Charter, 1977), 14-16, 19-26.

[35] Just before passage of the 1935 National Labor Relations Act, only three Bell companies reported dealing with independent unions, representing 16.2 percent of the Bell system's total labor force. In contrast, 78.5 percent of Bell employees were in an employee association. Brooks, *Communications Workers of America*, 25.

Telephone Guild and in 1940, in an exchange of letters, the General Commercial Manager of Bell of Pennsylvania voluntarily recognized the Pennsylvania Telephone Guild.[36]

In 1938, most of the newly-independent unions of telephone employees joined together to form the National Federation of Telephone Workers (NFTW). After a 1946 strike exposed the weakness of the NFTW's autonomous federated structure, many of the affiliated unions reorganized in 1947 into one national union, the Communications Workers of America (CWA). From its founding in 1947 through 1974, CWA unsuccessfully pressed AT&T to engage in nationwide collective bargaining. When CWA finally achieved the goal of national bargaining with the Bell system in 1974, CWA's founding president Joseph A. Beirne acknowledged this as a crowning achievement that capped almost three decades of his leadership. CWA considered the pre-divestiture period between 1974 and 1983 in which CWA national leaders negotiated a pattern-setting national agreement over key economic and other issues with AT&T Labor Relations to be a "golden age" of bargaining with the Bell system. CWA local or regional units would then negotiate what was called a "local" agreement covering issues specific to that unit.[37]

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[36] Agreement between Commercial Department Unit of the Plan of Employee Representation – Employees of the Bell Telephone Company of Pennsylvania and the Bell Telephone Company of Pennsylvania, March 11, 1938; Letter from Washington L. Hudson, President, Pennsylvania Telephone Guild to Mr. J.T. Harris, Vice President, Bell Telephone Company of Pennsylvania, March 5, 1940; Letter from John T. Harris to Washington L. Hudson, President, Pennsylvania Telephone Guild, March 8, 1940; Letter from Thomas H. Griest, General Commercial Manager, Bell Telephone Company of Pennsylvania, August 7, 1940. All documents are in authors possession and CWA Local 13500 office.

[37] Brooks, *Communications Workers of America*, 42-140; CWA, *CWA at Fifty: A Pictorial History of the Communications Workers of America, 1938-1988* (Washington, D.C.1988); Beirne Testimony, *Senate Hearings on Labor-Management Relations in the Bell Telephone System;* John N. Schacht, "Toward Industrial Unionism: Bell Telephone Workers and Company Unions, 1919-1937," *Labor History* 16:1, 1975.

Although somewhere between 52 and 55 percent of CWA membership was female in 1970, all CWA national officers and regional and sector vice presidents that comprised the CWA Executive Board were white men. In the 1950s, many female operators' local unions merged with male technician locals; this led to the elimination of a separate sphere for the development of female union leadership.[38] In these amalgamated locals, male technicians were elected local president and dominated the executive boards, while women typically served as secretary-treasurer. Since local leadership was the training ground for staff appointments, by 1974, only 14 percent of CWA staff was female, only four women held higher-level administrative staff positions, and no women served in the top elected leadership positions. Only one woman served in a professional capacity at CWA headquarters.[39] In 1973, the CWA Executive Board counted only nine local presidents and 65 local executive board members who were black.[40] In the 1970s, CWA women and African-Americans – influenced by the civil rights and feminist movements – began to organize for greater power within the union. By 1982,

[38] Dina Beaumont interview with author, December 10, 2005. In 1974, 15 percent of CWA local presidents were women, although more than half of all secretary-treasurers and secretaries were women. CWA memo, "Breakdown by Sex of Local Officers," February 1974, CWA-TL Records, Box 20, Folder 9.

[39] The four women in administrative positions were Clara Allen, Area Director in District 1; Helga Nisbet, Administrative Assistant in District 5; Patsy Fryman, State Director in District 4; and Selina Burch, Special Representative in District 3. The sole woman in a professional job at CWA headquarters was Loretta Bowen, COPE. John C. Carroll Memo to Glenn E. Watts, Goals and Timetables, October 1, 1974 and Authorized staff positions as of October 1, 1974. CWA-TL Records, Box 20, Folder 9. John C. Carroll Memo to Joseph A. Beirne, Report of the Female Structure Study Committee, January 8, 1974. CWA-TL Record.

[40] The list does not include other minority groups. CWA Executive Board Minutes, "Check-List: Black Local Officers-Executive Board Members," May 2, 1973. CWA-TL Records, Box 20, Folder 1.

10.4 percent of CWA staff was composed of people of color and 25 percent was female, although the CWA Executive Board remained a white male bastion.[41]

EEOC Affirmative Action Consent Decree

In 1970, the Equal Employment Opportunity Commission (EEOC) launched a major assault on the Bell System's discriminatory employment practices. The landmark case, settled in 1973 with an affirmative action Consent Decree, set goals and timetables designed to break down the rigid gender- and race-based job segregation throughout the Bell system. Six years after Congress passed the 1964 Civil Rights Act barring workplace discrimination on the basis of race, sex, color, religion, or national origin, a full 7 percent of all EEOC complaints – 1,500 in all – were filed against Bell companies, pushing the EEOC to take action. One prominent case was that of Lorena Weeks, a Southern Bell operator in Georgia with nineteen years of service who was denied a transfer request to a higher-paid switchman position. Lorena Weeks initially took her complaint to her local union, which refused to support her case because women were not considered the "breadwinner." The EEOC filed suit, lost in District Court, but Weeks, with assistance from the National Organization of Women (NOW), won on appeal at the Fifth District Court of Appeals in 1969. It took two more years and another court ruling for Southern Bell finally to reassign Weeks to a "switchman" position in 1971.[42]

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[41] CWA, Report to the Communications Workers of America Committee of the Future, "Minority Involvement and Participation within CWA," nd. CWA-TL, Box 57, Folder 7.

[42] Lorena Weeks Testimony, EEOC Case, Box 568, Vol. 24. See also Marjorie A. Stockford, *The Bellwomen: The Story of the Landmark AT&T Sex Discrimination Case* (New Brunswick NJ: Rutgers University Press, 2004), 111-2; Lois Kathryn Herr, *Women, Power, and AT&T: Winning Rights in the Workplace* (Boston: Northeastern University Press, 2003), 56-7, 76,45-46, 81-82.

EEOC lawyers were searching for an opportunity to take on the Bell system's discriminatory practices in one consolidated case. An innovative EEOC lawyer, Jim Copus, hit on a creative solution. He decided to challenge AT&T's November 1970 application at the FCC for a long-distance telephone rate increase, alleging that AT&T was in violation of the agency's recently adopted anti-discrimination rules. While the EEOC initially targeted AT&T for race discrimination, as the lawyers delved more deeply into the Bell system's employment practices, they realized that gender was central to the Bell system's discriminatory policies. The agency meticulously documented AT&T's gender-based discrimination in its opening brief, *A Unique Competence: A Study of Equal Employment Opportunity in the Bell System*. The EEOC discrimination case, which later was separated from the FCC rate proceeding, went on for two years, included four raucous public hearings in Los Angeles, San Francisco, New York, and Washington D.C., national mobilization by NOW, and weeks of testimony by dozens of witnesses before an FCC Administrative Law Judge. Eventually, AT&T and the federal government signed a settlement in January 1973 that required AT&T over the next six years to open up technician jobs to women and minorities; to hire men into operator, clerical, and service representative positions; and to promote women and minorities into management positions. The consent decree included an affirmative action override that favored women and minorities over strict contractually-negotiated seniority provisions for transfers and promotions. [43]

[43] Stockford, *The Bellwomen*; Nancy MacLean, *Freedom is Not Enough: The Opening of the American Workplace* (Cambridge MA: Harvard University Press, 2006), 107, 131-2; Herr, *Women, Power, and AT&T: Winning Rights in the Workplace,* 142-154.

Although the EEOC repeatedly reached out to the unions to get involved, the national CWA and IBEW largely stayed on the sidelines. The unions leaders and their political base came from the ranks of white male technicians who had no interest in challenging the Bell system's discriminatory employment practices.[44] CWA objected to the consent decree's affirmative action provisions as a violation of collectively bargained seniority rights, as well as government-mandated wage adjustments that the union asserted should be negotiated. CWA unsuccessfully tried to block the consent decree and continued to fight implementation of the affirmative action upgrade and transfer plan in the years following the settlement.[45]

Although the national union opposed the Consent Decree, many CWA women and people of color supported the EEOC suit and provided invaluable assistance in gathering evidence and provided powerful testimony to support the EEOC case.[46] They used their union networks and the organizational and communications skills they had developed as union stewards to help the EEOC. Helen J. Roig, a Southern Bell service

[44] In response to an EEOC request, CWA surveyed its members to gather evidence about Bell new-hires by gender, race, and job title. The results were submitted to the EEOC. However, CWA notified the EEOC it would not intervene in the case as early as May 1971. As settlement negotiations reached their final stage, the EEOC met separately with top CWA and IBEW officials to discuss the Upgrade and Transfer and Affirmative Action Plan. CWA sent AT&T a request to negotiate over these plans. The negotiations never took place. EEOC Opposition to CWA Motion to Intervene. EEOC Case, Box 567, Vol. 19; Joseph A. Beirne Letter to Robert D. Lilley, AT&T Executive Vice-President, December 14, 1971. EEOC Case, Box 567, Vol. 19.

[45] CWA Motion to Intervene, *Equal Employment Opportunity Commission and United States of America and Communications Workers of America v AT&T, et al.,* Civil Action 73-149, March 12, 1973; Affidavit of Richard W. Hacker, Assistant to CWA President Joseph Beirne. EEOC Case, Box 567, Vol. 19.

[46] For example, Gay Semel, a New York Telephone Company operator, CWA organizer, and future CWA attorney, provided lengthy written and oral testimony at the New York hearing, May 8, 1972. Dennis Serette, CWA Local 1101 officer in New York City and leader of the National Black Communications Coalition, also testified at the New York hearing, May 8, 1972. EEOC Case, Box 564, Vol. 9. Helen J. Roig, a service representative from Louisiana, filed a CWA Job Pressures survey into the record. EEOC Case, Box 568. Vol. 25.

representative who was denied a promotion to “test deskman” created a network of support within CWA and the larger women’s movement. In powerful testimony, she described the Bell system’s pervasive discrimination against women. “For female employees,” she explained, “from the time you check the want ads, apply for the job, hire in, work for the Company, and retire, you are discriminated against by the telephone company because you are a member of the female sex.” She saw the only hope for change through government EEO enforcement, noting that “[t]here will be little change for women in the telephone companies unless the companies are forced by litigation, Federal Agencies, or public opinion to change.”[47]

Many CWA-represented Bell women and people of color applauded the settlement and took advantage of its provisions to move into better jobs in the Bell system. Many of the men and women who would lead the fight in later decades for good working conditions in the Bell call centers were beneficiaries of the AT&T Consent Decree. Some were moved into the higher-paid and previously all-male communications consultant title, a primary source of union leadership in the commercial and marketing departments, the Bell system departments providing customer service. Others were among the first group of females hired as technicians who leveraged their positions among this traditional union power base to win election as union officers, promotion to CWA staff, and then – as women union leaders – to represent the interests of the majority female service representatives. Still others were newly-hired male service representatives

[47] Testimony of Helen J. Roig. EEOC Case, Box 568, Vol. 25.

who emerged as union leaders and officials.[48] Gender-based employment practices persisted at AT&T: three-quarters of business office employees, nine out of ten operators, and only about one in five technicians were women in 1981.[49] (See Appendix Table 1, page 307.)

World of the Service Representative Before Divestiture

An AT&T ad from 1969 speaks volumes about how the Bell system saw the service representative in this period. The service representative, the ad proclaimed, "is the telephone company. At least to most of our customers, she is…When someone wants a special service, an extra phone, or if there's been a billing problem…this is the girl they talk to. Her job is to help them. That's why she sits at a desk. Her own desk. And why she doesn't have to type or take shorthand. It's a lot easier to be helpful when you've got good working conditions. She's been to our special Service Representative school. Seven weeks' worth. So she knows her job. And she knows how to handle people." In short, the AT&T ad announced, the service representative is "our stewardess."[50] (See Figure 2, next page.)

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[48] This group includes Hazel Dellavia in New Jersey and Barbara Fox Shiller (nee Lephardt) in Maryland for whom the Consent Decree opened the door to promotion from service representative to the previously all-male communications consultant position; Gail Evans in Maryland who moved from service representative to a technician position and later became local president and eventually an administrative officer in CWA District 2/13; and Ron Collins in Maryland who moved from his service representative position into local and then national union leadership. Annie Hill and Laura Unger were pioneer women technicians who rose through the ranks to high-level CWA positions responsible for bargaining and representation of call center workers. Annie Hill became vice-president of CWA district seven (representing fourteen western states) and CWA secretary-treasurer. Laura Unger was president of CWA local 1150 in New York City and assistant to the vice-president responsible for the AT&T bargaining unit.

[49] FCC. *Statistics of Common Carriers*, Table 10, 1983. Data is extrapolated from all carrier data, discounted by 5 percent (the amount of non-Bell employment in prior years).

[50] AT&T Archives, File 549-05-01 (originally published in *Glamour, Mademoiselle*, June 1969); see also EEOC Case, FCC Docket No. 19143, EEOC Exhibit 8 Document No. C-471, Box 568, Vol. 25.

Figure 2. AT&T Advertisement for Service Representative, 1969

Source: AT&T Archives. Box 549-05-01. (original published in *Glamour, Madeloiselle* June 1969)

The ad captures the contradictory nature of the service representative's position within the Bell System. One the one hand, she was a well-trained, intelligent professional, and at the same time, she was a "girl" who performed her gender role of helping people under the paternalistic, guiding eye of her Bell system employer. As a professional, she had an interesting job that involved a variety of sales and service functions. She was a cut above a secretary: she did not have to type or take shorthand, she received seven weeks of specialized training, and she had her own desk. She had good working conditions, which made it easier to do her job helping people. But at the same time, she was also a "girl." Not a woman, but a girl. And judging by the picture accompanying the ad, she was most likely a white "girl." A girl, like a stewardess, who performed her gendered role of helping people, assessing their needs and desires, translating those needs and desires to make sales and solve problems, calming irate customers, cajoling consumers to buy more phones or more expensive rate plans, and above all, knowing the proper methods and procedures, following the rules, coming to work every day on-time, obeying the boss, and thereby earning the right to be considered "special."[51]

This was a contradictory message, one that service representatives in the pre-divestiture period experienced at work every day. Service representatives considered themselves professionals. They enjoyed serving customers, solving problems, making friends with co-workers. They took pride in being *service* representatives, providing customers with telephone connections, a vital link to friends, family, commerce, and help in times of emergency. But they also chafed under the bureaucratic, paternalistic Bell system rules that belied the advertisement's promise of "good working conditions." They believed they were underpaid for the skilled work that they did, particularly in

[51] For a discussion of how flight attendants used their gender role to build unity and power, see Kathleen M. Barry, *Femininity in Flight: A History of Flight Attendants* (Durham, NC: Duke University Press, 2007).

comparison to the male technicians. They felt empowered by the growing women's movement to improve their conditions at work, to demand dignity and higher pay. And unlike many other women working service sector jobs in this period, these women (and after 1973, the men who joined their ranks) had a vehicle at work for collective action – their union. But during this pre-divestiture period, it was largely the more numerous and militant operator workforce that led the movement within the union to press the Bell system to make changes to the demeaning work rules and practices under which they worked.[52]

The majority of the service representatives employed by the BOCs served residential customers. The business offices in which they worked were part of the BOCs' commercial or commercial/marketing department. The job title in both residential and small business offices was service representative, although some BOCs during this period created a separate "business service representative" title with slightly higher pay to serve small business customers.[53] A C&P job description from 1975 outlines the major functions of the service representative: " handling billing and other inquiries and complaints; negotiating requests for installation, change, or removal of telephone service

[52] Hazel Dellavia interviews with author, January 24, 2012 and February 10, 2012; Ronald Collins interview with author, December 4, 2011; Linda Kramer, interview with author, January 8, 2012. Barbara Fox Shiller interview with author, January 2, 2013. Shiller (nee Lephardt) began work as a service representative for NY Telephone in Brooklyn NY in 1972, subsequently moved to Richmond, Virginia where she took a job with C&P Telephone in an office serving business customers, and in 1977 was promoted to communications representative. In 1981, she left C&P to work for CWA, eventually becoming the most senior staff in CWA District 2 (Maryland, Virginia, West Virginia, and Washington D.C.) as Assistant to Vice-President. She chaired CWA bargaining committees with C&P in 1989, 1992, and 1995. She retired from CWA in 2003. Linda Kramer was president of CWA local 1023 in New Jersey, 1995-2004.

[53] The highest paid bargaining unit titles were communications consultant and commercial representative. They worked with management account executives to assist large business and institutional customers. They had a great deal of autonomy and frequently went to the customers' sites.

and preparation and/or updating of related documents, such as service orders; contacting customers, usually by telephone, to discuss billing matters; recommending and attempting to sell service and equipment to customers; and [the service representative] may prepare self-composed letters to customers."[54]

In this period, service representatives were considered "universal representatives" who handled all sales and service functions. In later years, as the number of products and services grew, the focus on sales intensified, and the geographic territory expanded, BOC and AT&T management, as well as the union, struggled over whether to functionalize the service representative job into separate job titles and channels for sales (which involved taking orders and selling products and services) and service (which involved billing inquiries and collections). Splitting the service representative job frequently included a downgrade in compensation for the non-sales position, a source of conflict with the union. Functionalization brought challenges of its own, frustrating customers with multiple transfers, making it more difficult to promote sales on service inquiries, and union disputes with management over whether management violated the contract by requiring functionalized service reps to perform duties "out of title." Universal service representatives enjoyed the variety in their job which gave them the opportunity to exercise a wide range of skills, knowledge, and experience on the job.[55]

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[54] Chesapeake and Potomac, Job Qualification Sheet for Service Representative Job Title, October 1975. CWA Research Department Archives, Box 635906, Job Titles – District 1 and 2 Notebook.

[55] Hazel Dellavia, written response to author, January 21, 2012; Linda Kramer interview with author; Sandy Kmetyk interview with author; Michele Guckert interview with author, July 23, 2014. Michele Guckert began working at C&P Telephone in 1973 as a clerk typist before her promotion to service representative in 1975. She was promoted to a team leader in 1981 and later supervisor of a residential customer call center until her retirement from what was then Bell Atlantic in 2001.

During this period, the most important aspect of a service representatives' job was to provide good service. "When I started working for New Jersey Bell [as a service representative in 1970], we were … under the watchful eye of the Public Utility Commission," former service representative Hazel Dellavia recalls. "The focus of 'Ma Bell' was service. We were trained to put the customer first and not sell the customer something they didn't need, because they would remember it and have a negative opinion of the company. We were observed for our ability to satisfy the customer, our tone of voice, and production." Ronald Collins, who began working as a service representative for C&P Telephone in Baltimore, Maryland in 1981, after the 1973 affirmative action consent decree forced the Bell system to hire men into this formerly all-female position, has similar recollections. "They really focused on customer service. It was not so much on quantity. What they wanted to do is make sure the customer is happy…treat the customer well…take as much time as you need to make that customer happy.[56] Elinor Langer, who wrote a piece in the *New York Review of Books* in 1970 about her three-month stint as a New York Telephone service representative in-training, recounts that her training instructor taught the "Customer Service Ideology" using this example: "If the customer tells you to drop dead, you say 'I'll be very glad to help you sir.'"[57]

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[56] Hazel Dellavia written response to author; Ronald Collins interview with author.

[57] Elinor Langer, "Inside the New York Telephone Company," *New York Review of Books,* March 12, 1970, 21. Langer, a college graduate and self-described radical, took a job with New York Tel to understand, in her words, why members of the "'new – white collar – 'working class' did not "rise up" against their employers." Langer's description of the service representative job as one with little autonomy differs from the descriptions from the service representatives that I interviewed. It is likely that my sources, who worked for the telephone companies for decades, not just three months, developed a greater sense of autonomy over time and also talked about this period in contrast to the intensive job control after the introduction of digital systems.

State regulatory commissions monitored the Bell Company's quality of service. The state regulatory commissions set the local and intra-state toll rates that the BOCs could charge customers. The commissions did not look kindly on a request for a rate increase if there was evidence that the telephone company scrimped on service. The regulators' rates guaranteed the telephone company a reasonable rate of return on capital, but in exchange, the commissions required (by statute and regulation) that the telephone company provide universal, affordable quality service. This deal between regulators and Bell company management – a guaranteed return on investment in exchange for universal, affordable, and quality service – fostered a deep culture of service throughout the Bell system. Bell managers considered it their mission to provide quality telephone service to customers, and expected their customer service representatives to live up to their high standards.

Bell companies' voluminous, detailed Methods and Procedures manuals, extensive training, and close supervision were designed to standardize service representatives' interactions with customers to realize these goals. While the service representatives resented many of the Bell company rules, they internalized a deep commitment to the company's culture of service. In later years, as Bell executives and managers, in response to competitive pressures, deregulation, and the opportunity to earn higher returns on new products and services, pushed service representatives to emphasize sales over service, many service representatives, steeped in the culture of service, resisted and resented the change, and fought to maintain working conditions that put their customers first. But in the pre-divestiture era of paper records, while customer service representatives resented policies that they believed treated them as children rather than adult professionals, they also felt that management's customer-focused work culture in the business offices aligned with their own commitments and interests to provide quality service to customers.

The business offices were small, typically twenty-five employees, and handled customers who lived in the local area.[58] Typically, there was one supervisor for every four to eight service representatives. Even in Manhattan in New York City, as service representative Langner reported, the residential business office in which she worked had only one-hundred service representatives, serving nine local exchanges with a 5:1 supervisor to worker span of control. At that time, according to a former business office manager in upstate New York, "the people who serviced you were your neighbors, your friends, everybody knew everybody." This would change in future years, as Bell system executives consolidated business offices into larger call centers, creating what they considered economies of scale, while at the same time disrupting workers' lives and distancing the service representatives from the communities they served.[59]

In the business offices, service representatives sat at desks, with two desks positioned so that the service reps faced each other. On the desk, the service representative had a rotary phone to receive and place calls, a large paper manual called

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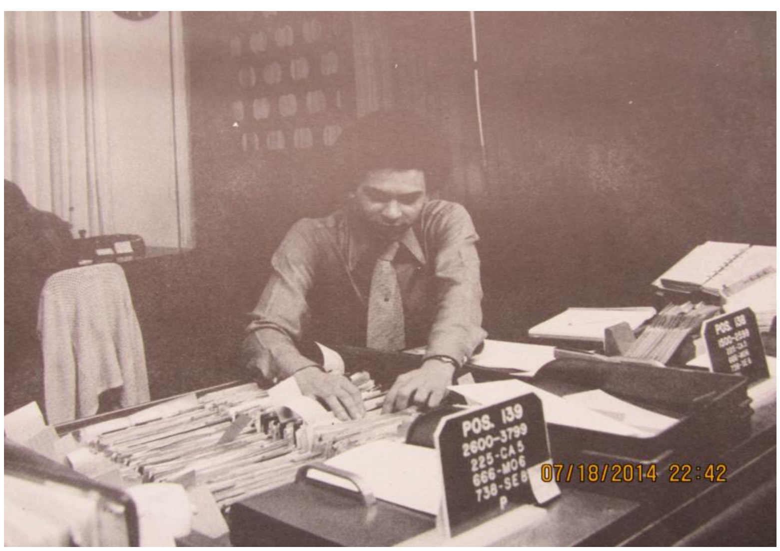
[58] In Jersey City, New Jersey, for example, New Jersey Bell had three residential business offices, each serving different neighborhoods of the city and surrounding suburbs and one office serving business customers. In the Baltimore, Maryland area, C&P had several business offices in Baltimore, four in Hunt Valley, and others in surrounding communities.

[59] Dellavia response to author; Guckert interview with author; Collins interview with author; Elinor Langer, "Inside the New York Telephone Company." Quotation from Michael T. Kzirian interview with author, October 31, 2014. Kzirian began work with New York Telephone in 1968 as a manager in a business customer service office. He was promoted to various management customer support positions at NY Telephone Company and stayed with AT&T at divestiture in 1984 as Director of Customer Care for equipment and long-distance services and operations. From 1994 to 2004, he was AT&T Telemarketing Sales Vice-President responsible for a $500 million global operation in seventy-two call centers in eight countries with 15,000 agents.

the Service Rep Handbook and an out box for service orders and other paperwork ready for distribution to other departments. Typically, the telephone was connected to a jack with a headset that the service representatives wore. Customer records were all paper. They were kept in large filing cabinets called "tubs" located next to the service representatives' desk. The tubs were filled with the paper records arranged in numerical order by exchange.[60] The picture below shows a male African-American service representative searching for a customer record in a "tub" next to his desk. The depiction of a an African-American male service representative is misleading. There were few African-American service representatives, and even fewer male African-American service representatives at the time. Illinois Bell provided the picture to the EEOC to show that there were at least some African-American men in this job title.[61]

Figure 3. Illinois Bell Customer Service Representative, circa 1970



[60] Collins interview with author; Kramer interview with author; Dellavia written response to author.

[61] EEOC Records Box 568, Vol. 25.

Customers dialed a local number to reach the business office serving their local area. Each service representative was responsible for particular exchanges, identified by the first three digits of the telephone number. A telephone operator would take the customer's call and route it to the service representative responsible for the customer's exchange, or, if that representative was busy, to another representative in the office. "Literally, my phone would ring on my desk and I would have to answer it," former service representative Ronald Collins recalls. "Each call was to be answered on the first ring," Dellavia explains. "This became such a habit that most of us told stories about unconscious attempts to do this at home, like the representative that was on a fire escape hanging laundry that dove through the open window head first when the phone rang. To this day, I become stressed if the phone rings three times and no one answers it."[62] Managers evaluated service representative on their ability to answer the phone promptly.

The service representative would locate the customer's record in the appropriate tub. Frequently, this meant the service representative had to get up and walk over to another representative's tub to get the record. "I'd put the customer on hold, physically get up, go over, get the customer record. It was nice to get up and move around a bit," Collins recalls. "We walked around constantly. It was much more social," recounts Dellavia. "Getting up to retrieve records from other tubs allowed us to chat with each other throughout the day," former New Jersey Bell service representative Linda Kramer explains. But this was a practice, she adds, that the supervisors tried to curtail.[63]

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[62] Collins interview with author; Dellavia written response to author.

[63] Collins interview with author; Dellavia written response to author; Kramer interview with author.

The service representative would write up orders by hand, with a separate code for each function and would also record the service codes for billing purposes. The representative would put the handwritten order in the out-box for pick-up by a clerk who brought the order to the service order typist. A clerk would then return the typed order to the service representative who was responsible for filing it in the tub. The service representatives also handled billing inquiries, kept track of overdue bills, called customers for payment of bills, and disconnected service of customers whose bills were severely delinquent. (The latter required supervisory approval.) The service representatives were responsible for filing a copy of the customer's most recent bill in the tub, and removing old bills for storage in a separate room. On a typical day, the service representative handled thirty to sixty calls, which she would record on a contact memo. The office was open nine a.m. to five p.m., Monday through Friday. The representative worked seven or 7.5 hours a day with two fifteen minute paid breaks and an unpaid lunch hour. The representative would receive a daily schedule, which would include anywhere from thirty minutes to two hours off the phones to make outbound calls to customers delinquent on their bills (called "treatment" calls) or to handle the paperwork for complex orders. Unlike operators, the service representatives did not work split shifts, weekends, or holidays, and had a predictable nine to five schedule.[64]

Every step of the service representative's job was prescribed by detailed Bell system methods and procedures. A 1965 Bell of Pennsylvania Analysis of Job Requirements for the service representative serving residential customers spells out exactly what the service representative was required to do. On a "customer initiated

[64] Collins interview with author; Dellavia written response to author; Kramer interview with author.

contact," the service representative must prepare a 'Contact Memorandum' form 3882, must answer "a variety of information questions asked by the customer," and if she must leave her desk to get an answer, she must return within 90 seconds. On service orders to install, disconnect, or change customer's service, she must prepare form 3882-1. On new and transfer orders, she must "make four attempts to sell monthly rate items. If she cannot meet this quota because of customer reaction, she "must make it up on another contact." On new connections, she must prepare Customer Credit Record form 3745-2 to be sent to the accounting department and send the stub to the customer and give the customer a commitment date for service. When a customer denies all knowledge of a call on a bill, she must prepare an Adjustment Memo form 3730-2, apologize to the customer, tell them to deduct it from the bill, and send the memo to another department for investigation. The job analysis also described detailed instructions for handling collections of delinquent bills. Service representatives had additional miscellaneous job functions, including permanent disconnects ("put all customer records in "Final Bill" envelope – form 3540"); preparing "Uncollectible Account Vouchers" (form 3732); preparing telephone directory orders (form 3650); and entering customer non-published telephone number agreements (form 1-3621-4). At the end of each day, the service representative was required to prepare a "Service Representative Contact and Work Item Record" from the stub of the "Contact Memorandum" (form E-2921).[65]

While the focus of the job was on service, Bell managers also expected service reps to "upsell" to customers. To be sure, there were not many products and services to

[65] Analysis of Job Requirements: Office Occupations – Service Representative, Residence Contacts, prepared by Philadelphia Operations District Manager, May 14, 1965. EEOC Case. Box 169, Vol. 61.

sell, but even so, service representatives were given a sales quota for Princess or trimline phones and packages that included multiple extensions in a home. At New York Telephone in 1969, there were monthly sales contests with $25 cash prizes, coffee and donut rewards for high sellers, or more chances to win a raffle for a free turkey at Thanksgiving.[66] While representatives were encouraged to sell, they were not disciplined for failure to meet sales quotes as long as they made the effort to sell. This would change drastically in the post-divestiture period.

Training for the BOC service representative job usually involved eight to ten weeks prior to assignment. Supervisors gave further training, both classroom and on the job, after assignment. “Training during the Bell System era was extensive and thorough,” Dellavia remembered. “Supervisors were familiar with the work and were able to give you tips on how to deal with unusual situations.” At that time, most frontline supervisors were promoted from the ranks of the service representatives.[67]

The most highly-skilled and highest-paid bargaining unit employees were titled customer service representatives (CSRs) who worked in offices serving large business and institutional customers alongside non-bargaining unit account executives and sales people. The communications consultants traveled to the large business customer’s premise by appointment to look at the operations, discuss with the client their needs, and determine what was necessary to change, upgrade, or modify their business system. CSRs made their own schedules. “It was a very interesting job,” Dellavia recalls. “We were

[66] Langer, “Inside the New York Telephone Company.” 21-22.

[67] Ibid.; Dellavia response to author; Guckert interview with author; Kmetyk interview with author. Testimony of Helen J. Roig, February 9, 1972, EEOC Case, Box 568, Vol 25; EEOC Findings of Fact, Box 567, Vol. 21, EEOC Exhibit C-1610.

pretty much on our own once we left the office. We were paid well and had a lot of responsibility…The largest job I worked on was with a senior customer service representative installing a new telephone system at a university. The job from start to finish took almost a year and required excavating and construction along with the installation. It was my job to talk with each station (telephone) user or department head to determine which features were needed on their particular phones and then test those features once the phones were installed." In subsequent years, the union would struggle with management over the boundaries of the job title, trying to block management from shifting the work of the higher-wage title to service representatives and to non-union account executives.[68]

The BOCs were responsible for customer care for AT&T Long Lines' residential customers. The BOC telephone bill included both local and long-distance charges. If a customer had a question about the long-distance portion of the bill, the customer called the BOC customer service representative who had access to the information she needed to answer and resolve the issue. It was not until the post-divestiture period that AT&T set up its own *consumer* customer service operation.

AT&T Long Lines did have a customer care operation to service *business* customers who purchased private line network services. Private lines were dedicated circuits connecting multiple locations belonging to a single company or large institution, creating a virtual private network. Large businesses and institutions purchased dedicated private line circuits from AT&T Long Lines at a discounted contractual rate. There were about 1,500 AT&T service representatives in several dozen offices around the country

[68] Dellavia response; Barbara Fox Shiller interview with author.

who handled billing questions for these private line customers and also processed orders that AT&T (non-bargaining unit) sales people initiated for private line services. The number of AT&T service representatives in any one office was small, ranging from five to twenty-five per office.[69]

Prior to 1980, the AT&T service representatives were classified as "advisory employees" who were "not eligible for membership in the Union." The situation dates back to 1948, when CWA and AT&T agreed to resolve a dispute over bargaining unit representation by giving these job titles union representation but not eligibility for union membership.[70] As the customer service workforce at AT&T Long Lines increased, CWA local unions began to press the union to change this anomalous situation. As one local union explained prior to 1980 bargaining, "The sales force is the fastest growing unit in long lines. If we are to maintain our membership as the operations group reduces force, this demand is a must in 1980."[71] The union submitted this demand in 1980, the company agreed, and beginning in 1980 AT&T Long Lines service representatives were eligible

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[69] William A. Stake, interview with author, August 21, 2014. Stake began his thirty-four year career with AT&T Long Lines in 1970 as a traffic engineer, moved into management positions in sales and marketing in AT&T's General Business and National Accounts divisions servicing business customers, and after divestiture served as AT&T Vice-President for Business Customer Care and later Vice-President for Sales and Customer Care in AT&T's Consumer Services division until his retirement in 2004. The source for the 1,500 service representative figure is Kansas City Local 6450 1980 Long Lines Bargaining Demand, presumably 1979 or 1980. CWA Communications and Technologies Department Archives, Box 903997; 1980 Bargaining Demands, CWA-TL, WAG 124, Box 123, Folder 123.

[70] In 1957, CWA President Joseph A. Beirne raised the issue and National Director Elaine T. Gleason explained in a memo that the strange situation dates back to 1948 when CWA and AT&T settled a dispute over the representation of job titles with a compromise clause which barred employees in approximately twenty-two titles -- mostly employees working in the personnel department but also the commercial, sales, and service representative titles -- from membership in the union, although they remained in the bargaining unit. Memo from Elaine T. Gleason, National Director to Joseph A. Beirne, CWA President re Commercial Representatives, August 7, 1957; CWA contracts, Appendix 1, for the years 1948-1977, CWA Communications and Technologies Department.

[71] CWA Bargaining Demand Submitted by Local 1152, CWA-TL, Box 12, 1980 Bargaining Demands folder.

for union membership. CWA's National Director H.B. Pierson advised local union presidents to reach out to these potential new members.[72] Within three years, the local unions that represented these service representatives were demanding higher pay for the service representatives, explaining that "when we finally corrected the error (barring service representatives from union membership)…we opened the door for these employees to demand proper compensation for the work they performed."[73] Clearly, AT&T Long Lines service representatives were beginning to find a voice in the union, one that would grow in volume as their numbers exploded after divestiture.

The service representatives found great satisfaction in solving customers' problems, meeting their needs, and particularly enjoyed the variety of work and the comradery of the office. "I liked helping people," Hazel Dellavia recounted. "My satisfaction came from doing the best I could to help the customer. Even when they were nasty, I tried to be sympathetic and calm them down so I could help them." Sandy Kmetyk liked helping customers, and also appreciated the fact that the company "considered us important. We were special. We took pride in our jobs. The operators considered us prima donnas." Gail Evans liked the variety in the job. "It was like reading a book. The next customer comes in and they tell you everything. One was a billing call, the next one was sales, the next one is totally different…A different chapter with every call." Linda Kramer liked the fact that the job was close to home, but even more, she cherished the lifelong friendships she made with her co-workers. "We did a lot together

[72] Memo from H.B. Pierson, CWA National Director, to All Long Lines Local Presidents re Service Representative, December 15, 1980, CWA-TL, Box 114, Folder 16.

[73] Proper Wage Alignment for Marketing/Sales Clericals, CWA Communications and Technologies Department Archives, 1983 Bargaining, Box 90402, presumably 1983.

outside the office. Many are still my friends." Dellavia concurred: "We used to see people out of hours when we weren't at work. We became friends with each other because we knew each other." And, she added, "I enjoyed helping my co-workers. That's how I got involved with the union." Barbara Fox Shiller enjoyed the comradery. "We built close relationships. You would sit next to somebody and you could talk. We could talk about work. We could vent. We could share information. And we could get up and walk around to get records from different tubs."[74]

But service representatives in this period also resented the detailed rules and procedures mandated by Bell system managers. "I hated the stupid rules. Having to get permission to use the bathroom was a particular peeve of mine. I understood it when I was an operator. You couldn't just walk away and leave the calls hanging…. But in the business office, you could turn off your phone and no calls would come in. The company required so many lines to be open at any given time to handle the normal traffic flow, so you weren't allowed to 'close your position' (to incoming calls) unless someone who was closed opened (her line). Instead of giving the reps the dignity of working this out among themselves, you had to get permission from a supervisor. In a room where everyone could see everyone else and you had a light at your position that went on when you were open for calls, I thought this was really stupid."[75]

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[74] Dellavia response to author; Kramer interview with author; Kmetyk interview with author; Shiller interview with author; Gail Evans interview with author, January 29, 2012. Evans began work with C&P Telephone in 1970 as an operator and was promoted to service representative a year later. After 1984 divestiture, she transferred to a plant position, working as a frame attendant and then central office technician, the highest-paid bargaining unit position, where she remained until retirement in 2003. Evans served as president of CWA local 2100 in Baltimore, Maryland for almost twenty years, one of the longest-running CWA local presidents, until she was promoted to CWA staff in 2005 and eventually administrative assistant to the vice-president of CWA District 2/13.

[75] Dellavia written response to author.

Supervisors listened in on a sampling of the service representatives' calls. Ron Collins described how it worked. "They would observe calls that you had with customers, sometimes you would know, sometimes you would not. Sometimes they would listen in a tone room, which was a location in the building, but you never knew whether a supervisor was in there. Sometimes they would listen from their desk. Sometimes they would listen sitting next to you. We called it 'observation.' The supervisor would get with you soon, usually within a day or so, to say 'I listened to x number of calls,' and they would give you feedback that this was great, you did everything you were supposed to, you may have been able to do this better. You got the feedback from the supervisor on an Observation Form." The service representatives were rated on such factors as how long it took to answer the call, how well they greeted the customer, responsiveness to customer need, knowledge of the services and products, customer satisfaction, tone and manner, and sales offers. Supervisors were required to observe a minimum of five calls per month for each representative. While supervisors put the results of the observation in a service representative's personnel file, and while the evaluation could impact promotion opportunities, a service representative was not disciplined on the basis of these observations.[76] The only exception was if the service representative was "abusive" to a customer. This would change dramatically in later years.

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[76] Dellavia written response to author; Collins interview with author. Dellavia e-mail to author, January 21, 2015; Langer, "Inside New York Telephone Company." There was also a parallel service observation structure designed to ensure quality service and availability, but not to evaluate individual representatives. These full-time observers would listen to calls to make sure the representatives provided accurate information, and would make "access calls" to see that the telephone lines were open to customers. The results of the service observations would be tabulated into a Service Index with typically four components: contact performance defects, customer waiting interval, contacts not closed, business office accessibility. The results of each office on the Service Index would be distributed monthly. Langer, "Inside the Telephone Company."

Bell system managers placed top priority on attendance and timeliness. In testimony in the EEOC affirmative action case, AT&T explained the business rationale for its strict attendance and punctuality standards: "The emphasis on punctuality, regular attendance…is dictated by the requirements of providing a constant, vital public service. Strict attendance rules…are essential in order for personnel to be scheduled efficiently to meet the varying demands for service."[77] Typically, more than six or eight absences in a year or ten instances of tardiness for employees with more than six (or in some cases twelve) months on the job were considered grounds for dismissal. Workers with less job tenure could be fired for fewer absences. Workers with excessive periods of absence for minor illness (which indicated "possible malingering"), multiple disability cases, and frequent absences on Mondays or Fridays could also be given unsatisfactory ratings, up to and including dismissal.[78]

Attendance records indicate that most Bell employees came to work every day and that attendance was not a significant problem, at least in the late 1960s and early 1970s. According to attendance data provided to the EEOC in the affirmative action case, in 1972, the absence rate for Bell system employees in the commercial departments (where service representatives worked) was 1.9 percent for incidental absence (which excluded jury duty, funeral leave, union leave, and disability-related absence) and only 2.9 percent for all absences. Female absence rates in the commercial department were only slightly higher than those of their male colleagues – about one percent more per

[77] Memorandum Accompanying the August 1, 1972 Submission of the Bell Companies, August 1, 1972. EEOC Case, Box 565, Vol. 12, 27.

[78] John Whetzell, Communications Workers of America, "Absence Control in the Telephone Industry," January 4, 1974, 1974 Bell System Bargaining Notebook located in CWA District 2 Office in Lanham, MD.

year. Absence rates in the commercial department were similar to those for other departments. Female absence rates across all Bell system departments exceeded the male absence rate by only about one percentage point.[79]

Most service representatives were young, and among this group, there was high turnover. In 1968, 12,000 of the 28,000 service representatives in the Bell system, or 42 percent of them, had been hired and trained that year. The following year, the Bell system hired another 14,000 new service representatives; 10,000 replaced people who had left the company and another 4,000 represented new positions. The high turnover was concentrated among those with less than six months job tenure. The Bell system was deeply concerned by the higher turnover rates; AT&T estimated the economic impact of just 1 percent turnover among service representatives at $1 million a year.[80] A C&P Telephone Company survey of service representatives who resigned from the company found that three quarters (75 percent) of those who left the company were young (under twenty-five years of age) and 78 percent had some college. More than half (56 percent) had less than one year of service, and another 20 percent had between one and two years on the job. When asked why they left the company, two-thirds (67 percent) expressed dissatisfaction with pay and 62 percent were unhappy with the volume of work. The

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[79] Absence Rates of Employees, EEOC Case, Box 165, Vol. 43. This document was filed with Bell of PA and Bell of Diamond State (DE) materials.

[80] The Bell system managed a mammoth recruitment and hiring operation. In 1968, the Bell system screened 1.9 million people and hired 160,000. Walter Straley, AT&T Vice President, "Report on Force Loss and the Urban Labor Market," October 9, 1969. EEOC Case, Document C-1540, EEOC Exhibit 5, Box 569, Vol 23.

An AT&T report detailed the reasons for female resignations in 1968. Among commercial employees, 25 percent left for home duties, 19 percent left the city, 9 percent returned to school, 17 percent resigned because of the "type of work/pay," only 3 percent left for health or marriage, and the remaining 24 percent for unspecified other reasons. EEOC Findings of Fact. EEOC Exhibit Z-440. January 31, 1972. EEOC Case. Box 567, Vol. 21. EEOC Exhibit C-1610, EEOC Case, Box 567, Vol. 22.

comments attached to the report revealed that although the former service representatives liked their job, they hated the management style. “The job is extremely interesting – I loved it,” one former service representative responded. “But the Company’s and management’s handling and treatment of its employees made the pressure of the job not worth it.” The authors of the study chose to ignore the service representatives’ dissatisfaction with low pay, management style, and job pressures. Rather, they recommended that the Company avoid hiring college-educated women going forward.[81]

Despite the high turnover among newly hired service representatives, a significant number stayed on the job for many years. The turnover rates, for example, disguise the number of employees – like Kmetyk and Dellavia – who took some time off the job to raise young children or follow their husbands to another city, only to return to work after a few years when the children were older, family circumstances changed, or marriage ended in divorce. A look at average job tenure data reveals a more complex story. In 1971, for example, average tenure in the Bell system’s commercial departments was 8.9 years. While more than half (55 percent) of Bell system commercial department employees had less than four years job tenure, one-third (31 percent) had more than ten years on the job.[82] At Bell of Pennsylvania in 1971, half (52 percent) of the commercial bargaining unit had less than three years’ experience and two-thirds (68 percent) had less

[81] Washington Commercial Personnel Survey, “The Service Representative: Her Story,” 1970 in EEOC Case, Box 568, Vol. 26.

[82] Bell Companies: All Employees by Department and Length-of-Service, Table 2A, Bell Company Exhibit #1, EEOC Case, Box 569, Vol. 29.

than five years tenure on the job. But one-fifth stayed on the job for 10 years or more.[83] By the early 1980s, this had changed substantially. At New Jersey Bell in 1983, a full 82 percent of the 1,765 service representatives were at the top of the pay scale, reflecting more than three years on the job.[84]

Generally speaking, the unionized service representatives earned good wages compared to other U.S. working women and certainly compared to other U.S. working women with comparable education levels. In 1983, for example, a Bell service representative with four or more years' experience earned about $24,000, which was twice the median annual earnings for all full-time women workers with a high school diploma ($12,841) and almost twice that of all full-time women workers, regardless of educational attainment ($13,915). Economists have identified structural pay disparities in most female-dominated occupations in the United States.[85] But in what a leading feminist economist would later call an "exception to the rule of low-pay for women's work,"[86] the 1983 union-negotiated wage rates for Bell system service representatives also compare favorably with those of male full-time workers ($21,881 median annual earnings) and

[83] Author's calculations of data prepared by Bell of Pennsylvania Labor Relations, Commercial Bargaining Group: Full-Time Non-Management Employees by Years of Service provided to Pennsylvania Telephone Guild in preparation for collective bargaining, various years, Pennsylvania Telephone Guild bargaining books for 1971, CWA Local 13500 office.

[84] In contrast, in 1971, only 20 percent of the 1,595 New Jersey Bell service representatives were at the top of the pay scale. New Jersey Bell Commercial and Marketing Unit Bargaining Unit Data provided by New Jersey Bell to CWA, March 31, 1971 and March 31, 1983, New Jersey Bell Collective Bargaining Notebook, CWA District 1 Trenton Office.

[85] Heidi Hartmann, Robert T. Michael, Heidi I. Hartmann, Brigid O'Farrell, *Pay Equity: Empirical Inquiries* (Washington DC: National Research Council, 1989).

[86] Roberta Spalter-Roth and Heidi Hartman, *Women in Telecommunications: Exception to the Rule of Low Pay for Women's Work*. (Washington, DC: Institute for Women's Policy Research, 1992.)

male workers who were high-school graduates ($20,583 median earnings).[87] Collective bargaining provided the Bell system service representatives a mechanism to overcome gender-based pay discrimination in the broader economy.[88]

During the two decades before divestiture, the union had the bargaining power to negotiate significant wage increases with the Bell system, providing what economists call a union wage premium over comparable non-union jobs in the labor market. The union typically negotiated across-the-board wage increases for all represented titles, and therefore service representative wages rose in tandem with those of the more heavily-populated technicians and operators. In 1977, CWA negotiated a $10 dollar per week pay upgrade for service representatives, over and above the general wage increase.[89] Thus, beginning in the late 1960s, Bell system service representative annual earnings provided a significant union wage premium compared to the median earnings of most U.S. women workers. (See Appendix Figure 4, page 308)

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[87] Bell service representative wages are the author's calculations derived from CWA contracts with C&P, New Jersey Bell, AT&T Long Lines, and Bell of Pennsylvania, various years. Women high-school graduates' median earnings are from Bureau of Labor Statistics, "Median usual weekly earnings of full-time wage and salary workers 25 years and over by sex and educational attainment, annual averages 1979-2013." (http://www.bls.gov/webapps/legacy/cpswktab5.htm). All full-time women workers' annual earnings are from the U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements, Table P-38, "Full-Time, Year-Round All Workers by Median Earnings and Sex: 1960 to 2013 http://www.census.gov/hhes/www/income/data/historical/people/.

[88] The service representative wages were also remarkably similar in the four bargaining units that are the subject of this study. In 1983, top weekly wage rates at New Jersey Bell ($477.50), Bell of Pennsylvania ($462), C&P ($463.50), and AT&T Long Lines ($462) varied by only a few percentage points. A detailed analysis of wage differentials over time reveals a similar pattern. It is apparent that the various Bell companies coordinated labor negotiations during the pre-divestiture period, and that different patterns of union representation did not significantly increase union negotiating power over service representative wages. Neither the service representative-only bargaining unit (Pennsylvania Telephone Guild) nor the majority-female bargaining unit (NJ Bell) appear to have significantly higher service representative pay rates than the amalgamated bargaining units (C&P and AT&T).

[89] CWA Research Department, "A Primer for Bell System Collective Bargaining in 1983," January 25, 1983, 37. CWA Communications and Technologies Department Archive, Box 702745.

While collective bargaining provided Bell women in the female-dominated occupations with better wages than their sisters in the larger economy, it did not eliminate gender-based pay discrimination within the Bell system itself. Negotiated salary schedules privileged the male-dominated technician jobs throughout the Bell system, reflecting both a devaluation of the complex customer contact skills and deep knowledge required of a customer service representative and the market-based pay inequities that women workers faced throughout the economy. Year after year, Bell system service representative wages trailed technicians' earnings by between 20 and 30 percent. The negotiated wage differentials between technicians, service representatives, and operators remained remarkably consistent. In 1983, technicians at C&P earned about $30,000 a year, a 21.9 percent wage premium over the service representative earnings of about $23,500. Operators' annual earnings of about $21,000 in 1983 trailed those of service representatives by about $2,500 a year (11 percent). The service representative/operator pay gap began to widen in the late 1970s, reflecting the growing importance of the service representative occupation.[90] (See Appendix Figure 5, page 308)

In summary, in the pre-divestiture era the Bell company service representative – predominantly female and with a high school diploma – worked in a stable, well-paying job, one that provided multiple opportunities to use one's skills, knowledge, and emotional intelligence to solve customers' problems and to develop camaraderie with one's fellow workers. To be sure, service representatives felt job pressures dealing with

[90] Author calculations. CWA wage rates derived from CWA contracts with C&P, New Jersey Bell, AT&T Long Lines, and Bell of Pennsylvania, various years, and John E. Strouse, CWA Development and Research Department, "Bell System Wage Rate Changes Since 1957: Top Rate and Minimum Rates Analyzed in CWA Districts for Selected Major Cities," CWA District 2 office, 1974 Bell Bargaining notebook.

irate customers, following the detailed and rigid Bell system Methods and Procedures, and frequently resented the inflexible rules that were closely monitored by supervisors. But they also felt they were one cut above the more numerous operators, who were subject to intensive supervisory monitoring and Taylorist time management systems that created what they perceived as a pressure cooker work environment.[91]

CWA Women Campaign to Curb Job Pressures

In the latter half of the 1960s, the female Bell system operators organized to put the issue of job pressures on the union agenda in order to reduce the highly stressful, dehumanizing conditions at work. That fight saw an uprising of the women within CWA, as they married their struggle for greater power within the union to their campaign to alleviate the conditions creating intense pressures on the job. While the customer service representatives were ancillary players in these struggles, due to their smaller numbers and less stressful working conditions, the fight for women's power within the union and the struggle for greater union control over conditions at work simultaneously laid the groundwork for and pre-figured similar struggles by service representatives to alleviate stressful working conditions in their call centers in the post-divestiture era. This narrative therefore shifts briefly to the Bell system operators' struggle during the immediate pre-divestiture period to relieve stressful conditions in their workplace.

Beginning in the late 1960s, CWA women operators and the female union leaders who represented them launched a thirteen-year campaign to curb the stressful,

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[91] "Taylorism" refers to the management system promoted by engineer Frederick W. Taylor based on detailed time/motion studies to standardize work processes and achieve maximum efficiency in work processes. See Frederick Taylor, *The Principles of Scientific Management* (New York, Harper, 1911). For a discussion of the application of Taylor's management system in the Bell operator services operations, see Stephen Norwood, *Labor's Flaming Youth*, 33; Green, *Race on the Line*, 127-133, 218-220.

dehumanizing conditions in their Bell system workplaces.[92] The campaign focused on curbing the abusive and intrusive supervisory monitoring of Bell system operators' handling of customer calls.[93] The introduction beginning in the 1960s of electronic switching systems, computerized operator terminals, and software that enabled real-time tracking of the time each individual operator spent with a customer (called Average Work Time, or AWT) that allowed Bell managers to deskill work, impose speed-up, cut jobs, and increase surveillance. The new technology not only reduced the operators' job to pushing a few buttons, it also allowed Bell management to embed machine pacing and electronic surveillance in the algorithms of the information technology that simultaneously routed the telephone call, determined the operators' speed of answer, and surveilled her work performance. The operators responded to these changes by demanding that their union take action to curb these practices.[94]

The CWA-represented female operators – just as their service representative sisters in later years – faced a double challenge in their campaign. First, they had to organize within their male-dominated union to put their concerns about job pressures on the union's agenda. The work environment of the male technicians stood in stark contrast

[92] Debbie Goldman, "Curbing Big Brother in the Workplace: The Campaign of CWA Women Against Supervisory Monitoring, 1967-1980," December 18, 2005 (paper prepared in partial fulfillment of requirements of M.A. degree, University of Maryland, in author's possession and on file at the Tamiment Library, New York University).

[93] Beginning in the 1890s, supervisors stood behind the line operators to "listen in" to their conversations. Service inspectors with stop watches timed their "speed of answer" and "speed of handling calls" and managers located in special observation rooms eavesdropped remotely on operators' conversations. When the Bell system introduced electromechanical switching in the 1920s, ushering in the direct dial era, Bell engineers wired the switches to capture detailed information about operators' call handling. Managers used this information to reduce operator down time, resulting in a 20 percent increase in an operator's work load. Green, *Race on the Line*, 46-48.

[94] Green, *Race on the Line*, 127-33, 215-19, 227; Vallas, *Power in the Workplace*, 95-100.

to the regimented operator workplaces. The technicians experienced a large degree of autonomy and control at work, fostering independence and a militant work culture. Not only were they physically separated from direct supervision as they moved from job to job, they also possessed specialized craft knowledge.[95] The predominantly male CWA leadership was ignorant, at best, and unconcerned, at worst, about the job pressures experienced by the female telephone operators. Therefore, CWA operators and the women leaders who represented them first had to launch a campaign *within* the union to put their issue of job pressures on the agenda and make them union priorities.

Second, the female operators and union leaders had to craft solutions that challenged "management rights" to manage the business and the workforce, authority embedded in union contracts and the U.S. enterprise-based labor relations system. Traditional union mechanisms proved inadequate to protect operators against technology-enabled work speed-up and disciplinary action. There was no contract language restricting management's right to implement new technology, to restructure work and job titles, to monitor employees' conversations or workloads, and to use the information gathered to discipline employees. With no contract language to restrict such practices, the union could not turn to the grievance procedure to protect members. Prior to the launch of the job pressures campaign, the union had never raised the issue of monitoring, time indexes, or other workplace job pressures at the bargaining table.[96]

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[95] Vallas, *Power in the Workplace*, 83-140.

[96] None of these items appears on a CWA list of "Bell System bargaining council objectives, attained and unattained, 1958-69," that was produced in preparation for 1970 Bell bargaining. Bell System Bargaining Council Objectives (Attained and Unattained, 1958-1969), January 29, 1970. CWA-TL, Box 19, Folder 1.

CWA women leaders launched their campaign to reduce job pressures in the Bell system in 1967 at the twenty-eighth annual CWA convention where delegates unanimously approved a resolution mandating that the CWA executive board "conduct a study of the undue pressures being applied throughout the Bell System to traffic operating employees and to appropriate measures to alleviate such pressures."[97] Following the 1967 convention, the CWA executive board created a Job Pressures Study Committee chaired by longtime CWA female leader and New Jersey State Director Clara Allen.[98] The Job Pressures Committee's survey of CWA members and leaders found that operators overwhelmingly reported highly stressful conditions as a result of productivity measures called "index systems," job observation, and rigid absence control policies, while male craft workers were largely unaffected by these forms of supervisory control.[99]

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97 The Convention discussion encouraged the Executive Board to expand the study to include all CWA Departments. The male union leadership decided it was necessary to bring in the craft departments to build support for the issue. Chronological Outline of Job Pressures Committee Action, CWA-TL, Box 19, Folder 16, attached to Executive Board minutes, January 11, 1973.

98 The members of the Job Pressures Study Committee consisted of three women and three men: Chair Clara Allen, New Jersey Area Director; Robert Butland, Local 1022; McCoy Garrison, Local 2204; Faye Holub, Local 6312; Bertha Van Sittert, Local 6323; Ellis Crandell, Local 9409; and Myrtle Robertson, Local 3372. Chronological Outline of Job Pressures Committee Action, Attached to CWA Executive Board minutes, January 11, 1973. CWA-TL, Box 19, Folder 16.

99 Two-thirds (62 percent) of the female respondents employed in the Bell system reported that supervisory observation was "extremely harassing, harassing, or uncomfortable." Two-thirds of local union presidents representing Bell company employees reported that operators in their locals experienced discipline based on information gathered during monitoring sessions. Among individual respondents, one out of every four women noted that she was disciplined in the prior year for failure to meet average work time or other work production measures known as the "index" system. The women employees testified that the Bell System's rigid absence control plan, limiting excused days off to a handful per year, was a particular source of stress and fear "generated from a high level of disciplinary action taken by management against employees who have been ill." Not surprisingly, given women workers' disproportionate share of child care and other family responsibilities and high rates of stress-related illness, female respondents expressed greater problems with the Bell System's strict attendance policies than did male employees. The survey found that one out of every five female respondents had been disciplined at least once in the prior year for absenteeism. The Final Job Pressures Report, June 4, 1969. CWA-TL, Box 146, Folder 19. See also Job Pressures Committee memo to President Joseph A. Beirne, October. 31, 1969. The memo is marked "Personal and Confidential." CWA-TL, Box 19, Folder 1. See also CWA 32nd Annual Convention Proceedings, 1970, 142-144.

While the vast majority of survey respondents were operators or technicians, reflecting their large numbers in the ranks of the union and the Bell system, a small percent of respondents were service representatives. Some shared the operators' frustration with supervisory monitoring. "[Our managers] have trained us all as service representatives for eight weeks to think for ourselves and make our own decisions," one service representative wrote. "Why not let us exercise our judgment."[100]

The Job Pressures Committee reported its findings to the CWA executive board in June 1969 and shared a summary with delegates to the thirty-first CWA Convention. The convention took no action on the report. Later that fall, the CWA executive board appointed a three-person Job Pressures Implementation Committee, chaired once again by Clara Allen.[101] The Job Pressures Committee report urged President Beirne to make alleviation of job pressures, in general, and secret punitive monitoring, in particular, union priorities and urged CWA leadership to launch a nationwide member mobilization to highlight "with a considerable amount of fanfare" in the local news media the issue of Job Pressures.[102] The CWA executive board failed to act on the proposal and the Job Pressures Action Committee died in 1970.[103] The male union leadership let the issue

[100] Job Pressures Committee memo to President Joseph A. Beirne.

[101] The other two members were Patsy Fryman, long-time leader and CWA staff representative from the Midwest, and Victor Crawley, CWA state director for Missouri, Arkansas, and Illinois. Final Job Pressures Report, June 4, 1969, CWA-TL, Box 146, Folder 19. See also Chronological Outline of Job Pressures Committee Action, CWA-TL, Box 19, Folder 16; CWA Executive Board minutes, June 1969, CWA-TL, Box 146, Folder 27.

[102] At the same time, the Committee warned that such mobilization would have to be "carefully programmed" to make sure that the membership wouldn't become too preoccupied with immediate solutions. Union leaders recognized they were stepping into unknown territory; while they had to engage the membership to make progress, they also feared raising members' expectations and losing control. Ibid.

[103] Memo from Clara Allen to Joseph A. Beirne, President, Job Pressures Implementation Report, September 18, 1970. CWA-TL, Box 19, Folder 6.

whither, until newly energized and militant CWA women put job pressure issues squarely at the forefront of their agenda in 1978, forcing the CWA executive board to take up the women's concerns.

Angered by what they perceived as marginalization by the male leadership, and empowered by the demands for equality taking place in the larger women's and civil rights movement, CWA women organized in the 1970s to demand greater power within their union. At the 1973 Convention, for example, they joined with African-Americans and other minorities to sponsor a resolution mandating a review of a proposal for dedicated seats on the executive board for a woman and a minority. President Beirne, in his opening speech to the 1973 convention, acknowledged that the all-white all-male executive board contradicted the union's proud record of "participatory democracy" and announced his support for such a review committee. However, after heated and lengthy debate, convention delegates twice turned down the resolution.[104] Beirne closed the 1973 Convention acknowledging that the union was ill-prepared for the affirmative action proposal.[105]

But the pressure was on. Late that fall, the CWA executive board appointed a Female Structure Review Committee and a Blacks and Other Minorities Structure

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[104] In support of the motion to establish a Structure Review Committee on June 20, 1973, delegate June Haskins stated: " I am black. I am a woman. I am a member of the Communications Workers of America. I am equally proud of all three. The rhythm of the times dictates that we should update our structure, keeping with our tradition as being a progressive Union." Speaking against the motion, delegate Aleatha Pesick argued that election to union office based on sex or color, not qualifications, would perpetuate discriminatory practices that the union was dedicated to eradicate." Daily Proceedings and Reports, CWA 35th Annual Convention, June 18-22, 1973, 22, 34, 162-64, 270-74, 333.

[105] Beirne told the Convention: "I thought I was doing the right thing by talking to people months ago about what to me seemed to be an inadequacy: Getting women and blacks in the top leadership…I exercised my right to say: I have looked at this, and this is what I think. How wrong I was…We looked at it and we heard it. It was not a good idea, I learned. In the future we will take it up at District meetings, and area meetings, so that things won't be sprung unexpectedly." CWA 35th Annual Convention Proceedings, 333.

Review Committee.[106] Many of the most militant CWA feminist leaders served on the Female Structure Review Committee, although John C. Carroll, President Beirne's assistant, was its chair. The Committee met for the first time in the fall of 1973, including a "secret" caucus in the evening that excluded Carroll. As Carroll later wrote in a memo to Beirne, "This group of women had made up their minds that for once in their lifetime in the history of CWA they were not going to pay a bit of attention to any comments or viewpoints made by a male. The women were going to decide this question for themselves."[107] The Committee recommended structural changes to increase the number of women on CWA staff, including those in administrative positions.[108] The CWA executive board agreed to prioritize consideration of "carefully screened" women and minorities in making staff appointments and promotions.[109] At the 1974 CWA

[106] The history of the struggle of blacks and other minorities for leadership within CWA presents a rich topic for further research. The Bell system did not hire more blacks in any significant numbers until the late 1960s. The black Bell workforce in 1966 was 4.6 percent, and increased to 9.8 percent in 1970. Green, *Race on the Line,* 211. It is important to recognize the independent, yet overlapping trajectories of these two pressure groups.

[107] Report of Meeting – Female Structure Study Committee, attached to John C. Carroll, Assistant to the President, Memo to President Joseph A. Beirne, January 8, 1974. CWA-TL, Box 20, Folder 4. Executive Board minutes February 11-15, 1974.

[108] Report of the Female Structure Study Committee; John C. Carroll Memo to CWA President Joseph A. Beirne, January 8, 1974; Joseph A. Beirne memo to CWA Executive Board, January 18, 1974. CWA-TL, Box 20, Folder 4.

[109] CWA Executive Board Minutes, February 15, 1974. CWA-TL, Box 20, Folder 4.

convention, delegates approved a weak resolution requiring "consideration" rather than mandatory intensive appointment of qualified women.[110]

The 1974 Convention was noteworthy for another significant advance for CWA women. With great fanfare, Dina Beaumont, president of the former independent Federation of Women Telephone Workers (FWTW) representing 10,000 telephone operators in the southern half of the state of California, led a delegation of women, all wearing broad-brimmed hats, onto the convention floor, announcing the merger of the FWTW into CWA. Beaumont, a former telephone operator and president of the FWTW for many years, led her fiercely independent union into CWA. The merger agreement created a new CWA District in southern California with Beaumont in the top leadership position, giving her a seat on the CWA executive board. The all-male CWA executive board now had one female member who would prove her political savvy and creativity in moving an operators' – and later, a service representative – agenda within the union structures.

[110] Speaking for the resolution, Delegate Leilani Moyers stressed that affirmative action would not dilute leadership quality, but rather would recognize the contributions of CWA women and benefit all union members. "We are not asking for patronage; nor do we want tokenism. The purpose of the motion is to achieve equity…We are only asking for consideration strictly on qualification. What I am saying to this Convention is that qualified people have been passed over many times for no other recognizable factor than they happen to be women…Make the women prove themselves, yes, as everybody else must; but once they have, advance them as you would a man who has similar achievements to his credit…Give us the tools, and we will do the job, not just to benefit the women of our Local, but ultimately to benefit all of us." Opponents countered that any affirmative action in hiring would violate union principles. "If this Resolution were to pass," one male delegate argued, "we would be introducing into CWA for the first time written discrimination." Daily Proceedings and Reports, CWA 36th Annual Convention, 278-9.

Beaumont took over as chair of the CWA Concerned Women's Advancement Committee, which remained active throughout the decade.[111] The Committee convinced the CWA executive board to hold CWA's first National Women's Conference, a four-day event in October 1978 designed to teach CWA women skills to "move up the ranks of the Union." The conference, attended by hundreds of CWA women, was structured as a mock CWA Convention. Participants learned parliamentary procedure, public speaking, committee building, and resolution writing. They used this expertise to write and then debate resolutions on the mock convention floor. The Job Pressures resolution, building on an idea first proposed eight years earlier by Clara Allen's Job Pressures Action Committee, called for a CWA national day of mobilization against job pressures.[112] The CWA Executive Board subsequently endorsed the resolution, and scheduled National Job Pressures Day to highlight "we are people, not machines" for June 15, 1979.[113]

On June 15, CWA locals rallied across the country under the slogan "we are people, not machines." They used humor and fun to attract attention. In Fort Collins, Colorado employees and members of the public were invited to "soak away their job pressures" in a hot tub. In Cleveland, Ohio, workers took a "whack at Ohio Bell" with a sledgehammer and an old Ohio Bell car. In Oakland, California, a jazz band played "When the Saints Come Marching In" as the local "buried" an operator who died from

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[111] CWA progress in promoting women can be seen in the make-up of the 1978 CWAC. Patsy Fryman was now Assistant to CWA President Watts, Selina Burch was headquarters staff, Maxine Lee, LaRene Paul, and Florine Poole and a new member Barbara Easterling (who later became CWA Secretary-Treasurer) held administrative positions in their districts, and Dina Beaumont was a CWA Vice President. CWA-TL, Box 21, Folder 15.

[112] CWA National Women's Conference Program, September 28-October. 1, 1978. CWA-TL, Box 21, Folder 15. Job Pressures Resolution, CWA-TL, Box 22, Folder 1.

[113] CWA Executive Board minutes, CWA-TL, Box 22, Folder 2.

job pressures. Georgia Governor George Busbee, Atlanta Mayor Maynard Jackson, and the Los Angeles City Council issued proclamations in support of CWA's assault on job pressures. News media reported on the events.

Local unions distributed a nationally-produced flyer to educate the public that telephone employees were "as much a part of an assembly line" as autoworkers. "They are constantly pushed toward greater and greater productivity, subjected to over-supervision, harsh absentee control programs and they must adhere to strict, unyielding schedules." Although telephone operators might have a pleasant work environment, "machine-like qualities" of monotony, boredom, and repetition created unbearable job pressures.[114] (See Figure 6 on next page).

[114] CWA Flyer, "Assembly lines are only in factories. Right? Wrong!", 1979, CWA-TL, Box 159, Folder1.

Figure 6. CWA Job Pressures Day flyer, 1979.

National Job Pressures Day, along with a CWA technology conference that same year, finally succeeded in putting the issue of supervisory monitoring on the national union's bargaining agenda.[115] CWA's 1980 Collective Bargaining Primer, for the first time in the union's history, stated that the union "should…through negotiation take steps to alleviate pressures from monitoring of worker performance…"[116] Eliminating job pressures ranked eighth among all items CWA locals recommended for the 1980 bargaining agenda.[117] As a result, at the March 12, 1980 CWA Bell System Bargaining Council, CWA adopted, for the first time, as part of its bargaining program a demand to "eliminate monitoring."[118]

The 1980 bargaining minutes contain no reference to discussions over this demand. Yet, when the negotiations concluded, CWA achieved what it termed a "major victory" as AT&T agreed to ban secret diagnostic monitoring of operators, and to use observations for training – not disciplinary – purposes. In a letter from AT&T labor relations chief Rex R. Reed to CWA President Glenn Watts, AT&T agreed "as an indication of our mutual determination to achieve goals of improvement" that all diagnostic performance monitoring would be performed "at the position where the

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[115] CWA negotiated a "no discipline" operator monitoring agreement with Michigan Bell in April 1976. Memo from John C. Carroll, CWA Assistant to the President to CWA Executive Committee re Monitoring Agreement – Michigan Bell Telephone Company, April 23, 1976, CWA-TL, Box 128, Folders 13/14. CWA also proposed monitoring demands in negotiations with C&P Telephone in 1977 but did not reach agreement on these demands. CWA, Union Proposal: Service Observing in 1977 C&P Memorandum of Agreement Notebook, CWA District 2 Office.

[116] CWA Development and Research Department, A Primer for Bell System Collective Bargaining in 1980, February 12, 1980, 272-272. CWA-TL, Box 124, Folder 1.

[117] Analysis of Bargaining Items Submitted to the Bell System Bargaining Council by Districts, Locals, Bargaining Unites, and Individual Members, March 11, 1980. CWA-TL, Box 106, Folder 1.

[118] CWA's 1980 Bell System Bargaining Council Resolution, March 12, 1980. CWA-TL, Box 106, Folder 1.

individual being observed is working when management determines it is necessary for training or instructional purposes."[119] This language was subsequently incorporated into the Bell Operating Company contracts.[120] While on its surface the language reads as tentative and weak, in reality, by requiring that operators know when they were being observed, the agreement effectively ended the use of monitoring to "catch" an employee, thereby significantly reducing stress. The Reed-Watts letter on supervisory monitoring represented what CWA national leadership proclaimed a major victory for telephone operators and the women in CWA who represented them.

Bargaining for Co-Determination

The Reed-Watts monitoring letter was one piece of a much larger package that CWA negotiated in the 1980 agreements with AT&T and the Bell Operating Companies, provisions that opened the door for greater union voice over the introduction of new technology and the organization of work in the Bell system. The union leadership was acutely aware that the Bell system's introduction of digital technologies and automated systems would lead to substantial change in work force requirements in the years ahead as well as intensification of job pressures, work speed-up, and deskilling.[121] A 1979

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[119] Letter from Rex R. Reed to Glen Watts, August 9, 1980. CWA-TL, Box 109, Folder 13.

[120] CWA/C&P Contract, August 10, 1980.

[121] To be sure, CWA's focus on the impact of technological change on its members' job security and satisfaction was not new. As early as 1941, CWA's predecessor union, the National Federation of Telephone Workers, articulated a three-part response to technological change: first, a recognition that since change is a constant in the telephone industry, the union and its members must adapt to, rather than block, the introduction of more efficient technologies; second, the protection of workers' job security required negotiated retraining programs to teach the current workforce the skills; and third, the union should negotiate contract provisions – such as reduced work hours and pay increases – to ensure that the CWA-represented workforce realized the benefits of productivity-enhancing new technologies. In the 1960s, CWA President Joseph A. Beirne promoted a similar three-part program to protect technicians' jobs in response to automation. By the late 1970s, CWA leaders and key staff, influenced by the Swedish-based socio-technical school, added a fourth element to the CWA program: union involvement in the introduction and implementation of new technology.

CWA Research Department paper predicted that the introduction of digital switches, automated network monitoring and provisioning systems, as well as competition in the business system market predicted massive job dislocation for technicians, operators, and clerks, and significant growth in the number of sales and service workers in the Bell system. The paper also noted that automated systems could at the same time deskill some jobs while adding increased responsibility and skill requirements to other positions.[122] CWA leaders and national staff studied German and Nordic labor relations systems and socio-technical theories of workplace technology and work organization, and determined that in 1980 bargaining the union would press for greater union involvement in business decisions regarding implementation of technology and work organization in order to protect members' job security and reduce job pressures.[123] During this same period, Bell system management was looking for mechanisms to engage frontline workers in quality and service improvements.

The result was what CWA leaders called a historic agreement which, in addition to the monitoring protections, established joint labor-management committees on technological change, quality of work life, and job evaluation designed, to address the "interrelated issues of job security and job pressures" triggered by technological change and an ailing economy. The provisions were negotiated into the 1980 CWA/AT&T and

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[122] A 1979 CWA Research Department paper presciently analyzed the impact of digital ESS switches, automated network surveillance, testing, and maintenance systems, common channel inter-office signaling, satellites, and other advances on the technician workforce as well as the impact of computer-driven automation on operators, clerks, and business office workers. The analysis predicted significant job growth in the business offices and among sales workers, but massive job dislocation for technicians, operators, and clerks. Michael D. Dymmel, Communications Workers of America, "Technological Trends and Their Implications for Jobs and Employment in the Bell System," November 19, 1979, Technology folder, CWA Research Department Files.

[123] CWA's 1980 Bell System Bargaining Council Resolution, CWA-TL, Box 106, Folder 1.

CWA/BOC agreements, and have remained in the contracts up until today. The Technology Change Committee was designed to "eliminate the detrimental effects of changing technology on the workforce" by mandating at least six months advance notice to the union of major technological change, and providing a forum to discuss training, employment, and early retirement opportunities. The joint Working Conditions and Service Quality Improvement Committee was designed to give "workers an opportunity to participate in the design and implementation of their own jobs," leading to the adoption of the Quality of Work Life program. Finally, a joint Occupational Job Evaluation Committee was established to develop procedures for reclassifying jobs or instituting new job titles.[124]

CWA saw great potential in these contract provisions, hoping they would give the union a significant role in determining how technology would be deployed and work organized to create more meaningful jobs for frontline workers while at the same time using workers' knowledge to improve business processes at a time of nascent competition. In the words of one CWA leader, these provisions contained elements of European-style co-determination, giving the union contractual rights to participate in key business decisions.[125]

While the agreements were extended in 1983 (and subsequent years), the dislocations caused by the 1984 AT&T divestiture disrupted what might have evolved

[124] For discussion of the implementation of the Quality of Work Life program see chapter four, 203-206. The CWA-Bell System Settlement: 1980, CWA Research Department; CWA Letter to Members, Summary of 1980 CWA-Bell Settlement, August 18, 1980, CWA-TL, Box 106, Folder 8.

[125] George Kohl interview with author, January 12, 2021. Kohl began his career at CWA in 1980 and became CWA Research Director a few years later. He served as assistant to CWA President Morton Bahr and President Larry Cohen until his retirement from CWA in 2018. Throughout his career, Kohl had major responsibility for research support for collective bargaining and organizing campaigns.

into a more mature collective bargaining relationship between CWA, AT&T, and the divested BOCs. In 1983, 500,000 CWA members went on strike for fifteen days when the union and Bell negotiators were unable to reach agreement over a contract that would frame the wages, benefits, and working conditions for the post-divestiture era. Ultimately, the 1983 agreement included provisions to ensure continued CWA representation and full contract coverage for all Bell system employees after the AT&T break-up and full pay protection to those employees who might be reassigned to a lower rated job because of divestiture.[126] The 1983 contract also reflected the growing importance of customer service representatives within the AT&T Long Lines bargaining unit, as AT&T Long Lines locals agitated for, and won, a pay raise to bring the service representatives in their unit up to the BOC service representative wage levels. But this achievement – along with the progressive contract provisions giving the union a greater voice in workplace operations – would be challenged in the post-divestiture era, as AT&T and CWA struggled over the company's strategic approach to business prosperity in a more competitive era. The organization of work in the strategically important customer service call centers became a flashpoint in this struggle.

In the pre-divestiture Bell system, customer service representatives worked in a stable business environment, selling and servicing one product – voice telephony – in small offices, keeping paper records, getting up multiple times a day from their desks to move their bodies and chat briefly with co-workers. They found satisfaction using their skills, knowledge, and emotional intelligence within the Bell culture of quality customer

[126] 1983 CWA Final Bargaining Report and Letter of Understanding, CWA District 2 1983 CWA Final Bargaining Report and Letter of Understanding Notebook, CWA District Two office.

service. To be sure, the Bell system's detailed bureaucratic rules and supervision forced conformance, but absent the technical control of automated workforce management systems, they had a measure of autonomy over the pace and manner of work.

But a revolution was coming, driven by the competitive forces unleashed by the break-up of the Bell system and introduction of digital technologies with the capacity to intensify the speed, surveillance, and even scripting of the service representatives' work. It would begin in the brand new AT&T call centers and spread to the Bell Atlantic business offices. The customer service representatives organized within their union to contest the new terrain, taking lessons from and building upon the operators' campaigns to relieve job pressures. Their fights for dignity, control, healthy working conditions, and wages that were commensurate with the value they created for their employers would take many forms – collective bargaining, organizing, labor-management joint programs, and even a strike for stress relief – as their employers transformed their companies from public service monopolies to profit-maximizing financial organizations. And in the process, they transformed themselves into a workforce of resistance.

Chapter 2. After the Break-Up: Becoming a Workforce of Resistance, 1984-1995

Mary Ellen Mazzeo, in a freshly-ironed blouse and dress pants, walked into the brand-new AT&T call center in Syracuse, New York filled with excitement and trepidation. It was 1984, the year of the AT&T divestiture. The company was creating an entirely new customer service operation and she wanted in. Bored after twelve years as a New York Telephone Company operator, she was looking for more challenging work with higher pay. Mazzeo accepted a job as a sales representative at the new AT&T long-distance company and was assigned to work in a call center that served business customers. "The job was stressful in the beginning, learning all the acronyms, not knowing what I was doing, trying to do a good job," Mazzeo recalled. In her first few years, the job pressures came from the complexity of the work and Mazzeo's drive to give good service. But by the early 1990s, as AT&T increased sales quotas, negotiated commission pay plans, and intensified electronic monitoring, the working conditions drove high levels of stress. "Many of my co-workers would dread Sunday nights before going back to work," Mazzeo remembered. "They would fight so hard to meet quota by the end of the month. They were put on performance improvement plans. Some were fired. It became more and more difficult to do the job." Mazzeo became active in the union, and as the call center grew to more than five hundred sales representatives, she rose to become president of Communications Workers of America (CWA) Local 1152 and a national leader representing the union's customer service members in their fight for good jobs at AT&T.[1]

[1] Mary Ellen Mazzeo interviews with author, April 19, 2012, June 5, 1920 and June 9, 2020.

Judy Buchanan, with eighteen years as a service representative at C&P Telephone, stayed with the local telephone company at divestiture. But her job at the Bell Atlantic Regional Bell Operating Company (RBOC) subsidiary did not remain the same. Rather, as she wrote in a letter to the 1986 CWA bargaining committee: “Never in my 18 years have I been subjected to the pressure, tension, and stress in my job that I’ve been facing in the last 2 years.” Before the 1984 Bell system break-up, she explained, a service representative collected on bills, made arrangement on those bills, investigated billing errors, and took orders for service. The company provided time off the phones to do paperwork. But soon after divestiture, conditions changed. “The company has but one thought in mind and that is to ball and chain the once flexible service rep to the black box on her desk,” Buchanan explained. “They are now putting screens around our desk to isolate us from each other so our FULL CONCENTRATION is centered entirely on SELL-SELL-SELL. Our job has grown by leaps and bounds and the stress and tension have grown in proportion. Absenteeism is up and nerve related problems plaque [sic] our workers. Morale is at an all-time low.”[2]

Mary Ellen Mazzeo and Judy Buchanan were two of the tens of thousands of customer service representatives who experienced the transformation of the labor process and downward pressures on their living standards in the decade after the break-up of the Bell system. Two major developments came together to revolutionize their working environment in this post-divestiture period. First, neoliberal policy that favored competition over regulation led to the 1984 AT&T divestiture, with the radical

[2] Letter accompanying bargaining proposal submitted by Judy Buchanan and thirteen co-workers, presumably 1986, CWA District 2, 1986 C&P Local Bargaining Minutes Cont. Notebook, CWA District 2 office in Lanham MD.

restructuring of the telecommunications industry that unleashed intensive competitive pressures, particularly in AT&T's long-distance market, to reduce labor costs and increase profits by boosting top-line revenue. Second, technological advances that integrated computing with digital communications networks created new revenue opportunities for the telecommunications companies which, along with the more competitive market structures, elevated the importance of the customer service employees while at the same time gave managers new tools to exercise control over the labor process. Call center managers worked with their IT departments, Bell Labs, and outside vendors to develop sophisticated workforce management systems that limited the service representatives' flexibility and autonomy by implementing detailed call volume tracking, routing, and electronic monitoring. Call center managers used these technologies to squeeze out so called non-productive time off the phones, intensify surveillance, automate call distribution based on call type across ever larger regional and national geographies, and redesign and downgrade service-oriented functions from sales jobs. These technological developments enabled AT&T and Bell company managers to reorganize work in the call centers, particularly in the centers serving residential customers. To use economist Richard Edwards' job control taxonomy, in the pre-divestiture era, managers exercised control over the service representatives through bureaucratic rules and direct supervisory oversight; with the adoption of electronic workforce management systems, managers now added technical, machine-paced control.[3] The customer service workplaces began to look more like the highly regimented,

[3] Richard Edwards, *Contested Terrain: The Transformation of the Workplace in the Twentieth Century* (New York: Basic Books, 1979); see also Introduction to this dissertation, 14-15.

automated operator services call centers that Bell system managers had long organized along a Taylorist scientific management model designed to increase output through expert systems that machine-paced their work.[4]

The changes in the customer service centers were dramatic. Gone were the small business offices of the pre-computer era in which service representatives sat across from each other at their own desks, getting up multiple times a day to get paper records, chat briefly with their colleagues, and provide service with a smile to customers in their local community. In its place was the modern call center, a large open space divided into multiple rows of cubicles with dividers separating each cubicle in order to minimize collegial interaction. A steady stream of calls dropped into one's headset one after the other, with software tracking the service representative's adherence to her schedule. Service representatives sat at their desks in front of a computer for seven or more hours every day, talking with customers while simultaneously typing in orders, reviewing bills, and following scripts to promote sales. With every second of the service representative's time electronically monitored, there were few if any opportunities to move around or to talk to one's co-workers. Managers sat in their offices on the periphery of the floor, with digital workforce management systems tracking the service representatives' key strokes,

[4] For an overview of work organization in the Bell system operator call centers, see Venus Green, *Race on the Line: Gender, Labor, and Technology in the Bell System, 1880-1990* (Durham NC: Duke University Press, 2001), 73-76, 117-136. The Bell system adopted a classic Taylorist scientific management work organization in its operator services department. Taylorism, named after its chief proponent engineer Frederick W. Taylor, is a management system designed to control work routines in order to increase output by breaking down jobs into individual components. Engineers would determine the most efficient process to complete work, thereby separating thinking by management from doing by workers. Frederick W. Taylor, *The Principles of Scientific Management* (New York: Harper, 1911). For analysis of Taylorism, see also Daniel Nelson, *Frederick W. Taylor and the Rise of Scientific Management* (Madison WI: University of Wisconsin Press, 1980); Robert Kanigel, *The One Best Way* (Cambridge MA: MIT Press, 2005); Richard S. Tedlow and Alfred Dupont Chandler, *The Coming of Managerial Capitalism: A Casebook in the History of American Capitalism* (Homewood, Ill.: R.D. Irwin, 1985).

exchanges with customers, the amount of time spent on each call and between calls, adherence to schedule and script, and sales results – all in color-coded real time display.

Frontline customer service representatives like Mazzeo and Buchanan chafed at the management systems which made it increasingly difficult to provide the quality service that was central to their work culture and job satisfaction. The call centers became hot beds of stress as service representatives like Mazzeo and Buchanan tried to meet the high demands of their employers with less control over how they did the work. They pressed their union to fight back, to contest the degradation of work in the call centers. In the process, they began to coalesce into a workforce of resistance.

How effective was CWA in contesting the transformation and degradation of working conditions in the call centers during this first decade after divestiture? Under what conditions were they able to negotiate contractual protections for their members and under what conditions were they less successful? Workers' agency is both enabled and constrained by the institutional structures and historical traditions within which they wrestle for control with their employers. In this chapter, I adopt the analytical framework provided by labor historian Richard Edwards to analyze the forces that influenced the outcome of the contest between labor and capital in the AT&T and Bell Atlantic call centers during this first post-divestiture decade. "Conflict at work," he writes, "must be understood as a product of both the strategies or wills of the combatants and definite conditions not wholly within the grasp of either workers or capitalists."[5]

[5] Edwards identifies five factors that structure the labor-management contest in the workplace: the level of market competition, extent of union organization, level of class consciousness of the workers, the impact of government policies, and the pace of technological change. Edwards, *Contested Terrain*, 15. For a discussion of how institutional factors impact labor's bargaining power, see Harry C. Katz, Thomas A. Kochan, and Alexander J.S. Colvin, *Labor Relations in a Globalizing World* (Ithaca NY: ILR Press, 2015), 79-101.

I argue that the effectiveness of the call center workers and their union in contesting the degrading, stressful conditions in the call centers and the attempts by their employers to reduce compensation levels were largely structured by three factors: first, the level of market competition; second, the nature and degree of regulatory oversight; and third, the power of the customer service occupational group within the union structure. In this post-divestiture decade, AT&T and Bell Atlantic differed substantially on all three fronts. AT&T swam in treacherous waters in the competitive long-distance business, losing market share every year to MCI and Sprint. In contrast, Bell Atlantic's base of local telephony remained largely protected during this period. AT&T adopted the newest and most powerful technology in its brand new call centers that it used to consolidate its operations into huge mega-centers, whereas Bell Atlantic made a more gradual transition to fully automated systems in the small to medium-sized call centers that it inherited from the pre-divestiture period. The Federal Communications Commission (FCC), which regulated AT&T, adopted pro-competitive policies favoring new entrant long-distance companies over AT&T. In contrast, state commissions regulated the rates and quality of service of Bell Atlantic's local monopoly, sensitive to political pressure to keep rates low and service levels high. Finally, CWA literally had to discover the locations of the new, unrepresented AT&T call centers, building union structures from scratch, whereas the Bell Atlantic service representatives inherited the local union structures and bargaining relationships from the pre-divestiture era.

In this chapter I focus on one of the strategies that the union and its customer service members deployed in their contest with their call center managers – collective bargaining. (In subsequent chapters I discuss other strategies, including organizing, labor-management participation, and work stoppages.) Collective bargaining is a power contest between the union and the employer, shaped by the level of organization and mobilization of the membership and the economic context within which the employer operates. The greater the market power of the firm, the greater will be its profits and resources available to share with the workforce. Conversely, the weaker the firm's market power, the more fiercely management will fight with the union in the sharing of its resources.[6] During much of this period, AT&T struggled to find a winning business strategy, with an average return on common equity of 7 percent, whereas Bell Atlantic returned a moderate, yet stable 12.8 percent (1984-1995). (For financial performance, see Appendix Table 2, page 309 [AT&T] and Table 3, page 310 [Bell Atlantic.])

I structure the chapter both chronologically and topically, moving between pivotal moments of struggle at AT&T and Bell Atlantic. First, I set the stage for the revolution in the call centers with a description of the neoliberal forces that led to the break-up of the Bell system and the substitution of competition for monopoly-era regulation, beginning with the long-distance market.[7] Next, I describe how AT&T organized its greenfield call centers, including a demand for a 20 percent wage. I contrast the outcome of that contest with the union fight to restrain Bell Atlantic's strategies to functionalize and downgrade service jobs. CWA customer service members mobilized for power within the union by creating an annual conference of CWA commercial/marketing (e.g. customer service) activists, a gathering that proved crucial to the identification of a new and even more intrusive form of managerial surveillance known as adherence, precipitating a nationwide

[6] Katz et al, *Labor Relations in a Globalizing World*, 82-83.

[7] Competition would come more slowly to the local market with passage of the Telecommunications Act of 1996, as I discuss in chapter five.

CWA campaign. Finally, I contrast the struggles at AT&T, Bell Atlantic, and a third RBOC, US West, against the implementation of sales commission plans that further intensified the stressful working environment for the call center members.

AT&T Divestiture

On January 8, 1982, AT&T CEO Charles L. Brown and U.S. Department of Justice (DOJ) Assistant Attorney General for Antitrust William Baxter signed the historic agreement to break up AT&T, in what one analyst called the "biggest, most complex restructuring in the history of business."[8] The divestiture, which impacted $100 billion in assets and almost one million employees, took effect on January 1, 1984.[9] The legal agreement, known as the *Modified Final Judgement* (*MFJ*), required AT&T to spin-off its local telephone network, employees, and assets, creating seven independent Regional Bell Operating Companies (RBOCs), each with about $20 billion in assets.[10] The local companies were barred from long-distance service or manufacture of telecommunications equipment. The new AT&T was restricted to long-distance, telecommunications equipment manufacturing and installation through its Western Electric subsidiary, and

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[8] Richard H.K Vietor, *Contrived Competition: Regulation and Deregulation in America* (Cambridge: Harvard University Press, 1994), 211.

[9] Leonard A. Schlesinger, Davis Dyer, Thomas N. Clough, Diane Landau, *Chronicles of Corporate Change* (Lexington, MA: Health, 1987), 141; AT&T Annual Report, 1983 (assets).

[10] Temin and Galambos, *Fall of the Bell System* (New York: Cambridge University Press, 1987), 269.

research and development at the world renowned Bell Laboratories.[11] The consent decree offered AT&T two carrots: first, it terminated a 1956 ban on AT&T's entry into the computer business – the future of communications, in AT&T Chairman Brown's view – and second, it relieved AT&T of responsibility for major capital investments to upgrade local analog networks for the digital age. Most significant, as business historians Peter Temin and Louis Galambos wrote, "Divestiture dethroned the national integrated network in favor of competition."[12]

While new technologies created the conditions enabling regulatory restructuring, and intensive lobbying by big business pressed the FCC to foster competitive entry into the long-distance and equipment markets, it was policymakers' faith in neoliberal ideology that grounded their decision to abandon New Deal era public oversight of infrastructure industries, including telecommunications, in favor of deregulation and free market competition.[13] Residential and small business customers were not clamoring for a

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[11] The terms of the consent decree surprised many observers. When the DOJ initially filed its 1974 anti-trust complaint against AT&T, the agency sought divestiture of Western Electric and several local companies to break the company's ability to use its bottleneck control of local service to thwart competitive entry into long-distance and telecommunications equipment markets. DOJ's Baxter aimed to separate corporate control of the local network, then considered a natural monopoly requiring regulatory oversight, from the competitive long-distance and equipment markets, which he believed should be deregulated. Baxter, a former Stanford law professor, distrusted regulation, favored competition, and believed in the Chandlerian view that vertical integration promoted efficiency. Alfred D. Chandler, *Strategy and Structure: Chapters in the History of American Industrial Enterprise* (Cambridge MA: MIT Press, 1962); Alfred D. Chandler, *The Visible Hand: The Managerial Revolution in American Business* (Cambridge MA: Harvard University Press, 1977); Temin and Galambos, *Fall of the Bell System*, 109-112; 217-276; Barry G. Cole, Introduction in Barry G. Cole ed., *After the Breakup: Assessing the New Post-AT&T Divestiture Era* (New York: Columbia University Press, 1991), 1-18.

[12] Temin and Galambos, *Fall of the Bell System*, 277. For a detailed description of the campaign by large companies at the FCC to allow competitive entry as a means to lower costs and facilitate data communications, see Dan Schiller, *Telematics and Government* (Norwood NJ: Ablex Publishing Company, 1982).

[13] In 1968, Eugene Rostow chaired a presidential commission on communications policy, concluding that competition should replace regulation. Temin and Galambos, *Fall of the Bell System*, 53 citing President's Task Force on Communications Policy, *Final Report*, December 7, 1968; Martha Derthick and Paul J. Quirk, *The Politics of Deregulation* (Washington DC: Brookings Institution, 1985), 1-24, 238.

break-up of the phone company, while big business focused on competition policy, not breaking up the Bell system.[14] Certainly, the emergence of new microwave and switching technologies opened the door to competitive entry, which the FCC sanctioned first with the 1968 *Carterfone* decision allowing connection of non-Bell equipment to the network and the 1969 and subsequent *MCI* rulings permitting competitive entry into long-distance telephone service.[15] Yet, as historians Peter Temin and Louis Galambos argue, it was "ideology, not technology, that triumphed in the 1970s and 1980s."[16]

Since the 1950s, University of Chicago economists George Stigler, Ronald Coase, and Milton Friedman had been laying the intellectual foundation for deregulation, but it took the economic crisis of the late 1960s and 1970s to create the political will to deregulate railroads, airlines, trucking, and, most relevant to this study, the breakup of the monopoly telephone company.[17] In searching for solutions to the economic problems of the period, characterized by slower economic and productivity growth, rising inflation, high unemployment, and stagnant wages ("stagflation"), policymakers looked for fresh

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[14] Big business did seek revision of the rate system and promoted competition that would force prices toward cost, lowering rates for large business customers (and raising them for consumers). Derthick and Quirk, *Politics of Deregulation*, 23-24; David Vogel, *Fluctuating Fortunes* (New York: Basic Books, 1989), 169; Schiller, 97-188.

[15] The literature on the break-up of the AT&T monopoly is vast. For excellent summaries of the pro-competitive regulatory decisions by the FCC, courts, and Congress see Temin and Galambos, *Fall of the Bell System* and Vietor, *Contrived Competition*, 167-233.

[16] Temin and Galambos, *Fall of the Bell System*, 344. For an alternative view, see Vietor, *Contrived Competition*, 185-190.

[17] Marc Levinson, *An Extraordinary Time: The End of the Postwar Boom and the Return of the Ordinary Economy* (New York: Basic Books, 2016), 65-80; Alfred E. Kahn, *The Economics of Regulation: Principles and Institutions* (New York: Wiley, 1971), Stephen G. Breyer, *Regulation and Its Reform* (Cambridge MA: Harvard University Press, 1982); David M. Kotz, *The Rise and Fall of Neoliberal Capitalism* (Cambridge MA: Harvard University Press, 2017), 63-64; Paul MacAvoy, *The Regulated Industries and the Economy* (New York: W.W. Norton & Company, 1979); Thomas K. McCraw, *Prophets of Regulation* (Cambridge MA: Harvard University Press, 1984), 228, 237; Vietor, *Contrived Competition*, 11-12; David Vogel, *Fluctuating Fortunes* (New York: Basic Books, 1989), 113-136.

approaches to replace New Deal programs of regulated capitalism.[18] Many were persuaded by economist Alfred Kahn and legal scholar and future Supreme Court justice Stephen Breyer, among others, that price and entry regulation of infrastructure industries led to higher prices, inefficiencies, less investment, slower growth, and regulatory capture by politically powerful companies and unions.[19] With Kahn at the helm of the Civil Aeronautics Board and Breyer as lead counsel of Senator Edward Kennedy's investigation into airline regulation, they pushed through the Airline Deregulation Act of 1978, with Congress deregulating trucking and railroads soon afterwards.[20] Support for deregulation of infrastructure industries was a bi-partisan affair. Democratic majorities in Congress pushed for and Democratic President Jimmy Carter signed the legislation that overturned government oversight of price and entry regulation in transportation industries, disrupting stable market structures, employment, and labor-management relations.[21] And though AT&T divestiture took place under the Republican Administration of President Ronald Reagan, Democrats as far back as the Johnson Administration and Democratic leaders in Congress had pushed for regulatory reform of the telecommunications marketplace.[22]

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[18] Kotz, *The Rise and Fall of Neoliberal Capitalism*, 14-44 and 85-126; Angus Burgin, *The Great Persuasion: Reinventing Free Markets since the Depression* (Cambridge MA, Harvard University Press, 2012); Vietor, *Contrived Competition,* 11-22; Vogel, *Fluctuating Fortunes,* 113-136; Levison, *An Extraordinary Time*, 65-81.

[19] Derthick and Quirk, *Politics of Deregulation*, 8-224; Breyer, *Regulation and Its Reform;* MacAvoy, *Regulated Industries*; Kahn, *Economics of Regulation*; George Stigler, "The Theory of Economic Regulation," *The Bell Journal of Economics & Management Science* 2:1 (1971): 3-21.

[20] Airline Deregulation Act of 1978; Motor Carrier Act of 1980 (trucking); Railroad Revitalization and Regulatory Reform Act of 1976 followed by the Staggers Rail Act of 1980 (railroads). Vietor, *Contrived Competition*, 23-90.

[21] Vietor, *Contrived Competition,* 15-16.

[22] Temin, *Fall of the Bell System*, 53 and 264-5, 284-7, 312-316.

Telecommunications workers were the sacrificial lambs of the divestiture decree.[23] The former Bell companies cut more than 200,000 union jobs in the decade after the break-up.[24] The largest job cuts were at AT&T, including significant lay-offs. In response to lower than expected returns, AT&T cut its highest variable cost – its workforce. Because the union contract made it difficult to reduce wages and benefits of the existing labor force, AT&T eliminated more than 125,000 technicians, operators, and Western Electric factory workers and installer positions. Many employees who remained with the company were forced to move multiple times as AT&T consolidated work locations. At Bell Atlantic, the company eliminated about 10,000 telephone jobs mostly through attrition in the first few years after divestiture.[25]

While many Bell system customer service employees remained with their former employer, others considered whether to seek a transfer, making educated guesses as to which company was more likely to prosper, provide job stability, or advancement opportunity. For those who remained with an RBOC, the gamble paid off with relatively

[23] In 1983, CWA reached agreement with AT&T to protect employees "against loss of employment, salary or wages, credited service and changes in conditions of employment for the next 7 years." However, the union was not able to staunch the massive job cutting and downward pressure on labor costs that took place in the aftermath of divestiture. John Carroll Letter to all Local Presidents re CWA-AT&T Divestiture Agreement, March 31, 1982, CWA Communications and Technologies Archives, ATTIS Contract and Supplemental Agreements Notebook, Box 904001.

[24] Jeffrey Keefe and Karen Boroff, "Telecommunications Labor-Management Relations after Divestiture," in *Contemporary Collective Bargaining in the Private Sector,* ed. Paula B. Voos (Madison WI: Industrial Relations Research Association, 1994), 303-371. Author's calculation of Bell System job loss from company SEC 10-K reports. See also Temin and Galambos, *Fall of the Bell System*, 365.

[25] Keefe and Boroff, "Telecommunications Labor-Management Relations after Divestiture," 325.

more job stability, whereas many who worked at AT&T faced difficult choices as the company consolidated and reorganized call centers.[26]

The AT&T break-up disrupted the relatively stable labor-management relations of the monopoly era, leading to strikes against AT&T in 1983 and 1986. Union density at AT&T plummeted from 62 to 25 percent from 1984 to 1995 as AT&T cut union jobs, moved many technical jobs out of the bargaining unit, and walled off acquisitions and new subsidiaries from union representation. In contrast, greater stability in the local telephone market at Bell Atlantic and other RBOCs led to little change in union density over this period which remained high at about 65 percent.[27] (Later, when the wireless business and mergers grew, Bell Atlantic deployed the same union avoidance tactics and experienced greater union unrest and marginalization.) (For employment and union density at AT&T, see Appendix Figure 7 on page 311 and Table 4 on page 312; for Bell Atlantic, see Appendix Figure 8 on page 313 and Table 5 on page 314.)

The irony of telecommunications reform was the enormous amount of FCC regulation required to hobble AT&T and inject competition into the long-distance sector. After divestiture, the FCC required long-distance companies to pay access charges to the local telephone companies for use of the local network and to replace monopoly era subsidies. The FCC gave MCI, Sprint, and other new entrant long-distance companies a

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[26] Mary Ann Alt telephone interview with author, March 9, 2012; Ronald Collins interview with author, December 4, 2011; Linda Kramer telephone interview with author, January 8, 2012; Steve Leonard interview with author, March 9, 2014; Mary Lou Schaffer interview with author, May 5, 2013; Mary Ellen Mazzeo interview with author, June 5 and 9, 2020.

[27] CWA Vice-President James E. Irvine Memo, March 17, 1993; Jeffrey Keefe and Karen Boroff, "Telecommunications Labor-Management Relations after Divestiture," 303-371; Rosemary Batt, "Performance and Welfare Effects of Work Restructuring: Evidence from Telecommunications Services" (Ph.D. diss, Massachusetts Institute of Technology, 1995), 88-9. Author's calculation of AT&T job loss from AT&T SEC Form 10-K, various years.

55 percent discount from the AT&T rate, effectively providing the new entrants a huge cost advantage over the new AT&T. The FCC continued to regulate AT&T's rates through the mid-1990s whereas MCI and Sprint were not subject to rate regulation.[28] Moreover, the FCC mandated a two-year period known as "equal access" which required outreach to every customer to select a long-distance carrier.[29]

State regulatory commissions continued to regulate Bell Atlantic's telephone rates to protect consumers in what was considered a monopoly market for local telephony, but allowed the company to set the price of other services, including inside wire maintenance plans, custom features such as call waiting and caller ID, and other specialized services. In the mid-1990s, state regulators began to transition to a new regulatory regime that capped prices rather than return on investment, effectively rewarding the telephone company for cost-cutting measures. State commissions began to introduce competition into the business sector by granting new entrants licenses to build networks in urban centers or to large business locations, cutting into Bell Atlantic's lucrative business market.

Most analysts expected AT&T to thrive and the RBOCs to struggle after divestiture, but the opposite was the case. The new AT&T struggled to find a winning competitive strategy, losing approximately 40 percent share in the consumer and small

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[28] The FCC deregulated AT&T long-distance services in stages. In 1989, the FCC replaced rate of return for price cap regulation (capping AT&T rates rather than return on capital). In a series of *Orders* in 1991 and 1992, the FCC removed regulation of AT&T business services. In 1995, the FCC deregulated oversight of AT&T rates in the residential long-distance market. *Motion of AT&T Corp. to be Reclassified as a Non-Dominant Carriers Order*, 11 FCC Rcd 3271, October 23, 1995 (rel). In 1992, the U.S. Court of Appeals required all long-distance carriers to publicize their rates.

[29] Robert W. Crandall, "Surprises from Telephone Deregulation and the AT&T Divestiture," *AEA Papers* 78:2, May 1988, 323; Temin and Galambos, *Fall of the Bell System*, 308-317 and 345; Vietor, *Contrived Competition*, 214-220.

business long-distance markets to MCI, Sprint, and others in the decade after divestiture, while its share of equipment markets continued to decline.[30] (For AT&T market share, see Appendix Figure 9 page 315.) While AT&T remained a corporate giant, with annual revenues topping $60 to $70 billion a year, the company was never able to realize Chairman Brown's dream to become a leading computer company.[31] In contrast, Bell Atlantic's regulated local telephony monopoly market provided steady cash flow to invest in digital switches that formed the backbone of an "intelligent network" that enabled sale of unregulated, higher margin custom calling features like call waiting, call forwarding, and caller ID, while also opening the door to other unregulated information services. In 1992, the FCC gave Bell Atlantic and the other RBOCs cellular licenses in their wireline footprint. Bell Atlantic revenue grew substantially over the next decade, with profit margins and shareholder return far exceeding that of the much larger AT&T.[32]

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[30] AT&T's share of long-distance minutes fell from 80.2 percent in 1984 to 55 percent in 1995. Over the same period, long-distance usage increased exponentially (from 39.6 billion to 431.9 billion minutes), with AT&T's long-distance minutes growing from 31.8 billion to 239.8 billion minutes in 1995. Thus, AT&T's market share declined within a greatly expanding long-distance market. Over this same period, the number of customers that selected AT&T as their long-distance carrier fell from 83.7 percent to 66.4 percent. AT&T's share of long-distance carrier revenue dropped from 90 percent at divestiture to only 52 percent in 1995. During this period, AT&T long-distance revenue grew only 9 percent (34.9 billion to 38.1 billion) while total long-distance revenue of the top four carriers grew by 233 percent (from $36.7 billion in 1984 to $63.8 billion in 1995). FCC, *Statistics of Communications Common Carriers*, 1996/7 edition. Table 8.11 (lines), Table 8.8 (minutes), Table 1.4 and 1.5 (revenues).

AT&T's share of the global equipment market was just 12 percent in 1987. AT&T PBX market share grew slightly 19 to 22 percent (1984-1987) while its share of the central office switch market fell from 70 percent to 49 percent (1982-1991). Peter W. Huber, Michael K. Kellogg, John Thorne, *The Geodesic Network II: 1993 Report on Competition in the Telephone Industry* (Washington DC: The Geodesic Company, 1992) Table 6.2, 6.12 (switch data); Bruce L. Egan and Leonard Waverman, "The State of Competition in Telecommunications," in *After the Breakup*, Cole ed., 141-144 (overall equipment and PBX data).

[31] In 1965, AT&T CEO Bob Allen conceded the defeat of AT&T's computer strategy when the company sold off its NCR computer business. "NCR has had hard sledding over the past few years and I'm disappointed that we haven't been able to make it work," CEO Bob Allen wrote shareholders in 1995. *AT&T 1995 Annual Report*, February 11, 1996, 6.

[32] Bell Atlantic SEC Form 10-K, various years.

(For financial performance see Appendix Table 2 page 309 [AT&T] and Appendix Table 3 page 310 [Bell Atlantic.]).

The years following divestiture were a dynamic period of technological change that simultaneously allowed telecommunications companies to offer new digital services to customers while at the same time enabling the revolutionary transformation of small customer service operations into large centralized call centers with the capability for call distribution, detailed tracking of call volume and service representatives' performance on the job. Long-distance companies and the RBOCs invested tens of billions of dollars in digital switches, fiber optic cable, advanced network software, and highly sophisticated signaling systems. These emerging intelligent networks integrated computer capabilities with communications networks, creating new information services for consumers and businesses and greatly expanded capacity for data transmission. FCC regulators, in a series of *Computer* proceedings, deregulated information services and mandated open architecture networks to spur third-party development of equipment and new software applications that would transform the public switched telephone network into what would become the internet.[33]

AT&T and Bell Atlantic managers used the equipment and software developed and marketed by Western Electric, Bell Labs, Bellcore (the RBOCs' equivalent of AT&T's Bell Labs) and other vendors to transform their small customer care operations

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[33] For an overview of the FCC's Computer I (1996), Computer II (1976) and Computer III (1985) proceedings, see Robert Canon, "The Legacy of the Federal Communications Commission's Computer Inquiries," *Federal Communications Law Journal* 55:2 (2003): 167-206. For an early vision of the public benefits of the intelligent network, see *The Intelligent Network Task Force Report*, reprinted as Appendix I in *Pacific Bell's Response to the Intelligent Network Task Force Report*, 1988.

into large, modern call centers.[34] The advanced Automatic Call Distribution software provided managers with detailed reports on call volume, call length, and customer wait times. Managers used this information to fine-tune service representatives' schedules, minimizing any downtime between calls, effectively speeding up the work process.[35] AT&T marketed a software product called "Telemarketing Operations Performance Management System" (TOPMS) that, according to its promotional brochure, "provides you (the call center manager) with a real-time picture of call center and agent productivity…Every 3 to 15 seconds, TOPMS gathers call load and agent productivity statistics from your call centers, then sends that data to a command-center workstation.[36]

AT&T Creates Consumer Call Center Operation, Demands Wage Cut

In response to competition, AT&T's goals in setting up its new call center operations were to control labor costs while at the same time boosting sales and providing

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[34] The on-site PBX (private branch exchange) digital switch running advanced Automatic Call Distribution (ACD) software had the capacity to identify and route calls to the next available agent and across multiple call centers. Beginning in the mid-1990s, the companies introduced interactive voice response systems (IVRs) programmed to enlist the caller in the routing process. The electronic communications system could link the caller's phone number with the customer's record, which would appear on the service representative's desktop computer as soon as she answered the incoming call.

[35] A 1987 Office of Technology Assessment report described the workforce management capabilities of the automatic call distributor this way: "From the viewpoint of the user, an automatic call distributor (ACD) simply routes incoming calls to individual telephones. In actual fact, however, the distributor is also automatically recording the type of call, the time the call arrived, the identity of the employee to whom it was routed, the number of seconds before the employee picked up, the time the call started, the time the call ended, the number of times the caller was put on hold and for how long, the extension to which the call is transferred, the number of seconds before that person picked up, and so on. In addition, it can show the supervisor at any moment which operators are busy, which are waiting for work, which are on break." Office of Technology Assessment, *The Electronic Supervisor: New Technology, New Tensions*, OTA-CIT-333 (Washington DC: Government Printing Office, 1987), 35.

[36] AT&T marketed its DEFINITY Communications Gateway, PBX equipment, and multiple software products to call center operators through a newsletter, *AT&T Consultant Exchange*. "ISDN gateway products streamline call centers operations," *AT&T Consultant Exchange*, December 1989, 3:6, 10-11; "DEFINITY System G3 provides powerful support for call center applications," *AT&T Consultant Exchange*, February 1992; AT&T Advanced Routing Solutions, Optimizing Your Call Center Performance, nd; AT&T Call Center Solutions, AT&T Advanced Operations Portfolio, nd; Call Centers: The'90s Approach to Customer Service, AT&T Archives Boxes 44-10-03, 390-03-03, 11-10-03-05.

good service. These goals were often in conflict as work systems designed to reduce time with customers and push sales forced frontline workers to scrimp on service. AT&T organized its call centers to serve its vast customer base of eighty million residential and seven million business customers along functional lines based on the type of customer (residential, small, medium, or large business) and type of service (service orders and sales, billing inquiry, credit policies, telemarketing).[37] To control costs, AT&T pressed the union to accept lower wage rates for employees working in the centers with the lowest profit potential – the residential and billing inquiry centers. In the early years, employees who served large- and medium-sized business customers had greater autonomy, flexibility, and less supervisory monitoring, but over time, as Mazzeo explained in the opening to this chapter, AT&T moved the dividing line down as it imposed greater surveillance and job pressures in the call centers serving medium-sized business customers.[38]

At divestiture, AT&T employed several thousand service representatives who assisted marketing managers with large business customers. They worked in about 100 small offices across the country.[39] Over the next decade, the number of frontline non-

[37] AT&T SEC Form 10-K for the year ended December 31, 1983, 3.

[38] Rosemary Batt's study of more than 350 customer service centers in the telecommunications industry found greater autonomy and less surveillance in call centers serving business customers compared to those serving consumer customers. Rosemary Batt, Ale Colvin, Harry Katz, Jeffrey Keefe, Cornell-Rutgers Telecommunications Project, *Telecommunications 2000: Strategy, HR Practices & Performance* (Ithaca NY, nd). The report is based on a fall 1998 survey of 577 telecommunications establishments, 354 in customer service and 223 in network operations.

[39] Frank Karl, "A Panorama of Collective Bargaining: The Communications Workers of America and The American Telephone and Telegraph Company, 1938-1989," MA Thesis, State University of New York, 1991, 161 (number of CWA-represented employees in AT&T Marketing division); Memo from H.B. Pierson, CWA National Director, to All Long Lines Local Presidents re Service Representative, December 15, 1980, CWA-TL, Box 114, Folder 16 (number of offices); Communications Workers of America Recognition List, 1983, CWA Research Department; Bill Stake interview with author, August 21, 2014.

management customer service employees grew to more than 13,000 employees as AT&T opened, reorganized, closed, and consolidated call centers.[40] While some of these employees transferred from local Bell companies or AT&T operator services, the majority were new hires. About two-thirds were women. While there is no data available on racial breakdown, workers recall racial diversity in the AT&T consumer centers located in metropolitan areas with significant African-American or Hispanic populations.[41]

The work stations were designed to isolate employees, to focus the representative's attention on the computer screen and the customer. Initially, the workers sat in cubicles, eight-person pods shaped like a dog-bone with four people at each end and four in the middle facing each other, with dividers between every two employees. As the call centers got bigger, the cubicles were arranged in long rows with dividers between each cubicle. Employees had to peer over or around their cubicle to talk to each other. This made it more difficult for representatives to help each other and to chat and make friends.[42]

AT&T deployed the capabilities of its national network and call distribution technology to consolidate its customer service operations. In the first years after divestiture, AT&T opened twenty-four consumer sales and service centers (CSSCs)

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[40] Author calculation based on CWA data. Active Domestic Occupational Employees as of 12/09/95 in CWA Telecommunications and Technology "Time in Title" notebook.

[41] About 25 percent of the employees at the Columbus consumer center was African-American. Jan Schmitz telephone interview with author, June 8, 2020. About 40 percent of the Pittsburgh billing office was African-American. Mary Lou Schaffer interview with author. In contrast, the Syracuse business center was 95 percent white. Mary Ellen Mazzeo interview with author.

[42] Mary Ellen Mazzeo interview with author.

serving regional markets, but later consolidated operations into a nationwide call queue, reducing the number of centers to thirteen in 1993 and to seven mega centers in 1995. Consolidation forced employees who worked at the shuttered centers who wanted to keep their union jobs (and years of seniority) to move.[43] With consolidation, the consumer centers grew much larger, employing as many as 4,000 frontline workers (plus managers) in one location, some operating twenty-four hours a day. Workers no longer had a feeling of family in these massive mega centers, while managers found it more difficult to provide personalized oversight and relied more on the computer-generated call handling data. "As a call center manager," Jan Schmitz, a Lee's Summit, Missouri mega center manager, explained, "you've got to make the reps feel they are doing this for themselves. The only way to do this is to build comradery, know the person, how doing a good job will help them. With big centers and lots of turnover you don't have personal attention. There was more management by the numbers at Lee's Summit (mega center). That's all we would talk about in Lee's Summit."[44]

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[43] The first consumer centers were called Consumer Market Service Centers (CMSC); the name changed to Consumer Sales and Service Center (CSSC) within a few years. Locations included Providence RI, Pittsburgh PA, Charleston WV, Atlanta GA, Irving TX, San Antonio TX, Kansas City MO, Lee's Summit MO, Pleasanton CA, Phoenix AZ, Mesa AZ, Reston VA, Pearl River NY, Oakbrook IL, Columbus OH, Silver Spring MD, Bloomington MN, Itasca IL After the 1995 consolidation, the seven centers were in Pittsburgh PA, Charleston WV, Atlanta GA, Kansas City MO, Lee's Summit MO, Dallas TX, and Mesa AZ. *AT&T Focus,* "Customer centers to reorganize," November 22, 1988, 15; AT&T Press Release, "Customer Service Center in Pittsburgh to Add 180 Positions," August 31, 1993; *AT&T Focus*, "World-Class Service," February 1992 (16 centers); Letter from C.D. Andrews, AT&T District Manager – Labor Relations, to D.E. Treinen, Assistant to the Vice President, CWA, Attachment A, September 23, 1985; "Customer Sales and Service: Lee's Summit Center" slide deck, February 22, 1995, CWA Research Department; Steve Leonard interview with author; Project Omega notes of George Kohl, CWA Research Director, nd.

[44] Jan Schmitz interview with author. Schmitz was a Force and Facilities manager in the Columbus OH CSSC and transferred to the Lee's Summit MO CSSC when the Columbus center closed in 1992.

The consumer service centers were staffed by account representatives who handled orders for long-distance service, answered billing questions, and sold credit cards and other ancillary services.[45] In the more lucrative business market, AT&T set up separate centers for sales and billing functions. Lower-paid account representatives staffed the billing centers, with higher-paid sales representatives working in sales offices with dedicated groups for small, medium, and large business.[46] The sales representatives sold long-distance calling plans including WATs service, private line services, 800 toll-free numbers, added features and lines, and answered billing questions. In the middle and large business groups, sales representatives developed relationships with dedicated customers. By the mid-1990s, AT&T consolidated business billing operations into just four locations.[47]

In taking over customer service operations from the local Bell companies, AT&T faced a choice: the company could create new internal call centers or it could contract the

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[45] In addition, AT&T operated credit management centers, staffed by lower-paid credit representatives, who administered credit policies, managed accounts receivable, and handled past due collections. Around 1986, AT&T opened outbound national telemarketing centers, staffed by telemarketing representatives. Most telemarketing was outsourced. The AT&T telemarketing centers were located in Kansas City, MO, Providence, RI, and Atlanta, GA. Michael Kzirian, interview with author, Octtober 31, 2014. Michael Kzirian held various AT&T management positions during his thirty-six year career (1968-32) including Customer Care Director, Sales and Operations Director, and Telemarketing Sales Vice President.

[46] Separate call centers handled customers based on the size of the account: small business for local retail stores and companies; Middle Market (later renamed Major Accounts) for larger regional companies; and National Accounts for large, multi-state, multi-location companies such as a General Motors or General Foods. Mary Ellen Mazzeo interviews with author.

In 1984, there were twenty Account Inquiry Centers (AIC) located in New York NY, Eastchester NY, Boston MA, Parsippany NJ, Cockeysville MD, McCandless PA, Wayne PA, Tucker GA, Irving TX, Kansas City MO, Rolling Meadows IL, Worthington OH, Indianapolis IN, Southfield MI, Minneapolis MN, Laguna Hills CA, Santa Clara CA, Pleasanton CA, Van Nuys CA, Monterey Park CA. There were two centers for government accounts in Belleville IL and Washington DC. Andrews Letter to Treinen, Attachment A, September 23, 1985.

[47] The business centers were located in Syracuse NY, New Orleans LA, Portland OR, and Worthington OH. CWA Commercial/Marketing Conference, April 1996, CWA Research Department files.

work to a third party such as American Airlines, Electronic Data Systems, (EDS) or another firm. (At the time, American Airlines and EDS had developed the most sophisticated automatic call distribution systems for their reservations and data systems, respectively.) Employer threat of call center outsourcing to drive down labor costs dates back to the very beginning of the AT&T call center operation. In July 1984, as AT&T began staffing its consumer and business billing centers, AT&T labor relations director Robert Livingston reached out to James Irvine, CWA Vice President with responsibility for the AT&T bargaining unit. Livingston explained that AT&T would not pay the rates currently paid to AT&T customer service representatives and other clerical titles in the new centers. He offered a carrot and a stick: if the union agreed to create a new account representative and other clerical titles at a 20 percent lower wage rate, AT&T would create thousands of union-represented call center jobs. But if the union refused, AT&T would outsource the work. For the account representative title, a 20 percent wage cut brought the annual earnings of $23,751 for a service representative down to $19,000 for the new account representative title, representing an annual loss of $4,751. This demand was unprecedented in the Bell system; never before had AT&T or any Bell Operating Company (BOC) approached the union with such an ultimatum. AT&T claimed that the wage cut was necessary to compete with the lower labor costs of the non-union long-distance companies such as MCI and Sprint. With this demand, the new AT&T made clear that driving down labor costs was a key component of its competitive strategy.[48]

AT&T's demand presented CWA with a painful choice, one that has become increasingly common in labor negotiations as unionized companies demand wage

[48] Letter from Robert H. Livingston, AT&T Director of Labor Relations to James E. Irvine, CWA Vice President, February 12, 1985. Time in Title Locations in C&T Notebook,.

concessions or second tier wage scales under the threat of plant or office closures and lay-offs. Irvine weighed his options: was the concession necessary to create union jobs, which would give the workers contractual protections while opening the possibility of raising wages in future negotiations? Did the union have the power – with a mobilized workforce, given the firm's market position – to resist the concessions and gain union jurisdiction over the work? Irvine decided that the union had to take the wage cut to block AT&T outsourcing. Since this was work never before performed in the AT&T bargaining unit, CWA had no contractual method to prevent AT&T from contracting the work. As a CWA official explained years later, "Without recounting all the discussions and soul-searching we endured to reach a decision, in August 1984 we entered into an agreement with AT&T to create new wage schedules (TG-A, TG-B, TG-C, and TG-D) which would perform the same classification of work at a 20 percent decrease in the maximum wage. The basic reasoning was that it would be easier to increase the wages of employees in the bargaining unit than it would be to organize the employees in companies contracting the work from AT&T, then getting a first contract, then increasing the wages."[49]

In August 1984, Irvine signed a Memorandum of Agreement establishing new job titles and wage rates for employees working in the consumer call centers and billing operations in the small business centers.[50] While employees with one-year job tenure were protected, the new "Alpha" titles, as they were called, meant a 20 percent wage cut for the largest job title of account representative. The "Alpha Title" Agreement proved to

[49] Letter from Arthur L. Harris, Adm. Asst. to CWA Vice-President Irvine to Chere Chaney, President, CWA Local 6450, May 28, 1996, CWA T&T office files.

[50] Stipulation #46, Customer Service and Billing Organization Titles – August 12, 1984, CWA T&T office Stipulation notebook.

be extremely controversial with CWA activists and local presidents who mobilized in every subsequent bargaining round to eliminate what they considered these “second tier” titles.[51] Irvine defended his decision, noting first, that the account representatives would be limited to answering billing questions, with no sales responsibilities, and second that AT&T told him the company would create thousands of new union jobs as a result of the Agreement.[52] The number of second-tier jobs did increase; a decade later in 1995 there were more than 8,700 employees working at second tier rates, including about 6,700 account representatives, 686 credit representatives, and about 1,300 clerical workers.[53]

But AT&T reneged on its commitment to limit the account representative job to billing inquiries and taking service orders. Rather, as Irvine complained to Livingston in a January 1985 letter, the account representatives were responsible for “bridging to sales,” a practice that requires the employee to pitch new or upgraded services after responding to a customer’s billing inquiry. Irvine noted that there was a “sales atmosphere” in the consumer centers, including sales contests and incentive programs. Finally, Irvine made the case, one that the union would raise repeatedly in subsequent years, that the account representatives were doing the same work as customer

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[51] Laura Unger interview with author, August 4, 2020. Unger began her career at AT&T in 1979 as a Communications Technician, a beneficiary of the 1973 EEOC consent decree. She rose through the ranks of her New York City Local 1150 to become president in 1987, leading a local of thousands of mostly male technicians. She also represented service order administrators, a customer service title, until they were largely eliminated through automation. Unger was elected to the bargaining team for the AT&T Communications contract beginning in 1992 to represent the “Marketing” employees, and served on each bargaining team through 2005. She joined CWA staff in 2008 and became Assistant to Vice President in the Telecommunications and Technologies division.

[52] Laura Unger interview with author; Mary Ellen Mazzeo interview with author.

[53] Active Domestic Occupational Employees as of 12/09/95, CWA T&T Notebook titled “Time in Title.” “Count of L-1, L-2, L-3, L-4 Employees by Level and Location;” 1995 AT&T Data Request Employment Statistics Folder 2, CWA Research Department Archives, Box 968604.

representatives who worked for AT&T Installations selling and servicing equipment, yet were paid 20 percent less.[54]

Livingston responded by emphasizing the importance of sales in the new competitive environment. "[I]t is becoming more evident to us and I believe to the CWA," he explained, "that one essential characteristic of a successful competitive company is that almost every individual employee is a salesperson." He dismissed CWA's wage parity argument, noting that the union had agreed to the lower rate which therefore "precludes us from any comparison of work" with the equipment side of ATT.[55] AT&T would continue to take this position over the next fifteen years.

In each triennial round of contract negotiations, the union prioritized upgrading these titles in its list of bargaining demands. In 1986 and 1989, the union succeeded in getting the account representatives a small wage increase, but was unable to win its demand to eliminate the salary gap.[56] In 1989, CWA won an upgrade for about 1,300 account representatives serving business customers to a new business inquiry representative title with an 8.5 to 10 percent wage increase. The higher wage rate was designed to address high rates of turnover in the account representative title; as many as two-thirds of new hires were leaving the job due to low pay and high stress.[57] In return,

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[54] Livingston Letter to Irvine, February 12, 1985.

[55]Livingston Letter to Irvine, February 12, 1985 (referring to Irvine letter to Livingston dated January 12, 1985.)

[56] In 1986, the company agreed to upgrade account representatives from TG-D to TG-C wage grade, a $31 weekly increase in pay. In 1989, the company changed the "Alpha" titles to "L" titles with only a very modest wage increase. CWA, 1986 Bargaining Resolution, ATT-C Bargaining Unit, CWA offsite archives, Box 904001, 1983-1986 Bargaining, "ATTIS/ATTCOM Convention March 10-16, 1986 Notebook," 6; Harris Letter to Chere Chaney, May 18, 1996.

[57] Mary Ann Alt interview with author.

CWA agreed to AT&T's demand to downgrade the rate of pay of certain customer representatives who were moving over from equipment sales into the account representative title.[58] In 1998 bargaining, AT&T agreed to create a joint company/union committee (including both CWA and the IBEW) to address a number of wage design issues, including the second-tier titles. CWA proposed moving all second-tier titles to the customer representative wage schedule; after AT&T refused, CWA took the case to arbitration. The arbitrator decided to award the second-tier title recipients a 2 percent wage increase.[59]

Thus, despite the union's efforts over five separate contract negotiations, in the year 2000, an AT&T account representative earned about $35,000 per year, which was $10,000 less than the average $45,000 annual earnings of a BOC service representative and almost $4,000 less than an AT&T customer representative.[60] (See Appendix Figure 4, page 308.) To be sure, an AT&T account representative's annual earnings were about 14 percent higher than the median for all U.S. full-time female workers, and the AT&T employees had superior health, pension, and other benefits as well as union protection on the job. AT&T's response to competition drove down call center workers' living standards. Although the account representatives fought hard to elevate their issue on the

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[58] Prior to 1989 contract negotiations, Judge Harold Greene, who oversaw implementation of the divestiture consent decree, allowed AT&T to merge its regulated long-distance subsidiary (AT&T Communications) with its unregulated equipment subsidiary (ATTIS). Therefore, during 1989 bargaining sessions CWA and AT&T negotiated the merger of dozens of job titles. CWA Letter on James E. Irvine letterhead to Kim M. Kerr, member, CWA Local 7250, T&T Time in Title Notebook, September 29, 1989.

[59] The arbitrator designated $5 million for wage zone consolidation, allocated $85,000 to the IBEW, leaving $4.9 million for CWA which he split between the L title and Information Service Assistants. CWA Title/Wage/Zone Presentation, nd (presumably around 12/15/2000 per handwritten notation), CWA T&T files; Decision of Daniel G. Collins, Arbitrator, February 1, 2001, CWA T&T files.

[60] The cumulative difference for an AT&T Account Representative who had worked every year from 1984 through 2000 would amount to over $100,000.

union's bargaining agenda, the CWA bargaining unit at AT&T prioritized stemming the massive job cuts of Western Electric factory workers, technicians, and operators who formed the power base of the union. Eliminating the second-tier titles was simply not a top priority and certainly not a strike issue.

CWA Opposition to Job Downgrades at Bell Atlantic

CWA units at Bell Atlantic faced less competitive market conditions and proved more effective in blocking management attempts to downgrade the service representative job. Although Bell Atlantic did not face the same competitive pressures as AT&T, the company responded to divestiture with a laser focus on labor cost containment. Unlike AT&T's greenfield operations, Bell Atlantic did not start fresh in designing centers after divestiture. Bell Atlantic's service representatives had worked under union contract for decades; the company knew that union power would block any direct assault on union wage rates. Rather, to boost profits in the residential market where most service representatives worked, Bell Atlantic set out to transform service representatives into sales people; reorganize work to give certain functions to lower-paid employees; and to cut costs by pushing service representatives to serve more customers in less time, even as the job became more complex.

Bell Atlantic's core business of local telephony was a mature market with low profit margins. Divestiture put an end to cross subsidies from long-distance rates, while state regulators kept local rates low even as the company faced significant capital expenses in the conversion from analog to digital switches and investment in fiber trunk lines. Bell Atlantic, therefore, sought to boost return on its telephony business by selling bundled services to residential and business customers, dedicated switching services (known as Centrex) to business customers, and above all, reducing labor costs through job cuts, automation, and work process efficiencies.

In advance of 1986 contract negotiations, Bell Atlantic labor relations staff delivered to CWA negotiators a forty-one page document entitled "Bargaining '86 – Preparing for Tomorrow" detailing how the company's post-divestiture business strategy would drive its labor relations. "Divestiture has put us in a highly competitive environment," Bell Atlantic explained to CWA. "In this new environment, we are restricted by many regulatory constraints. To survive in this new environment we must have a competitive cost structure and sufficient flexibility to respond to ever changing business conditions."[61] In the two years since divestiture, the company had reduced the workforce by more than 10,000 employees –w 5,423 non-management workers (9.5 percent of the non-management workforce) and 5,337 management employees (21.8 percent of the management workforce).[62] Going forward, the company said, it would need to cut more jobs and pursue other "cost containment efforts, combined with the need to create compensation systems more appropriate to a competitive business" and "increase productivity by selective implementation of mechanization and by strategic use of our force at all times."[63]

The Bell Atlantic document highlighted the competitive challenges and opportunities the company faced in its various market segments. In the residential market, which included ten million of the company's eleven million customers yet contributed

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[61] "Bargaining '86 – Preparing for Tomorrow," presumably 1986, 16, CWA District 2 1986 bargaining notebook, CWA District 2 office in Lanham, MD.

[62] Ibid., "The Low Cost Provider" section, 2.

[63] Ibid., 4-5.

only 25 percent of corporate revenue, provision of plain old telephone services (POTS) under regulated rates did not recoup network costs, even supplemented with FCC mandated additional line charges. The new and unregulated custom calling features such as call waiting, call forwarding, and caller ID provided “interesting potential,” but the “unique challenge…for maximizing the potential revenues for these services is to find cost effective ways to sell these services to the greatest part of this marketplace before our competitors do.” In the small business market, with competition growing, the goal was to increase sale of Centrex and the “key to gaining market share and increasing our sales…is cost.” The large business market, which provided 77 percent of business revenues though represented only 16 percent of business customers, was already highly competitive.

In order to compete in all these markets, Bell Atlantic told CWA negotiators, “we just cannot avoid the fact that what we do with the major cost component of our business, the cost of wages, fringes and the flexibility of our work rules will cast a long shadow…”[64] To be sure, Bell Atlantic labor relations staff wrote the “Bargaining ’86” document to dampen CWA expectations in contract negotiations, yet Bell Atlantic was sending CWA a powerful message: say good-bye to the steady improvements in wages, benefits, and working conditions that the union and its members had come to expect during the monopoly era.

The document also reveals a tension in the way Bell Atlantic viewed its customer service operation – was it a cost center or a value creator? Did the revenue that the customer service representatives generate for the company offset the cost of operations?

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[64]“Bargaining ’86 – Preparing for Tomorrow,” Marketing section, 1-6.

The service representatives believed they were value creators whose compensation should reflect their worth. But Bell Atlantic managers reached a different conclusion, at least regarding the vast majority of Bell Atlantic service representatives who spent their time assisting low-margin residential customers. In management's view, it was only when basic dial tone was bundled with unregulated custom calling services that the residential customer would become a profit center for the company. Therefore, Bell Atlantic set out to reorganize the division of labor by giving service functions to lower-paid employees and to use automated time management systems to push service representatives to serve more customers in less time.

In response, service representatives working for Bell Atlantic's C&P Telephone subsidiary (operating in Maryland, Virginia, West Virginia, and Washington DC) mobilized prior to the 1986 round of collective bargaining, the first since divestiture, to pressure the negotiating team to demand a higher wage rate for their job title, one that would reflect, as one service representative put it, "the changes of job responsibilities and the constant increase in duties."[65] The service representatives sent letters to the bargaining team describing the multiple job functions they now performed, the sources of stress in their residential call centers, and the value they created for the company. "The customers' opinion of C&P, Bell Atlantic, and the Bell system is formed by what the service representative does or does not do," one service representative wrote. "We service reps are the front door to C&P. We are the #1 Revenue-producing segment of our

[65] "Proposal: Job Title and Pay of Service Representative be upgraded to reflect the past and ongoing changes of job responsibilities and the constant increase in duties," nd, CWA District 2 1986 C&P Local Bargaining Minutes Cont. Notebook.

company."[66] These workers wanted to make clear to their union – and to Bell Atlantic – their vital position within the company and their potential power in the upcoming negotiations.

Judy Buchanan, whom we met at the beginning of this chapter, together with thirteen other service representatives submitted to CWA negotiators a ten-page description of the job duties they performed as billing representatives. Although their primary responsibility involved billing and collections, these service representatives were now required to sell customer calling services on every call to qualified customers. Even if a customer called to complain about a bill, the billing representative was supposed to make a sales offer. This required toggling between two different computer screens on 80 percent of customer contacts (the toggling took a precious forty-five seconds, counted against her average talk time). She was required to make the sales attempt in addition to her numerous billing duties, which included making payment arrangements; processing notices regarding interruption, denial, and restoral of accounts for two hundred to three hundred accounts per day; ordering telephone directories; arranging the mailing of information packets; verification of employment; collections for past due bills; responding to correspondence and returned mail; explaining bills to customers; making bill adjustments; filling out forms, including a daily sales report; and attending meetings and reading notices of changes in services and processes. The service representatives were required to complete the fifty to sixty customer contacts per day in three to three and one-half minutes per call while "overlapping" to complete paperwork while the customer was still on the line, since they were given only one hour daily off the phones to

[66] "Proposal: Job Title and Pay of Service Representative."

complete paperwork. As a result, the service representatives told their union leaders, "the real drug problem in our office are tranquilizers, pain relievers for headaches and migraines, and tagamet for stomach ulcers."[67]

Service representatives taking service orders spent seven and one-half hours every day on the phones taking orders and making sales. "Sales is the most emphasized part of our job," one service representative explained. "We are expected to sell or at least attempt to sell revenue items on 100% of our calls. We are expected to meet 150% of our sales objective to be rated 'outstanding' in sales." With the introduction of computerized customer records, the service representative job now included typing the orders into the system – functions previously handed off to service order typists. The service representatives were especially offended by the requirement to follow a pre-determined script in conversations with customers. "How can I use the creative part of my brain when YOU insist on developing it for me?" Francis Randall, a service representative in Norfolk News, Virginia, wrote in a letter to her managers that she shared with the union. "The customers I speak to are confused, frustrated, irate, elderly, and 85% of these still don't, can't, won't, or refuse to grasp the difference between C&P and A&T. I have 'management' reminding me that 'CHT' (contact holding time) is this or that number of minutes or 'APBs' (customer accessibility) at this percentage. Our contacts are growing longer and longer…It takes approximately 7 minutes to explain equal access and Lord help us if it's an explanation of circle calling or local measure service."[68] In another

[67] "Job Description: RASC Service Representative," submitted by Judy Buchanan, Sandra Deavers, Rita Dooley, Sue Fulton, Brownie Haracivet, Jackie Knight, Marti Lowrie, Julie Martel, Marva Potts, Frances Randall, Sheri Renn, Delores Rowe, Linda Surber, Nettie Womack, presumably 1986, CWA District 2 1986 C&P Local Bargaining Minutes Cont. Notebook.

[68] Letter from Frances C. Randall, Service Representative, To Whom It May Concern (and cc'ed to C&P management and CWA Local 2205 President James Stroup), Newport News, VA, June 11, 1986.

handwritten plea to the CWA bargainers, twenty-eight service representatives summed up their demands: “Service Reps are the liaison between the company and the customer. We have more on-job-stress than any other job title...The job pressures, duties and responsibilities of the Rep continues to increase…It is time to increase our PAY!”[69]

In 1987, the three CWA bargaining units at Bell Atlantic (C&P, New Jersey Bell, and Pennsylvania Bell) won a $5 weekly pay increase for service representatives over and above the general wage increase. But at New Jersey Bell, this small victory required a significant concession from the union. For over a year, since June 1986, the CWA unit at New Jersey Bell had been fighting the company’s plan to restructure the service representative job to allow her to sell more complex services to business customers, duties that fell within the jurisdiction of the higher-paid customer sales representative. The pay differential was quite significant: customer sales representatives’ annual earnings were $36,540 compared to service representatives at $27,562.[70] The union recognized this move as an attempt to erode the work of the higher paid job. Failing resolution through the grievance procedure, the union took the issue to arbitration. In June 1987, CWA and Bell Atlantic settled the issue with the $5 weekly wage increase for service representatives while giving the company authority to add the sale of certain data and Centrex services to the service representative job description.

Recognizing the union’s concern that “the complexity of this work does not lend itself to the business office environment of fast schedules, observations, etc.,” New Jersey

[69] Unititled bargaining proposal submitted by 28 signed service representatives, nd, CWA District 2 1986 C&P Local Bargaining Minutes Cont. Notebook.

[70] CWA/New Jersey Bell 1986 Contract.

Bell agreed to an important protection: it would not discipline a service representative rated unsatisfactory in sales, provided the individual had worked in the call center for at least six months. This was an important achievement for the union in protecting its members against the sales pressures in the call centers.[71] This provision would be renewed in subsequent CWA/New Jersey Bell contracts.

Bell Atlantic continued to seek ways to reduce labor costs in its call centers, and in 1989, approached CWA with a proposal to establish a new collector title to handle billing and collections issues. In June 1989, the CWA bargaining units agreed to the new collector title with wage rates about 10 percent below that of service representative.[72] While the division of labor ("functionalization") produced some labor cost savings for Bell Atlantic, it raised new problems. Because Bell Atlantic did not want to lose any opportunity to sell its value-added services, it continued to require collectors to make sales attempts on collections calls. The union filed multiple work-out-of-title grievances, with a significant number escalated to the time-consuming and costly arbitration process. Even more significant, the Bell Atlantic policy violated a 1989 Settlement Agreement between the Pennsylvania Public Utilities Commission (PUC) and Bell of Pennsylvania aimed at resolving issues of deceptive sales practices. That Settlement required all customer service employees to include numerous disclosure statements in every conversation with customers. Adding such disclosures to the collectors' script lengthened

[71] CSR/SR Settlement Agreement, Letter from Hazel Dellavia, President CWA Local 1024 and member of the Bargaining Committee to CWA Brothers and Sisters, June 9, 1987, CWA District One files, CWA District One office in Trenton NJ.

[72] Letter of Agreement Re: Collector Title from H.A. Clark, Jr., New Jersey Bell Director of Labor Relations to Hazel P. Dellavia, CWA Staff Representative, July 1992, CWA District One 1992 Local Bargaining Notebook – New Jersey Bell, CWA District One office in Trenton NJ.

average talk time and cancelled out much of the 10 percent cost savings from the lower wage rate.[73]

Bell Atlantic discovered that a strict division between sales and service functions proved unworkable. The company wanted all those answering service calls to bridge to sales. And the company wanted those who handled sales to be able to provide one-stop service, including answering ancillary billing questions. In addition, the company wanted to create regional routing of calls, cutting across the various bargaining unit jurisdictional lines. To achieve these goals, in early 1994, the three CWA bargaining units and Bell Atlantic signed the Consultant Letter of Agreement that effectively re-integrated sales and service functions into one job title. The collectors, upon successful completion of training, were upgraded to the former service representative, now renamed consultant, rate of pay. The consultant duties could include any and all duties previously assigned to service representatives and collectors. Most significant, the agreement included some protections against discipline for failure to meet sales quotas. The Letter of Understanding stated that "sales results will be a job requirement for the Consultant which specialize in sales, provided that sales results will not be the *sole* basis for discipline," (italics added). In exchange for upgrading the collector title, the union agreed that the company could create region-wide call queues provided that it did not lead to lay-off, downgrade, or part-timing of any consultant. This agreement gave Bell Atlantic the

[73] The OCA/PUC sales practices settlement agreement mandated several practices to protect frontline service representatives against company sales policies that might incent unethical behavior. These provisions have served to protect Bell of PA service representatives to this day. Under terms of the settlement agreement, service representatives could not receive an unsatisfactory rating solely because of failure to meet sales objectives and the company was required to give customer service equal weight to sales in evaluating a service representatives' performance. "Practices and Procedures for Bell's Sale of Optional Services," Exhibit F, CWA Local 13500 Office, OCA Action Against Bell of PA Folder, April 10, 1990.

flexibility it wanted to send calls to any available consultant in the five-state and Washington DC area.[74]

Several factors explain why the three CWA bargaining units at Bell Atlantic were more successful than the CWA bargaining unit at AT&T in protecting, and even slightly upgrading, customer service employees' compensation levels. First, Bell Atlantic operated in a more protected, regulated, and stable market structure. The company simply did not face the same competitive pressures and therefore business imperative as AT&T to reduce labor costs in the call centers. Second, Bell Atlantic's state regulators monitored the company's sales and service practices, which helped ensure that sales practices were both ethical and did not eclipse service functions, whereas the FCC as AT&T's regulator largely saw competitive choice as the best route to consumer protection. Third, CWA had more power in the Bell Atlantic bargaining units to impact service representative issues. The CWA bargaining unit at Pennsylvania Bell was composed exclusively of customer service workers and the New Jersey Bell unit included only customer service employees and operators. The union leaders in these units were or had been service representatives themselves with deep knowledge of and passion for their issues, and had developed longstanding relationships with their company labor relations counterparts. Their political base was composed solely of customer service workers (and in New Jersey, operators) to whom they must deliver results. In contrast, customer service employees represented only a small portion of the CWA bargaining unit at AT&T

[74] Consultant Agreement Letter of Understanding, New Jersey Bell Commercial Marketing Letters of Agreement Notebook, CWA District One Trenton Office, Signed February 14, 17, and 28, 1994 by Barbara Lephardt, Assistant to Vice President CWA District 2; Hazel Dellavia, Area Representative CWA District 1; JoAnn Diana, President CWA Local 1023; G.P. Dreves, Staff Representative, CWA District 13; Sandra Kmetyk, Executive Vice President CWA Local 13500 and signed March 8, 1994 by Ron Williams, Director, Bell Atlantic NSG Labor Relations.

and many were relatively new to the job and to the union. At AT&T, the CWA negotiators came from technician or operator ranks, which was their political base, and staunching the hemorrhaging of those jobs was their top priority in contract negotiations.

Organizing for Power: The Commercial/Marketing Conference

During the decade after divestiture, customer service workers organized to build greater power within CWA in order to elevate their issues on the union agenda. Traditionally, CWA elected leaders' power base came from the ranks of the predominantly male technicians and, to a lesser degree, female operators. CWA elected leaders and staff rose from these ranks and were most knowledgeable about and responsive to the demands of these occupational groups in bargaining as well as grievance handling. But as business changes in the telecommunications sector drove growth in the number of service representatives at the same time that conditions deteriorated in the call centers, customer service workers mobilized to push CWA to give greater weight to their concerns. This was especially true at the AT&T bargaining unit, one that represented few service representatives before divestiture and where CWA had to sign up the workers in the newly opened call centers. But even at CWA units at Bell Atlantic, with their long history of service representative representation and local leadership, customer service members had to mobilize as RBOC bargaining and union allocation of resources moved from the local unions to the regional CWA district.

CWA customer service employees built power through a variety of mechanisms: signing up more members, running for elected office and bargaining committees, networking at CWA regional and national meetings and those of the Coalition of Labor Union Women (CLUW), developing relationships with leaders and staff, organizing co-workers to submit and push their bargaining demands, and seeking staff appointments. Most significant, CWA customer service workers took a cue from the CWA operator activists who met annually to network and elevate their issues within the male-dominated technician union leadership. The CWA customer service members organized their own annual commercial/marketing conference, bringing together hundreds of CWA customer service activists.

At AT&T, the first union challenge was to organize the workers at the new call centers. While the union had contractual right to represent service representatives, it had to sign them up. CWA technician locals discovered the new call centers in their geographic jurisdictions and proceeded to sign the employees up as members and build steward structures. Glen Hamm was a technician and union leader working at a major AT&T network operations center outside of Chicago. "One day there was nobody [in the Oakbrook, Illinois call center] and the next day there were maybe two or three hundred people," he recalled. "My local asserted jurisdiction and began to sign them up as members." Mary Ann Alt has similar memories of the unionization process at the Account Inquiry Center in Hunt Valley, Maryland. "Jerry Klimm of Local 2150 was a technician. He came and signed us into the union."[75] AT&T did not oppose these unionizing efforts.

The technicians were appalled at the working conditions in the call centers. "There was no consistent representation of these members," Hamm remembered. "I was hearing horror stories. The service representatives were constantly monitored. They had to raise their hands to go to the restroom. It sounded like AT&T was bringing these

[75] Glenn Hamm telephone interview with author, February 24, 1913; Mary Ann Alt interview, March 9, 2011.

people on and treating them like operators in the 1930s." Hamm invited local presidents (mostly male technicians) who represented AT&T call center workers as well as emerging union activists who worked in the call centers to a conference at a Chicago, Illinois airport hotel. In the early years, he also invited AT&T managers, reflecting a belief that the union and management could partner to improve working conditions. Within a few years, the call center activists, predominantly women, took over leadership of the CWA commercial/marketing conference and the AT&T managers were no longer invited.

The annual gathering was an opportunity for union leaders and activists from the call centers to network with each other, develop leadership skills, and press the male negotiators to take up their concerns. "We'd have the bargaining committee at the front of the room and we would have a microphone for the participants to present what we thought were the most important issues to ask and address in bargaining," Mary Ann Alt explained. "We began to learn how to prepare bargaining demands."[76] Eventually, many of these women were elected to top leadership positions in their local unions and the designated commercial/marketing slot on the AT&T national bargaining committee.[77] Moreover, the size of the call centers led to large locals, which in turn led to more attention by regional and national union officials.

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[76] Mary Ann Alt Interview with author.

[77] Mary Ann Alt rose from steward and vice-president to be elected president (1991-2001) of Local 2150 in Maryland. Mary Ellen Mazzeo also served as steward, vice-president, then president of CWA Local 1152 in Syracuse NY (1997-2013) and represented the commercial/marketing group on the AT&T national bargaining committee in every negotiation from 1998 through 2018. Cherie Chaney, Judi Stearns, and Colleen Downing served as presidents of Local 6450 in Lee's Summit and Kansas City MO (1993-2012) representing as many as 10,000 employees at the local's height in the 1990s. Other female local presidents with large consumer call centers included Billie Gavin of Local 6150 in Dallas TX and Annie Rogers of Local 7050 in Mesa AZ. Mary Ellen Mazzeo interview with author; Mary Ann Alt interview with author; Colleen Downing interview with author.

In 1991, the CWA commercial/marketing conference expanded to include local activists from every RBOC bargaining unit. This was a bottoms-up gathering, organized and run by a team of local leaders from across the country, with local unions footing the bill for expenses of the hundreds of stewards and local officers who attended.[78] CWA Executive Vice-President Dina Beaumont represented the national union at the conference, mentoring the burgeoning leadership, guiding them to develop strategies to address their members' problems in the call centers, and teaching them how to move their issues within the union structure. In plenary sessions, the conference participants exchanged information across bargaining units and in bargaining unit break-outs they networked with activists from other locals representing members who worked for the same employer. The information exchange served as an early warning system alerting union leaders to new developments and as a method to fact check employers' claims about what the union had agreed to in other locations.

The CWA activists built relationships with each other at these meetings, networks that they used to press their issues and gain positions of power within the union.[79] They invited regional vice presidents, staff, and national leaders to these meetings to learn service representative issues and to impress upon them the growing importance of this segment of the union. The call center leaders developed strong ties with Beaumont in the national office, a former operator who not only understood the job pressures of a highly regimented, surveilled work environment, but was also a savvy political operative who

[78] Key leaders of the commercial/marketing conference included Sandy Kmetyk from Local 13500 in Pennsylvania, Melissa Morin from Local 1400 in New England, Susan Ryke from Local 7777 in Denver, CO, and Kathy Kinchius from Local 9415 in Oakland, CA.

[79] CWA Commercial/marketing conference agendas, notes from plenary and break-out sessions, 1992-2000, CWA Research Department files.

understood that as automation decimated the operator workforce the future of female membership and leadership in the union depended on the growing customer service segment. Beaumont, an experienced and skilled bargainer, nurtured a network of service representative leaders who shared information about the latest developments in the call centers and who strategized with each other to develop solutions.

The annual commercial/marketing conference reflected and reinforced a growing consciousness among the CWA customer service workers that their interests to be treated with autonomy, dignity, and respect on the job clashed with those of their employers. While these gatherings were not policy-making conferences, they proved to be an important meeting place to organize within the union structure for their vision of the customer service professional who used her skills and knowledge to provide quality service, foster ethical sales practices, and receive fair compensation for the value she created for the company.

The Fight Over Surveillance

Labor historians have documented the multiple ways that workers resisted the intensified time measurement and supervisory monitoring that accompanied Taylorist scientific management in the industrial setting. In a Taylorist work organization, it is the supervisors' job to make sure that workers perform their discrete tasks in the exact manner that engineers' time-motions studies have determined are the most efficient way to do the work. Supervisory surveillance is an essential function to ensure that workers do their assigned work in the prescribed manner. In the automated call center, the digital equipment provides managers unsurpassed power to track their workers' job performance.[80]

Bell system operators had long chafed under the stress of supervisory monitoring, and as I discussed in chapter one, had won a hard-fought thirteen-year struggle over the practice when CWA reached agreement with AT&T in 1980 on contract language that banned secret monitoring. The 1980 provision, which was then incorporated into all CWA contracts with the local Bell Operating Companies, required supervisors to sit beside the operator during any observation sessions, effectively ending the use of secret monitoring to "catch" an employee. However, the contract language only covered operators; it did not apply to what was then a much smaller group of service representatives who at that time had more autonomy on the job, were more likely to perceive supervisory monitoring as a training tool, and were only peripherally involved in the CWA monitoring campaign.[81]

In the post-divestiture decade, AT&T and RBOC supervisors intensified surveillance of customer service employees. Management deployed two major forms of surveillance: first, the traditional supervisory monitoring (also called observations or sampling) of the service representatives' conversations with customers, and second, beginning in the early 1990s, digital tracking of the service representatives' time on the

[80] For a good summary of the relationship between scientific management and workplace monitoring, see OTA, *Electronic Supervisor*, 17-18. See also Stephen Meyer III, *The Five-Dollar Day: Labor Management and Social Control in the Ford Motor Company*, 1908-1921 (Albany: SUNY University Press, 1981); David Montgomery, *Workers' Control in America: Studies in the History of Work, Technology, and Labor* (New York: Cambridge University Press, 1987); David Brody, *In Labor's Cause: Main Themes on the History of the American Worker* (New York: Oxford University Press, 1993); Sue Porter Benson, *Counter Cultures: Saleswomen, Managers, and Customers in American Department Stores, 1890-1940* (Urbana: University of Illinois Press, 1986).

[81] See chapter one, 76-88.

phone, including average talk time, time between calls, and most important, adherence to one's assigned schedules. The service representatives deeply resented the use of monitoring for punitive purposes, a sign that their supervisors saw them as children prone to misbehavior rather than as professionals dedicated to serving their customers. They particularly resented the automated management systems that treated them as numbers on a computer print-out rather than as skilled workers, and they hated the work speed-up and constant surveillance that turned their workplaces into hothouses of stress.

The union made some progress placing limits on secret supervisory observations, but encountered stiff resistance in limiting time measurement policies. Building on the operator precedents, CWA in 1992 negotiated strong protections against secret supervisory monitoring at AT&T, extending the operator language to service representatives and adding a prohibition against the use of monitoring as the sole basis for discipline.[82] Service representatives and union leaders remember that the contract language largely protected employees from abusive supervisory monitoring in the AT&T consumer call centers.[83] Bell Atlantic proved much more resistant to the union's monitoring demands. It was only after a major mobilization of CWA-represented consultants and a two- week strike in the year 2000 that Bell Atlantic agreed to a

[82] The contractual agreement stated that "[N]o employee shall be disciplined as a result of service sampling [another term for supervisory observation or monitoring] except for gross customer abuse, fraud, violation of privacy of communications, or when developmental efforts have not been successful. CWA/AT&T Contract, Other Operations Agreements from Paragraph (c) of the 1992 Settlement Memorandum, Item SS, 392-3, May 31, 1992.

[83] Colleen Dowling interview with author, May 29, 2020. Dowling began her career with Ohio Bell as an operator in 1979. The operator center became an AT&T center after divestiture. She became an account representative in the Columbus, OH CSSC in 1990, which closed in 1992 when she transferred to the Lee's Summit MO CSSC where she worked until 2019. She became Local 6450 unit vice-president in 1999 and was elected local president in 2005 through 2012.

comprehensive stress relief package for consultants, including annual limits on the number of monitoring sessions.[84] Notably, unlike the AT&T agreement, the Bell Atlantic provision did not protect employees against disciplinary action as a result of supervisory monitoring.[85]

While the companies made some concessions to limit traditional supervisory observations, they were unwilling to cede any control over the digital time management systems. Beginning in the early 1990s, AT&T, Bell Atlantic, and the other RBOCs took advantage of the increasing power of digital technologies to develop workforce management software to track and forecast call volumes in fifteen minute increments, and then to schedule the exact number of service representatives needed to meet those call volumes, squeezing out "non-productive" time off the phones. The result was an enormous speed-up of the work, eliminating any free moments between calls to do paperwork, chat with a colleague, get a drink of water or go to the bathroom, or simply get a break from a difficult customer interaction.

In order to make the time management system work, the companies adopted what were called strict adherence policies that tracked whether the service representative was following her assigned schedule, measuring any deviation down to the second. Supervisors watched a screen with wavering color-coded bar graphs, each representing a service representative, tracking each employee's time on or off the phone and whether

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[84] See chapter 6, 280-295.

[85] The Evaluative Observations Letter of Agreement built upon earlier agreements between CWA and New Jersey Bell. The Evaluative Observation Agreement was negotiated at the CWA/Bell Atlantic Regional Bargaining table and therefore was incorporated into the CWA contracts with C&P, New Jersey Bell, and Pennsylvania Bell. 2000 Common Issues Memorandum of Understanding between Verizon and CWA, August 23, 2000 , 82-84 and Evaluative Observations Letter of Agreement in each of the three CWA contracts. The Evaluative Observations Letter was renewed in subsequent contract negotiations.

this conformed to her assigned schedule. Supervisors could see this data in real-time and in daily print-outs for each individual, work group, call center, and all centers on the same call distribution channel. While this workforce management system was a remarkable technological achievement, the companies used it to adopt strict adherence policies that the service representatives deeply resented not only for the pressure but because it interfered with their ability to provide good service.

The CWA leadership learned about the new adherence policies at the 1995 annual Commercial/Marketing conference. Dina Beaumont, executive assistant to CWA President Morton Bahr, listened carefully to frontline service representatives who described the new surveillance practice of adherence. Beaumont had led the mobilization of the CWA-represented operators against job pressures and abusive monitoring practices in the 1970s.[86] In her powerful position as top assistant to the union president, she knew how to work the union structure to elevate an issue onto the union agenda and to craft bargaining proposals to address workers' concerns. With Beaumont's encouragement, delegates to the 1995 commercial/marketing conference passed a resolution calling on the CWA executive board "to establish a National Task Force, consisting of local leaders with Commercial Marketing experience from each [CWA regional] district to survey, investigate and report on the problems and activities of the Bargaining Units on the issues of ADHERENCE."[87]

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[86] See chapter one, 76-88.

[87] Author's recollection of the 1995 Commercial/Marketing conference which she attended. CWA, *Adhere This, Adhere This: Big Brother is Watching You* (May 1995), 20.

In March 1995 the CWA executive board established the National Adherence Task Force, chaired by Beaumont, composed of CWA local leaders who represented customer service employees in the various bargaining units.[88] The group convened for two days in Washington, D.C. to report on their members' experience with adherence, followed up with additional research, and two months later issued their report, *Adhere This, Adhere This: Big Brother is Watching You*. The report cover featured a female detective with a spyglass, conveying the report's conclusion that "adherence policies raise employee monitoring to a new level of indignity."[89] (See picture of report cover on next page.)

The report included this description from an AT&T account representative of how adherence set up a catch-22: "If I'm supposed to take a break at 10:30 but I'm on line finishing a call with a customer until 10:32, I'm out of adherence. If I take my 15 minute break and return at 10:47, I'm out of adherence again. If I go off-line to another department with a customer inquiry, I'm out of adherence. If I take too long with customers, I'm not meeting average call time and I'm out of adherence." Adherence deviations included staying on the line with a customer when one is supposed to be on break or at lunch; closing the phones to incoming calls to call another department to solve a problem or do a few minutes of paperwork; taking too long to log into the system; going to the bathroom or getting a drink of water off schedule; and taking a sick day or an excused personal leave day after the schedule has been issued.[90]

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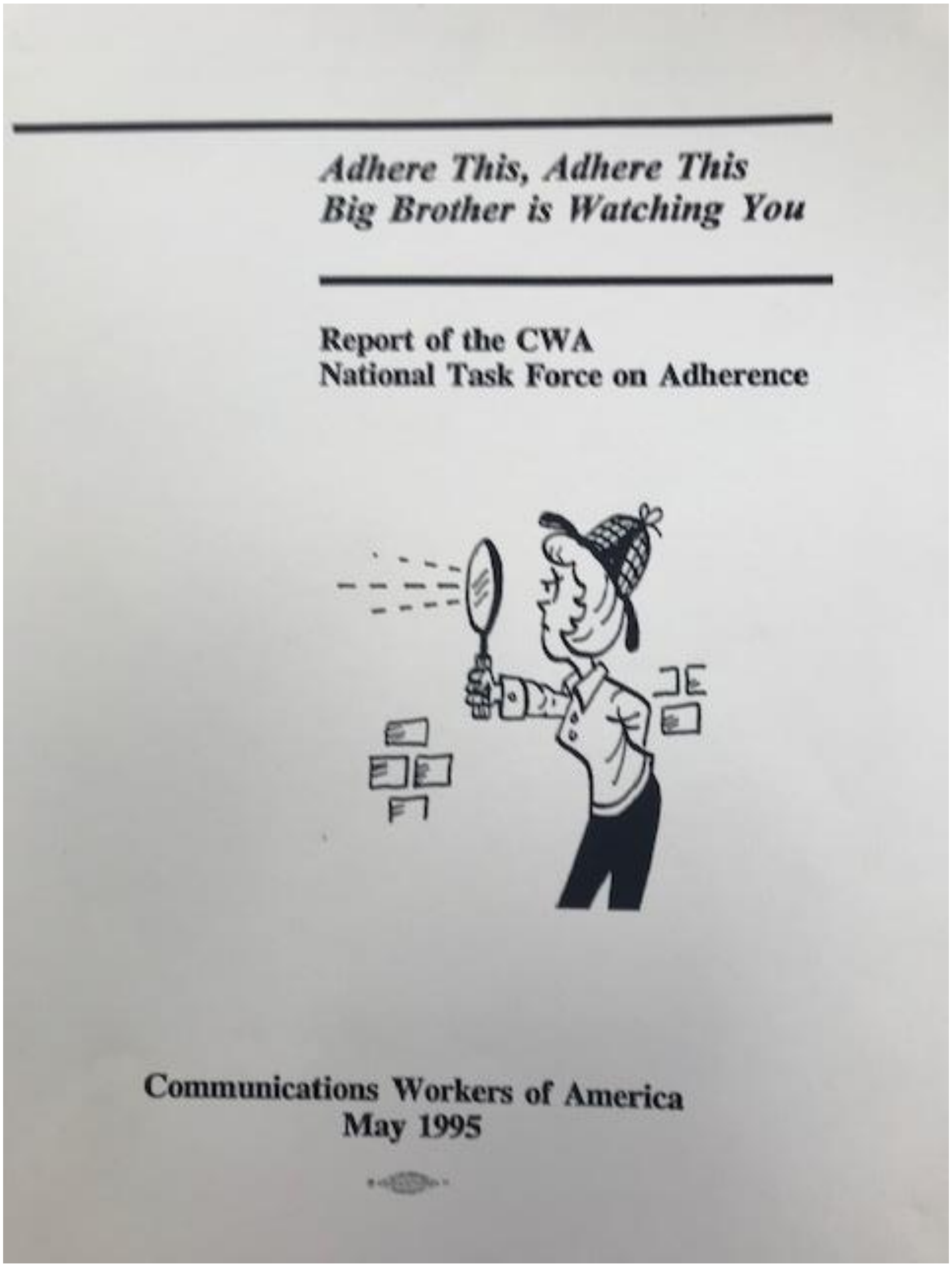
[88] The members (with their local in parentheses) were Kathy Ciner (L1105), Barbara Mulvey (L2106), Susan Goodson (L3510), Lori Everts (L4900), Alma Diemer (L6507), Carla Floyd (L7901), Joanie Johnson (L9416), Vicky Kintzer (L13500), and the author (CWA Research Department).

[89] CWA, *Adhere This, Adhere This*, ii.

[90] CWA, *Adhere This, Adhere This,* ii.

Figure 10. CWA Adherence Report



Adhere This, Adhere This
Big Brother is Watching You

Report of the CWA
National Task Force on Adherence

Communications Workers of America
May 1995

The pressure from adherence was most intense in the residential sales and collections offices, with adherence set at 95 percent at AT&T, at 92 percent in the Bell Atlantic sales centers, and at 85 percent in the Bell Atlantic collections centers. Adherence levels were lower in centers serving small business customers and were more often measured at the office, not individual, level. Increasingly, employees were disciplined for poor adherence, citing a Bell Atlantic warning that any violation of the schedule "may result in disciplinary action, up to and including dismissal on the first offense."[91]

The task force report identified multiple problems with adherence: inaccurate computers, favoritism in enforcement, inflexible systems, increased stress-related illnesses, impediments to good customer service, incentives to game the system, and dehumanizing invasion of privacy, dignity, and autonomy. "In my office of 38 reps, 5 are out on stress-related disability," reported a Bell Atlantic service rep from Reading, Pennsylvania. "Three more have colitis and another has an ulcer…Not a day goes by that I don't take a Motrin for headaches," The report emphasized the irony that the companies were "implementing these inhumane policies at the same time that they talk about restructuring work to 'empower' employees to make decisions. It is impossible to empower employees to solve problems when big brother tracks every second of one's day and punishes for any deviations."[92]

The report concluded that the real barriers to good customer service were the serious understaffing of the call centers due to corporate downsizing and the constant

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[91]CWA, *Adhere This, Adhere This*, iii, vi, 8

[92] Ibid. 10-14. See chapter 4 for discussion of workplace programs to empower call center employees.

pressure to sell. The RBOCs were missing regulatory requirements that required that 80 to 90 percent of calls be answered within twenty seconds. Rather than hire more people, the companies imposed harsh adherence standards, work speed-up, and reduced or eliminated "close key" time off the phones to complete paperwork.

There was an alternative, the report explained, citing a Bell Atlantic Northern Virginia pilot that demonstrated that "employees who are given autonomy will do a good job." In that pilot, consultants were allowed time off the phones to complete paperwork and were not evaluated on adherence. The results showed up in improved service order quality, no significant change in average call time or adherence, and savings of $9,000 in three months due to improved accuracy.[93] Yet, Bell Atlantic shut down that pilot.

In May 1995, the CWA executive board adopted a CWA Policy on Adherence and Sales Quotas. "Adherence equates to electronic stalking of employees," the policy began. "Adherence forces employees to sacrifice their health and human dignity in order to keep their jobs." CWA articulated an alternative vision to management by the numbers. "In a competitive environment, the winners will be those employers who treat their employees with dignity, autonomy and respect and who provide customers with excellent customer service. Experienced and motivated employees are the key to competitive advantage. CWA knows that employees want to do a good job and, given proper training, supports, and staffing levels, will provide good customer service without the need for monitoring, adherence, or sales quota speed-up." The policy recommended five proposals to limit the abusive impact of adherence and sales quotas: group, not individual measurement; reasonable sales objectives; no discipline for failure to meet

[93] CWA, *Adhere This, Adhere This*, 16.

adherence and sales objectives; sufficient off-line (closed key) time; and adequate staffing.[94] Beaumont followed up with a memo to all CWA bargaining unit chairs, urging them to bring the issue of adherence and sales quotas to the bargaining table. She reiterated the five policy proposals, while also suggesting interim measures that would require the company to make adjustments to adherence and sales quotas for all contractual time off the job, time spent away from the desk for bathroom and water breaks, and requirements for manual adjustments to computer tracking errors.[95]

Beaumont knew that progress at the bargaining table required mobilization of the customer service employees to pressure both the union bargaining committees and company negotiators to take action. Taking lessons she had learned from the national mobilization of operators around job pressures decades earlier, she worked through the union structure and the National Adherence Task Force to launch two days of national mobilization around adherence in June and July 1995. The national office distributed a flyer for reproduction by locals entitled "Adherence: Sticking it to the Workers." The flyer included a picture of a service rep at her desk, chained to a clock on her back, saying to her customer: "I'm sorry sir. But due to adherence, monitoring, and sales quotas, I have no time in my daily schedule to help you."[96] (See flyer on next page.)

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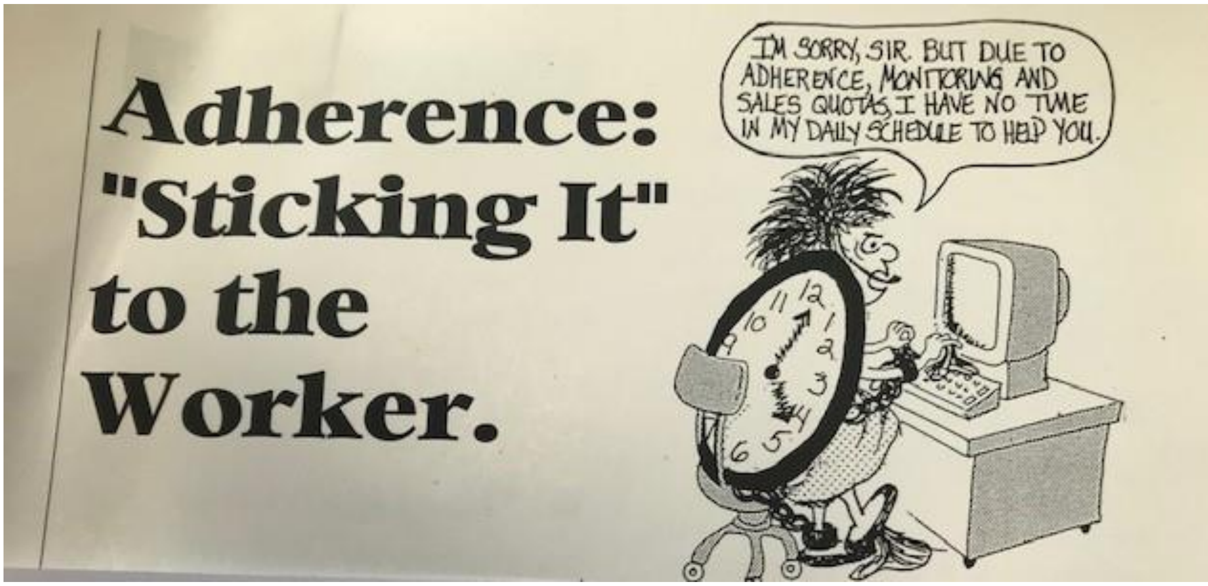
[94] CWA, *Adhere This, Adhere This*,19.

[95] Memo from Dina Beaumont, Exec. Assistant to the President, to Bargaining Chairs re: Bargaining on Adherence, May 26, 1995, CWA Research Department files.

[96] Adherence flyer for mobilization activities, CWA Research Department files.

Figure 11. CWA Adherence “Sticking it to the Worker” flyer



Service representatives across the country participated in the national adherence mobilization. They wore “adhere this” T-shirts and buttons, with pictures of a service representative in ball and chains. They handcuffed themselves to their desks. They rallied outside their employers’ downtown corporate headquarters, passing out flyers. One local in the Midwestern Ameritech region produced a coloring book, including a picture of a male supervisor handing out catheters while telling a group of service representatives that “I can’t make you wear these, but it sure would help adherence.”[97] (See flyer on next page.)

Despite the mobilization, CWA negotiators made little progress curtailing their employers’ strict adherence policies in the 1995 and 1998 rounds of bargaining. For the companies, negotiating with the union over time management and associated adherence

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[97]Adherence flyer and stickers for mobilization activities, CWA Research Department files.

policies threatened the very essence of managerial control in the call centers. The fight over adherence, even more than monitoring, was at its very foundation a struggle over power to control the labor process in the call center, which management refused to cede.

Figure 12. CWA mobilization flyer against adherence surveillance policies

Struggles Over Sales Quotas and Sales Commission Plans

As sales became a more important component of the service representative job, management at AT&T and Bell Atlantic approached CWA with proposals to introduce a sales commission component to the compensation package. Sales commissions, unlike base wages, compensate employees based on sales results; the more an employee sells, the more money she can earn. Commission plans can be structured in a variety of ways: piece rate systems compensate an employee for each product sold while more typical sales commission plans in call centers establish a sliding scale pay-out that increases as one sells more, often requiring the sales representative to meet a minimum sales benchmark before any pay-out is available. The commission plan usually includes various components, including total revenue sold, sale of particular products, and quality measures. Compensation consultants advise companies in the complex design of sales commission plans. According to the American Compensation Association, plan design should set objectives at a level that would allow about two-thirds of the work group to achieve the target, while incenting the top 10 to 15 percent of sellers to exceed the quota in order to meet the revenue objective for the entire work group. At least 90 percent of the sales force should receive some pay-out, leaving about 10 percent without any sales commission compensation.[98]

Because compensation is a mandatory subject of bargaining, AT&T, Bell Atlantic, and other RBOCs were required to negotiate with CWA over the introduction of a commission plan. The negotiations over these plans, and, where CWA agreed to them,

[98] American Compensation Association, "The Elements of Sales Compensation," C5 Self-Study Certification, April 18, 1997 edition, 5.30 (stating "Achieving 100 percent of quota should provide total target earnings. About 65 percent of all sales personnel should at least achieve Target Total Compensation.")

the struggles over their implementation, reveal the widely divergent value systems of management and workers over what constitutes fair compensation. Company managers placed highest priority on revenue generation; in a fair system, workers who sold more should reap larger monetary rewards. In contrast, union leaders placed highest value on worker equity, solidarity, and compensation that provided the service representative with a fair share of the value she created for her employer. The union responded with great skepticism, if not outright opposition, to any management proposal to put a portion of the base wage "at risk" based on sales results. In the three cases I discuss below, we see this clash of values, even as CWA units reached different conclusions and evidenced different power relations in response to company demands for sales commission plans.

In 1992 contract negotiations, AT&T approached CWA with a proposal for a sales commission plan for the sales representatives working in the call centers serving small and mid-size businesses. The proposal was an "80/20" plan, meaning that the sales representative would receive a base wage set at 80 percent of the current wage rate and the other 20 percent would be earned if she made 100 percent of her sales target quota. The plan was designed so that about 60 percent of the workforce would meet target, with 20 percent making more and 20 percent making less. Initially, the AT&T Communications bargaining team, with CWA Local 1150 President Laura Unger representing the customer service work group, rejected the proposal. Meanwhile, the AT&T national bargaining team, led by Vice President Jim Irvine, unable to reach agreement on economic issues, recessed all negotiating tables.[99] The bargaining team that was negotiating the sales commission plan gave Irvine a list of ten provisions to include in any agreement on a sales commission plan. At a union rally in Syracuse, New York, Unger, standing on a flatbed truck in front of the AT&T call center, made it clear to the sales representatives that a forced commission plan was a strike issue. Irvine rejected this position, and once the union reached agreement with the company on an economic package, he accepted the company demand for an 80/20 sales commission in the small and medium sized business call centers.[100] The contract language created a labor-management oversight committee with authority to recommend plan changes if average commission pay-outs deviated by more than 10 percent from the target annual salary.[101] Despite this addition, the bargaining team objected to the decision by the male national union leadership to take their demands off the table regarding the commission plan. The bargaining team refused to sign the contract (a purely symbolic move) and urged the membership to vote down the contract. But since the commission plan only impacted a small percentage of members, they were not able to win majority support for a no vote, and the contract won approval.[102]

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[99] CWA negotiated several different contracts with AT&T. The Communications contract covered employees who worked on the network, including the call center workers discussed in this study and operator services. There were different contracts for manufacturing employees and for equipment installers and the customer service workers who sold and serviced equipment. The CWA Telecommunications and Technologies vice-president negotiated economic issues that impacted the entire unit (wages, benefits, employment security) and the so-called “local” tables negotiated over issues specific to their bargaining units.

[100] Mary Ellen Mazzeo interview with author; Laura Unger interview with author.

[101] CWA/AT&T Contract, May 31, 1992, Appendix 4, 277-282.

[102] Laura Unger interview with author; Mary Ellen Mazzeo interview with author.

Initially, the commission plan was lucrative and most sales representatives were able to earn their "at risk" money and even more.[103] In 1995 bargaining, the union negotiated several improvements to the plan, most notably quota relief for those on vacation and other contractually guaranteed time off the job.[104] The union also tried to fix another problem related to sales quotas. The company required sales representatives to meet two different sets of sales quotas, one for compensation pay-outs and the other to drive sales promotions of products. Sales representatives who made their sales commission targets were getting disciplined, including termination, for failure to meet the quotas established for product promotions. During bargaining sessions, CWA believed that AT&T negotiators made a verbal commitment that employees who met commission plan quotas would not be disciplined for failure to meet promotion plan quotas. However, AT&T managers continued to discipline workers who missed the promotion plan benchmarks. In1999, CWA brought the issue to arbitration; the arbitrator ruled against the union, noting that the 1995 negotiated quota relief was designed to address the issue. The arbitrator missed the point entirely.[105]

In 1995 contract negotiations, Bell Atlantic proposed an 80/20 sales commission plan for selected job titles in the consumer and small business call centers. In response to

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[103] In June 1986, average pay-outs exceeded the targeted amount by 5 to 10 percent and no adjustments. In first quarter 1997, average pay-outs exceeded the target by almost 30 percent and the company reduced the pay-outs "on the conservative side" to allow for pay-outs to exceed the target by 15 percent. Memo from Arthur L. Harris, Adm. Asst. to Vice President to All Local Presidents – Operations Bargaining Unit re Small Business Markets Incentive Compensation Plan, June 28, 1996 and Memo from Arthur L. Harris, Adm. Asst. to Vice President to All Local Presidents – Operations Bargaining Unit re TAAS Oversight Committee Report, June 27, 1997, CWA T&T office files.

[104] CWA/AT&T Agreement, Small Business Markets Incentive Compensation Plan, Appendix 4, 1995.

[105] Mary Ellen Mazzeo interview with author; Opinion and Award, Arbitration between AT&T and CWA Local 1152, Company Arbitration No. A99-336, Union File No.99-CC-1152-026, October 9, 2001.

union pushback, the company revised the proposal to a 90/10 plan (90 percent base wage, 10 percent "at risk") High sellers could earn even more, capped at two and one-half times the target pay-out.[106] The union rejected the proposal after reviewing sales performance data from the prior two years that showed the majority of service representatives did not meet their sales objectives. In 1994, the consumer call centers across the entire Bell Atlantic region sold $335.3 million in revenue, just 2 percent shy of meeting the business unit's revenue objective. But that same year, a full 48 percent of service representatives did not achieve their individual objectives. The data for 1995 is even more striking: while the consumer call centers slightly surpassed the overall business unit revenue target with $335.3 million in sales, almost two-thirds (63 percent) of service representatives did not attain their individual sales objectives.[107] The data made clear that a company-designed commission plan would reward high sellers, while average and low-volume sellers would likely see a reduction in compensation and sales pressure would intensify. The CWA negotiators rejected the Company proposal.

The first CWA bargaining unit to agree to a sales commission plan at an RBOC was the unit at US West Communications in 1992. US West was the smallest of the RBOCs with $9.3 billion in revenue in 1995, serving the geographically dispersed fourteen-state region west of the Mississippi River.[108] This case illustrates the impact of commission

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[106] Bell Atlantic Incentive Compensation for Consumer and Small Business LOB Proposal, 12-18. July 30, 1995.

[107] Incentive Compensation Proposal, 1995 Labor Negotiations, Response to Questions of June 17, 1995 Presentation, July 18, 1995

[108] US West SEC Form 10-K for the year 1995 filed March 29, 1996. Qwest Communications bought US West in July 2000.

plans on service representatives and, as a result of an arbitration case over the plan design, provides a rich data source.

In 1995 contract negotiations, CWA District 7, representing approximately 5,000 sales consultants working for US West in ten large call centers, proposed a substantial wage increase for service representatives. The union believed that the Bell system wage schedules reflected a gender bias that did not accurately reward the knowledge, skills, and responsibility of the majority female sales consultant job. US West countered with a leveraged compensation proposal, that they announced was their top objective in that round of negotiations. The plan was an 80/20 plan, meaning 80 percent of the wage would be guaranteed with an additional 20 percent pay-out if the sales consultant met 100 percent of her objectives. To sweeten the offer, US West offered to set the annual guaranteed base at $32,000, which was then the wage rate for sales consultants. The company had sole discretion for plan design, while a union-management advisory committee would monitor the plan and review attainment levels. "Objectives set for each performance level will be stretched – but attainable," company negotiators explained. CWA accepted the proposal because, as Annie Hill, administrative assistant to the District 7 Vice President and bargaining committee chair, recollected, "This was a win-win for the company and our members. With the guaranteed wage base, we thought people would be able to make more money."[109]

[109] Annie Hill interview with author, October 26, 2020. Annie Hill, a beneficiary of the EEOC Consent Decree, began working for Pacific Northwest Bell in 1972 as a technician. She rose through the CWA ranks to become President of CWA Local 7909, administrative assistant to District 7 vice president and chief bargaining agent with US West, vice-president of District 7, and Secretary-Treasurer of the national union (2011-2015). Despite her work experience as a technician, Hill, like former technician Laura Unger, became a CWA leader on customer service worker issues in her bargaining unit and nationally.

The first year of the program, according to Hill, was the "honeymoon period, people were making money hand over fist." But by the second year (1997), the company raised the objectives, service representatives were not making back "at risk" money, and many were getting disciplined, terminated, asking for a transfer, or leaving the company due to high levels of stress. Forty-one percent of sales consultants in consumer and 38 percent in small business were not making their individual sales revenue objective. Overall commission pay-out dropped 21 percent in consumer and 34 percent in small business from the prior year.[110]

In 1998 contract negotiations, CWA made fixing the objectives its top priority and presented the company with a demand to set the objectives so that at least 90 percent of the work group would attain the target. The company refused. The company negotiator Ginger DeReus presented the union with an opinion letter from compensation consultant Hewitt Associates that stated that "it's been a long-standing rule of thumb in the design of sales compensation programs that, on average, about two-thirds of the sales force should achieve quota in a typical year."[111] CWA and US West were unable to agree on a specific attainment objective and therefore, to resolve the issue, inserted a contractual requirement that the plan objectives be "reasonable," effective January 1, 1999.[112]

Despite the employer's contractual obligation, the CWA oversight committee review of commission data found a "disturbing trend" of low sales consultant attainment

[110] In the Matter of Arbitration between Communications Workers of America, union, and Qwest (formerly dba US West Communications), Employer, Re: Reasonable Sales Objectives, CWA Case #7-99-50, Union's Post-Hearing Brief, January 31, 2001, 13 (hereafter Union Brief).

[111] Union Brief, 14.

[112] Ibid.

levels. The call sharing groups attained the two-thirds “rule of thumb” only18 percent of the time in consumer and only 23 percent of the time in small business. When neither the company representatives on the oversight committee nor the vice president of the Small Business Group agreed to adjust the objectives, CWA filed a grievance which then led to an arbitration over whether the sales objectives met the contractual “reasonableness” standard.[113]

In several days of hearings before an arbitrator, CWA presented statistical evidence and sales consultant testimony to support its case that the sales objectives were “unreasonable,” resulting in discipline, stress, and high turnover rates. CWA presented company data that showed that only 52 percent of sales consultants in consumer and only 49 percent in small business attained the individual sales revenue objective for the period from January 1999 to May 2000, far below the two-thirds industry “rule of thumb.” In fact, the industry standard was only met in two months in consumer and no months in small business in the entire seventeen-month period covered by the arbitration. About half of the sales consultants received no pay-out on the individual revenue component.[114]

Perhaps most revealing was the method that US West used to set sales objectives. US West Executive Vice President Greg Winn explained that top executives established the corporate revenue target for the corporation every year. That objective was then divided up among the various subordinate departments and divisions, which then determined the revenue objectives for the sales consultants. In setting the objective, the company did not consult historic data regarding past attainment levels, market conditions,

[113] Union Brief, 16-17.

[114] Ibid., 19-20.

or other factors. If the top executives set unrealistic revenue objectives for the corporation, this would then flow down to the frontline sales consultant.[115]

The failure to meet individual sales revenue objectives could, and did, result in discipline and termination, accounting for high and expensive turnover rates. According to a US West internal study, the turnover rate among sales consultants ranged from 40 to 50 percent at an annual cost to the company of $52 million.[116] One CWA witness testified at the hearing that 43 percent of all sales consultants in the Phoenix and El Centro, Arizona call centers that she represented had resigned or transferred to another job – even one with lower wage rates – due to the pressure from unreasonable sales objectives. Another CWA witness reported that only two sales consultants remained in her work group since the inception of the commission plan, and a third CWA witness testified that out of an initial training class of nineteen employees, only two remained.[117]

The CWA witnesses testified to the enormous stress that they experienced as a result of the unreasonable sales objectives. They explained that they understood that they were hired to sell, but objected to the unrealistic benchmarks that eroded their sense of achievement at work. "It doesn't feel good going to work every day knowing that I'm not succeeding," Sharon Goldberg explained. Unrealistic sales objectives undermined employee morale. "The stress of the numbers game we all play here stinks," a sales consultant reported on an internal US West survey, "and I think that if you were to set

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[115] Union Brief, 21-22.

[116] Ibid., 46.

[117] Ibid., 46-48.

goals in a way that isn't so stressful you would have a lot of employees that would be very happy."[118]

Sales pressure and fear of discipline created incentives to engage in the illegal practice of "slamming," putting items on customers' accounts that they did not order. A former manager in the Des Moines, Iowa call center testified that when she reported one such code of conduct violation, her supervisor told her to "turn the other way" because the "slammer" was a high sales revenue performer and the call center needed him to meet its team objectives.[119]

In April 2001, arbitrator Harold Wren issued his decision in the case, ruling that the US West sales objectives were unreasonable and in violation of the contract language. However, his remedy reflected a complete misunderstanding of the way in which the sales compensation plan was structured and in fact made the situation worse. He ordered US West to reduce the pay-out levels – not the revenue objectives – by 10 percent. In other words, his ruling allowed the company to retain the unrealistically high sales objectives while mandating a 10 percent cut in the sales commission earned.

These cases illustrate the slippery slope that challenged the union's effort to negotiate commission plans. Without a meaningful voice for the union regarding plan design, the company set quotas and pay-out rates that undermined union values of equity and solidarity, challenged individual workers' sense of self-worth on the job, and created perverse incentives to engage in unethical sales practices. For these reasons, CWA rejected a sales commission compensation plan at Bell Atlantic. And as CWA learned at

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[118] Union Brief, 38-43.

[119] Ibid., 45-6.

AT&T and US West, once the union opened the door to a commission sales plan, it was very difficult to negotiate plan design to ensure that all workers received fair compensation for their work.

Occupational health and safety researchers have found that the most stressful jobs are those that place high demands on workers but give them little control over their work.[120] This describes the work organization in the post-divestiture AT&T and Bell Atlantic call centers. A 1997 CWA survey of its customer service members concluded that there was a "stress epidemic" raging in their workplaces. Two-thirds of the 1,600 workers who responded to the survey reported one or more stress-related illnesses, including migraines, depression, high blood pressure, sleep problems, eating disorders, chest pains, and hives. One-third reported that they had taken time off work in the past year due to stress-related illness; of these about 10 percent were out more than one month. They described their call centers as an "electronic sweatshop," "kindergarten," or simply "workplace from hell."[121] To be sure, this was not a scientific survey, but even accounting for some hyperbole, the results indicate serious problems.

AT&T and Bell Atlantic responses to competitive pressures and new business opportunities in the post-divestiture era transformed their call centers into hotbeds of stress. While the level of competitive pressure and regulatory oversight played an important role in the degree to which management took advantage of new technologies to

[120] The classic study is Robert A. Karasek Jr., "Job Demands, Job Decision Latitude, and Mental Strain: Implications for Job Redesign," *Administrative Science Quarterly* 24:2 (June 1979): 285-308.

[121] 1997 CWA Stress Survey of Commercial/Marketing Employees, August 1997, CWA Research Department files.

reorganize work, both companies took advantage of automated digital systems to intensify surveillance, speed-up the work process, and downgrade non-sales jobs. In response, customer service workers at both companies organized to press their union to address their concerns. At AT&T, the customer service workforce built power within the union, and CWA made incremental progress raising wage rates for the downgraded account representatives, negotiated strong protective monitoring language, and retained some control over the sales commission plan in the mid-size business call centers. But as competition increased and overall union density at AT&T plummeted, CWA faced ever greater challenges negotiating provisions that relieved the stressful working conditions in the call centers. At Bell Atlantic, still operating in a protected local telephony market with high union density, CWA succeeded in blocking attempts to downgrade service jobs, impose sales commissions, and won limited monitoring protections. But here, too, management refused to relinquish control over technology deployment and job design which were the foundation of the stressful, dehumanizing conditions in the call centers.

CWA leaders recognized that competition was driving down their power to negotiate over compensation and working conditions at the union companies. Gone were the pre-divestiture days of sectoral bargaining when the union contract determined wages, benefits, and working conditions in the telecommunications industry. The union faced new imperatives to organize the new-entrant non-union companies and to pursue alternative labor-management approaches to union power to improve conditions at work.

Chapter 3. Organizing to Block the Low Road Path, 1992-1997

"Within three months of arriving at LCF [Sprint Corporation's La Conexion Familiar], I was asked to spy on my co-workers," Liliette Jiron testified at a public forum convened by the U.S. Department of Labor in San Francisco in February 1996. "I felt that I had no choice…I couldn't lose my job… I understood why my co-workers wanted to form a union. We had problems getting paid…They kept changing the rules on the number of sales we needed… They told us not to drink a lot of water so we wouldn't need the bathroom breaks…They kept telling us if we voted for the Union, the office would close down…A week before our chance to vote in the union election we were called in the conference room…They told us LCF was closing that day. For me everything fell apart … I will always carry around the fear of being fired and I will remember the threats to close if we voted for the union."[1]

Liliette Jiron was one of 235 Spanish-speaking employees at Sprint's La Conexion Familiar (LCF) subsidiary in San Francisco, California who lost a job on July 14, 1994 when Sprint shut down the telemarketing center just one week before a union election that would have made this the first Communications Workers of America (CWA) bargaining unit of Sprint long-distance employees. Sprint was determined to keep the union out and used every tactic in the anti-union playbook to intimidate the largely female, immigrant workforce. When it appeared that a union victory was at hand, Sprint

[1] Liliette Jaron Testimony, Testimony at San Francisco CA Public Forum, U.S. Department of Labor, Bureau of International Labor Affairs, *Official Report of the Proceedings*, February 27, 1996, 71-77.

dealt its final card and shut the facility down.[2] Sprint sent a chilling message to its workforce: a fight for a union will cost you your job. This was not a choice that most workers in the 1990s were willing to make.

The National Labor Relations Board (NLRB) charged Sprint with illegal shutdown of the facility and a Mexican union filed a complaint against Sprint under provisions of the North America Free Trade Agreement (NAFTA). But in the end, a federal appeals court rejected the NLRB complaint, handing Sprint a victory and communicating to Sprint's unorganized employees that the nation's labor laws – even under a Democratic White House and sympathetic labor board – would do little to protect them. The Sprint workers' organizing campaign lost momentum. Sprint, a wireless carrier purchased by non-union T-Mobile in 2020, remained union free.

The failure of the Sprint long-distance unionization effort stands in stark contrast to CWA's successful campaign during the same period assisting Southwestern Bell Mobile Systems (SBMS) employees win union representation. Both campaigns took place among a predominantly female customer service workforce, many of whom worked in the south and southwest. But at Southwestern Bell, CWA negotiated a card check/neutrality agreement with the company, allowing workers to organize outside the broken National Labor Relations Act (NLRA) framework. Under the agreement, Southwestern Bell consented to remain neutral during any organizing campaign and to recognize the union upon determination that a majority of the bargaining unit had signed union recognition cards. Absent employer intimidation and threat of job loss or

[2] Decision, Gerald A. Wacknov, Administrative Law Judge, Before the National Labor Relations Board, Division of Judges, San Francisco Branch Office, LCF, Inc. d/b/a La Conexion Familiar and Sprint Corporation and Communications Workers of America, AFL-CIO, District Nine, Case 20-CA-26203, August 30, 1995.

retaliation, Southwestern Bell Mobility workers selected CWA representation, leading to the eventual organization of 40,000 wireless workers.

Winning card check/neutrality from an initially hostile Southwestern Bell was not a foregone conclusion, but rather the result of a five-year CWA strategic campaign, one in which the union leveraged its power on the organized telephone side of the corporation, its political influence in a period of major telecommunications regulatory reform and corporate restructuring, and its relationships with SBC management to convince Southwestern Bell's CEO Edward Whitacre Jr. that fighting the union's expansion into the wireless sector was not worth the price. The union's corporate campaign convinced CEO Whitacre that the benefits of a strategic partnership with the union outweighed the costs of granting organizing rights to mobility employees.

In this chapter, I analyze these two CWA strategic organizing campaigns to understand why CWA leverage proved effective in neutralizing employer anti-union animus at Southwestern Bell yet failed at Sprint. The two case studies illustrate how neoliberal government competition policy in the vitally important and dynamic communications sector led not only to the loss of hundreds of thousands of good, union jobs, but also deprived workers and unions of political and regulatory mechanisms to leverage power to neutralize employer opposition and gain collective representation on the job.

I argue that the differences in market competition and associated government regulation of Sprint's long-distance business and Southwestern Bell's local telephone market provide the primary explanation for both the level of intransigence in the employer's anti-union behavior and the widely different opportunities available to CWA to leverage political power to defuse the employer's resistance. In the years covered by these two organizing campaigns, Sprint operated without government oversight as a result of Federal Communications Commission (FCC) decisions to deregulate the long-distance telephone market and give favorable treatment to new entrants like Sprint. As a result, CWA had few opportunities to intervene in regulatory decisions that would impact Sprint's business. In contrast, state public service commissions continued to regulate Southwestern Bell's local telephone operation, and because this was a period of major regulatory reform, CWA had multiple opportunities to leverage its political power over state government decisions that would have major impact on Southwestern Bell's business success.

Moreover, Sprint and Southwestern Bell operated in distinct market structures, with different corporate cultures and levels of union strength. Sprint remade itself in the 1990s from a corporation with dozens of rural local telephone subsidiaries into a long-distance company, competing against AT&T and MCI. Union representation at the local Sprint companies was divided between CWA and the International Brotherhood of Electrical Workers (IBEW), scattered across multiple states in small bargaining units, with little national presence or power. Sprint's long-distance call centers were greenfield operations with no union presence. Sprint management was determined to keep it that way to gain competitive advantage over unionized AT&T's higher labor costs and to maintain parity with non-union MCI.

In contrast, CWA had a strong union foothold at SBC representing 37,000 non-management employees in the local telephone business, the major SBC revenue stream in the 1990s when mobile telephony was in its infancy. CWA had a mature fifty-year collective bargaining relationship inherited from the Bell System monopoly era and therefore directed its organizing at the employer, with a bargain to organize strategy that leveraged its power and membership strength on the telephone side of the corporation to negotiate card check/neutrality provisions covering the unrepresented wireless workers. This strategy proved successful at Southwestern Bell, but failed at Sprint, forcing Sprint workers to seek union representation under the flawed NLRA framework.[3]

In both cases, CWA and the organizing workers waged creative, multi-faceted campaigns that featured many of the characteristics labor scholars and front-line organizers have shown lead to union revitalization efforts.[4] But as these cases show, such campaigns may be necessary, but not always sufficient. In an environment in which employers can threaten workers' organizational efforts with plant closure and retaliation with virtual impunity, most workers choose a job over a union.[5] Call center employees are particularly vulnerable. With little capital invested in plant and equipment and a technology that allows work to be moved overnight anywhere across the globe simply by

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[3] For the debate among labor scholars about the strengths and weaknesses of the NLRA, see Joseph A. McCartin, "'As Long as There Survives': Contemplating the Wagner Act after Eighty Years," *Labor: Studies in Working Class History* 14:2 (May 2017): 21-42 and responses by Dorothy Sue Cobble, Craig Becker, and Katherine V. Stone, 43-59.

[4] Kim Voss and Rachel Sherman, "Breaking the Iron Law of Oligarchy: Union Revitalization and the American Labor Movement," *American Journal of Sociology* 106:2 (September 2000), 303-349; Ruth Milkman and Kim Voss eds., *Rebuilding Labor: Organizing and Organizers in the New Labor Movement* (Ithaca NY: ILR Press, 2004).

[5] Richard B. Freeman and James L. Medoff, *What Do Unions Do?* (New York: Basic Books, 1984), 221-245; Richard Freeman, "What Do Unions Do: The 2004 M-Brane Stringtwister Edition" in *What Do Unions Do? A Twenty-Year Perspective*, ed. Bennett and Kaufman, (New Brunswick NJ: Transaction Publishers, 2007), 627-629; Paul Weiler, *Governing the Workplace: The Future of Labor and Employment Law* (Cambridge MA: Harvard University Press, 1990), 112, 238-239 and n. 18; Anna Lane Windham, *Knocking on Labor's Door: Union Organizing in the 1970s and the Origins of the New Economic Divide* (Chapel Hill: University of North Carolina Press, 2017); Kate Bronfenbrenner, "Final Report: The Effects of Plant Closing or Threat of Plant Closing on the Right of Workers to Organize," Submitted to the Labor Secretariat of the North American Commission for Labor Cooperation, September 30, 1996.

reprogramming the call distribution switch, call center employers possess an extraordinary ability to threaten job loss in order to block their employees' attempt to unionize. This proved fatal for the brave workers at Sprint's La Conexion Familiar.

The Organizing Imperative

The transformation of the telecommunications industry after the 1984 AT&T divestiture posed enormous challenges to the organization of workers in this critical sector. Prior to the Bell System break-up, telecommunications was a heavily unionized industry with 63 percent union density. But as new communications technologies and pro-competitive regulatory policies opened the monopoly long-distance market to non-union companies such as MCI and Sprint and simultaneously fostered the development of new digital and wireless products and services, the divested Bell companies' responded with large job cuts to the union workforce and the establishment of non-union subsidiaries for new lines of business. These developments led to a radical drop in union density. In 1992, union representation fell to 47 percent of the telecommunications workforce. It continues to spiral down, and today only about 16 percent of the telecommunications sector has collective bargaining coverage.[6] (See Appendix Figure 13 page 315.)

CWA responded to the challenges of competition, deregulation, and technology change with what industrial relations scholars term a "revitalization" of the union, including an organizing program integrated with collective bargaining and political

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[6] Barry T. Hirsch and David MacPherson, "Union Membership, Coverage, Density and Employment from the CPS (http://unionstats.gsu.edu/); Bureau of Labor Statistics, "Union Members, 2020," (http://www.bls.gov/news.release/pdf/union2.pdf).

action.[7] Most scholars of union revitalization have largely ignored CWA's bargain to organize strategy, focusing instead on SEIU, HERE, and UFCW campaigns led by social movement-oriented organizers to unionize low-wage service workers.[8] CWA's revitalization efforts focused on educating leaders and members to make organizing rights at the growing non-union Bell subsidiaries a top collective bargaining priority with the union-represented telephone companies. CWA strategy centered on member mobilization to leverage power at the bargaining table and in the political arena to win employer neutrality in organizing to win "wall to wall" representation at the growing non-union Bell company subsidiaries.[9]

Competition in the telecommunications industry came first to the long-distance market.[10] By 1992, AT&T had lost approximately 40 percent share in the consumer and small business long-distance markets to MCI, Sprint, and others.[11] AT&T responded by cutting 125,000 union-represented jobs, moving many technical and sales jobs out of the bargaining unit, and adopting a containment strategy that walled off acquisitions and new

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[7] Harry C. Katz, Rosemary Batt, and Jeffrey Keefe, "The Revitalization of the CWA: Integrating Collective Bargaining, Political Action, and Organizing," *Industrial and Labor Relations Review* 56:4 (July 2003), 573-589.

[8] Kim Voss and Rachel Sherman, "Breaking the Iron Law of Oligarchy;" Ruth Milkman and Kim Voss eds., *Rebuilding Labor: Organizing and Organizers in the New Labor Movement*. For a discussion of CWA's bargain to organize strategy, see Kate Bronfenbrenner and Robert Hickey "Changing to Organize: A National Assessment of Union Strategies" in *Rebuilding Labor*, 17-61 and Katz et al, "The Revitalization of the CWA."

[9] CWA's 1980 and 1983 Bell System Bargaining Council Resolutions, CWA Research Department.

[10] Peter Temin and Louis Galambos, *The Fall of the Bell System* (New York: Cambridge University Press, 1987), 131-142.

[11] FCC, *Statistics of Common Carriers*, 1996/7 edition, Tables 8.18 and 8.11.

subsidiaries from union representation.[12] Union density at AT&T plummeted from 66 percent in 1984 to 39 percent in 1992 and fell further to 25 percent in 1995.[13] (See Appendix Figure 7 on page 311 and Table 4 on page 312.)

Competitive pressures in the 1990s were less intense in the local telephone market, which remained a regulated monopoly. Union density at the Regional Bell Operating Companies (RBOCs) stayed high at about 65 percent throughout the decade. Even so, RBOC management adopted cost-cutting and union containment strategies, as regulators rewarded "efficiencies" with the opportunity to earn higher profits and competitors took market share in the lucrative metropolitan business market. Between 1984 and 1992, the RBOCs cut 158,000 union jobs at the local telephone companies and added about 75,000 non-union jobs in new wireless, data, and international lines of business.[14]

Unlike steel or auto in the latter part of the twentieth century, telecommunications during this period was a dynamic, growing sector. But as union density declined, CWA recognized the need to develop a strategic organizing program while the union still had majority representation in the industry, with the resources, political relationships, and membership strength to support large-scale organizing and set standards in negotiations.

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[12] CWA Vice-President James E. Irvine memo, March 17, 1993; Boroff and Keefe, "Telecommunications Labor –Management Relations: One Decade after the AT&T Divestiture," in *Contemporary Collective Bargaining in the Private Sector*, ed. Paula Voos (Madison WI: Industrial Relations Research Association, 1994); Rosemary Batt, "Performance and Welfare Effects of Work Restructuring: Evidence from Telecommunications Services," Ph.D. diss, Massachusetts Institute of Technology, 1995, 88-9.

[13] Author's calculation from AT&T SEC Form 10-K, various years.

[14] CWA Research Department, "Regional Bell Operating Company Employment," nd ; Batt, "Performance and Welfare Effects: Evidence from Telecommunications," 88; Boroff and Keefe, "Telecommunications Labor –Management Relations," 325.

But as CWA and the customer service workers seeking union recognition discovered, their employers were determined to build their businesses union-free.

Sprint Campaign

In the early 1990s, U.S. Sprint Communications was the third largest U.S. long-distance carrier, with $9.5 billion revenue split evenly between the new long-distance division and rural local telephone companies. Sprint employed 43,000 people, of whom 16,000 (39 percent) worked for long-distance, none with union representation. CWA and IBEW represented about 13,000 technicians in multiple bargaining units at Sprint's local telephone companies.[15]

CWA considered its union base at Sprint's local telephone companies a strategic resource, and in 1990 launched a national campaign to assist Sprint long-distance workers to form a union.[16] First, CWA leadership focused on educating local union leaders about the importance of organizing the non-represented side of Sprint. Many local union leaders saw their primary role as representing the dues-paying members who elected them to office. CWA President Morton Bahr explained: "We have two choices…[E]ither organize Sprint and bring their wages and working conditions up to our level, or face continued pressure to bring our wages and working conditions down to the level of Sprint." CWA organizers used a powerful metaphor. "[I]t is as if Sprint and other unorganized telephone workers are on management's side of the bargaining table – with

[15] CWA Research Department Archives, Box 599126; CWA Membership Reports, 1992; Joan H. Kloepfer, *Inside Sprint Corp*. (Alexandria VA: Telecom Publishing Group, 1993).

[16] The Sprint campaign followed a failed 1986 CWA organizing effort at MCI when that company shut down a suburban Detroit call center to block the unionization campaign. Larry Cohen, "Introduction: Stand Up! Fight Back!" in *Jobs with Justice: 25 Years, 25 Voices*, ed. Eric Larson (Oakland CA: PM Press, 2013), 3-4.

their wages and working conditions pitted against ours. We are organizing Sprint to get these workers on *our* side of the table."[17]

CWA structured the Sprint campaign as a nationally-coordinated network of local campaigns in dozens of cities across the country. Why national? "With the current technology in the industry, Sprint can easily move work from one location to another," the CWA organizers' memo explained. And why locally based? "Organizing is best done by Local Unions in their communities," the newsletter continued.[18] This strategy reflected the philosophy of CWA's national organizing director, Larry Cohen.[19] Cohen developed a staff of highly committed, skilled regional organizing coordinators who were responsible for identifying, training, and supervising a network of CWA local member activists to support workers in their organizing campaigns. For Cohen, workers organizing workers was the key to the "transformational [experience] that is critical if working class people in this country are going to have a chance." Cohen summed up his philosophy: "Workers organize, unions support."[20]

CWA designed the campaign to "use the strength of our union – 600,000 members in every town in America – to work on selected Sprint organizing targets coast to coast and develop ties and maintain long term contact with Sprint employees in those

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[17] "Getting' Organized: Voice of the CWA District 4 Organizing Network," 2:2, April 1991, CWA Organizing Department Archives, Box 599075.

[18] Ibid.

[19] Larry Cohen began his CWA career as director of the New Jersey State Workers organizing committee in the 1980s. Under Cohen's leadership, 100,000 New Jersey state and local public employees selected CWA union representation. Cohen subsequently became CWA national organizing director. He was elected executive vice president of the national union (1998-2005) and president of the national union (2005-2015). He served as chair of the AFL-CIO organizing committee during the drive to win congressional passage of the Employee Free Choice Act during the Obama Administration.

[20] Larry Cohen interview with author, December 28, 2015.

locations." The organizers' memo emphasized that "Sprint employees must be active in leading and recruiting others—we can't do it from the outside." When CWA had sufficient support within an organizing group, it would "go for recognition, either by election or neutrality card check (if that is obtainable)." CWA recognized that "Sprint management has a national anti-union campaign" and therefore the organizing campaign required a long-term commitment with "CWA locals taking the lead… so that the network and Sprint union supporters have an organization that will survive whether or not a majority supports it to begin with."[21] "The idea," Cohen later explained, "was to build the Sprint Employee network, not rush into NLRB elections. It was clear that in 1991, that would be sending people to the slaughter."[22]

CWA organizers focused their outreach at the operator and customer service call centers, the two largest occupational groups. The call center environment posed unique challenges for organizers. Workers sat at their work stations, taking one call after another with little if any down time between calls. Supervisors monitored their conversations with customers and computers tracked the time spent on a call or offline. Opportunities for even a few minutes to socialize on the job were rare.

As CWA local activists reached out to Sprint employees, Sprint management accelerated its anti-union campaign. The corporation's "Union Free Management Guide" instructed supervisors that "US Sprint will face a myriad of challenges as we progress into the 1990s. Of these challenges, one of the most serious we face is the threat of union

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[21] CWA Memo, "National Sprint Organizing Strategy," nd, CWA Organizing Department Archives, Box 599075.

[22] Cohen interview with author.

intervention in our business…As management, you are expected to support US Sprint's union-free philosophies and programs…There is no greater measure of your managerial effectiveness than a union organizing campaign."[23] Tunja Gardner, a union activist employed as a customer service representative at Sprint's Dallas, Texas sales center, described the impact of Sprint management's anti-union activities. "We have had numerous mandatory anti-union meetings, anti-CWA videos, memos from management and veiled threats. These activities are coordinated by our corporate Human Resources Department in Kansas City. We are bombarded with intimidating rumors. If an employee is fired, there's bound to be a rumor that she was fired for union organizing. There's always a rumor that Sprint will close our center to avoid the union. And although MCI is another company, a competitor, everybody I work with has been made aware of the fact that the MCI closed its Detroit office a few years ago because the employees were organizing the union…As a result, many of my co-workers are intimidated and afraid to participate. Let me be clear about what I mean by intimidated: they're afraid they'll lose their jobs or jeopardize their careers. They are afraid of management retaliation if they participate."[24] The fear of job loss was not an idle threat. As Sprint automated and downsized its operator service operation, it closed centers with strong pro-union activists.[25]

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[23] "US Sprint Union-Free Management Guide," CWA Research Department Archives, Box 599126.

[24] Tunja Gardner, Testimony to the Commission on the Future of Worker-Management Relations, September 15, 1993, CWA Organizing Department Archives, Box 609424.

[25] CWA, "Network: The Newsletter of the Sprint Employee Network," September 1993, CWA Research Department Archives, Box 599126.

Despite management's intimidation campaign, hundreds of Sprint call center employees joined the Sprint Employee Network, which officially launched in April 1993.[26] In a widely-circulated brochure, Sprint customer agents (Sprint's title for customer service employees) announced: "We're Sprint Customer Agents and We're Organizing A Union. Here's Why." The brochure featured pictures of fifty-two agents with statements explaining why they wanted a union. For some, the issue was fairness, the end to favoritism, and the need for clear procedures. "With CWA we can make sure there is an opportunity for everyone to advance based on their qualifications, not based on who's (sic) the bosses' favorite," said Cathy Berzinski of Winona, Minnesota. "I want CWA so we can't be pushed around anymore – so that we will have someone to turn to who will be on our side and stand up for us," added Karen Gellrich of Jacksonville, Florida. For others, the issue was the ability to join together to reduce stress, abusive monitoring, and inflexible attendance policies. "I like my job but I don't like my ulcers," wrote Mattie Jones of Nashville, Tennessee. For others, the issue was higher pay and job security. "I look at operators at the phone company and I know that we work as hard as they do…but we're paid so much less," noted Yvette Cotman of Richmond, Virginia. Sandy Johnson of Kansas City, Missouri summed it up: "There are three good reasons to support the union – equal advancement, equal opportunity, and equal pay."[27]

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[26] Sprint memo, July 1993, CWA Research Department Archives, Box 599124. CWA, "Wired for Justice: A Newsletter for Friends of Sprint Workers," May 1993, CWA Research Department Archives, Box 599126.

[27] CWA, "We're Sprint Customer Agents And We're Organizing a Union. Here's Why," CWA Research Department Archives, Box 599120.

Sprint activists were aware of the higher pay and benefits at the unionized AT&T and local Bell companies. Union-represented service representatives earned 33 percent more and operators 25 percent more than Sprint employees in comparable job titles. Moreover, Sprint used a complicated merit system to determine annual wage increases, whereas union employees' annual wage increase was contractually guaranteed. Sprint's higher health premiums and co-pays and inferior pension benefits widened the gap.[28]

By early 1994, Sprint Employee Network committees were pressing management for improvements in eleven centers.[29] While the activists won some changes, they were not strong enough to gain majority support in any location except one: Sprint's La Conexion Familiar telemarketing center in San Francisco, California. It was here that the largely female, mostly immigrant workforce filed for an NLRB election, one that was poised to crack open the door to become the first unionized center in Sprint's long-distance business.

In February 1994, several employees at Sprint's La Conexion Familiar (LCF, "the family connection") San Francisco, California call center walked across the street to CWA Local 9410, which represented Pacific Bell employees, and asked for assistance forming a union. The LCF workers placed outbound calls to sell Sprint's long-distance service to Spanish-speaking customers. At $7 an hour, the largely Spanish-speaking immigrant workers earned $4 less than other Sprint telemarketers. Moreover, Sprint failed to pay them promised sales commissions. "I wanted a union because when I was

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[28] CWA, "High-Tech and Low-Wage: Labor Costs at Sprint Long-Distance," Prepared for the U.S. House of Representatives Committee on Government Operations, Washington DC, March 3, 1993, CWA Research Department.

[29] "Sprint Organizing – February 1994," CWA Research Department Archives, Box 599124.

hired they told me I'd get $7 an hour plus commissions and they didn't pay me commissions," reported Ana Hernandez, a single mother of three children. The LCF workers objected to the terrible working conditions and rigid work rules. "People were afraid to log off [the computer] to go [to the bathroom]," explained Myra Arriaga. "They told us to wait until the last possible moment and then to put our hand up, like we were all children. And they told us to cut down on fluids so we wouldn't need to go so much." Dora Vogel never received a commission because every time she reached her quota, Sprint increased the number. "The pressure to sell was great and we were constantly monitored…[W]e felt stress from the fear that we might be fired any moment…" Vogel was particularly upset by Sprint's last-minute changes in her work schedule to Saturday work when she had no child care.[30]

Within a month, Sprint began its aggressive anti-union campaign. Sprint managers recruited employees to spy on fellow workers and distribute anti-union material; required supervisors to track union activity and report names of pro-union employees; threatened pro-union employees with termination and discipline, including one firing; and told employees at six mandatory meetings that Sprint would close the facility if they elected union representation. The Sprint labor relations director flew in from Kansas City, Missouri to reinforce this message. Sprint later admitted that Sprint management fabricated a flyer distributed to all employees stating (English translation from the Spanish): "…many companies where the union has gone into (sic) have had to

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[30] CWA, "Worker Abuse at Sprint: The Case of La Conexịon Familiar – One Year after the Closing: Where are the Workers?" nd; Bill Adler, "Breaking La Conexion," *The Texas Observer*, September 2, 1994; Dora Vogel Testimony, Official Report of Proceedings before the United States Department of Labor, Bureau of International Affairs Public Forum, San Francisco, February 27, 1996, 50-55.

make the decision to close down operations and to move to other states or cities where no one is causing problems. You'd better be afraid of La Conexion moving to another state or city and we will be left without jobs and what will happen to our children? What do you need a union for? To die of hunger?" Despite the anti-union campaign, CWA was confident of strong worker support, and on June 3, 1994 filed an NLRB petition for union recognition for a unit of 177 telemarketers and customer services representatives. By CWA's count, 70 percent of the workers favored the union. The NLRB set the union election for July 22, 1994.[31]

On July 6, 1994, two weeks before the scheduled vote, the Sprint board of directors voted to close the LCF facility, citing financial concerns. The reason for the LCF shutdown would become the subject of a three-year legal battle. One week later, on July 14, LCF management announced over a loudspeaker and in a hand-written letter that effective that day "your position will cease." All 177 telemarketers and customer service representatives lost their job. Within an hour, Sprint re-routed the LCF calls to Sprint's Customer Service Center in Dallas, Texas. [32]

CWA launched an innovative, multi-faceted global campaign to support the Sprint workers. The CWA campaign was designed not only to win back the jobs and

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[31] Stipulation of Facts Number 1 in LCF, Inc. d/b/a La Conexion Familiar and Sprint Corp., Case 20-CA-26203, November 8, 1994, CWA Organizing Department Archives, Box 609248; CWA, "Worker Abuse at Sprint: Sprint's Anti-Union Campaign at La Conexion Familiar," nd; Decision of Judge Gerald A. Wacknov, August 30, 1995; CWA Research Department Archives, Box599123.

[32] Decision of Gerald A. Wacknov, 14-19; Brief of Communications Workers of America District 9 and CWA Local 9410 in Support of Exceptions to the Decision of the Administrative Law Judge, LCF, Inc. d/b/a La Conexion Familiar and Sprint Corporation and Communications Workers of America, AFL-CIO, District 9, Case 20-CA-26203, August 30, 1995; Declaration of Sandra Rusher attached to CWA unfair labor practice charge, CWA v. Sprint/La Conexion Familiar, July 18, 1994, CWA Research Department Archives, Box 599123.

union election for the fired workers, but also to send a powerful message to Sprint and other anti-union employers that the threat of plant closings could no longer be part of their anti-union playbook, and to highlight for policymakers and progressive allies the need for fundamental reform of U.S. labor law.[33]

CWA filed an unfair labor practice charge against Sprint, asserting that the company illegally fired the LCF workers and closed the center to avoid a union election in violation of Sections 8(a)(1) and 8(a)(3) of the National Labor Relations Act (NLRA). The NLRB Regional Director agreed and filed a complaint against Sprint, seeking injunctive relief in U.S. District Court and an order to reopen LCF and reinstate the workers. The Court denied the petition, but the NLRB complaint process moved forward.[34]

The NLRB legal process is notoriously slow, and CWA recognized that justice for the LCF workers required widespread mobilization of local, national, and even international political and community support. Sixty-four members of Congress wrote Sprint CEO William T. Esrey on the workers' behalf. Letters from women's organizations, Hispanic groups, religious leaders, labor unions, and state and local legislators flooded into Sprint headquarters. Sixty former LCF workers disrupted a San Francisco Board of Supervisors meeting to press for a hearing on the center closing. LCF

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[33] CWA, "Worker Abuse at Sprint: One Year After the Closing;" Jon Pattee, "Sprint and the Shutdown of La Conexion Familiar: A Union Hating Multinational Finds Nowhere to Run, *Labor Research Review* 1:23 (1995), 13-21.

[34] Robert H. Miller, Regional Director, National Labor Relations Board, Petitioner v. LCF, Inc., d/b/a/ La Conexion Familiar and Sprint Corporation, September 22, 1994; Memorandum of Points and Authorities in Support of Petition for Injunction under Section 10(j) of the National Labor Relations Act; National Labor Relations Board Region 20 Press Release, "San Francisco Office of the NLRB to Seek Injunctive Relief to Compel La Conexion Familiar, a subsidiary of Sprint, to reopen its San Francisco Facility," September 16, 1994.

workers sent an open letter to Sprint's spokesperson, actress Candice Bergen. (She never responded.) Vice President Al Gore met with a Sprint worker and President Bill Clinton called the Sprint labor-management situation "troubling." After Sprint inked a global alliance with Deutsche Telekom, German telecommunications union leaders raised concerns to Sprint officials.[35]

The most innovative tactic came from an alliance between CWA and the Mexican Telephone Workers' Union, STRM (Sindicato de Telefonistas de la Republica Mexicana). In February 1995, STRM filed a complaint against Sprint under provisions of the North American Free Trade Agreement (NAFTA). The complaint was grounded in the NAFTA labor side agreement, which gives any interested person in a signatory nation the right to file a complaint when another party to the treaty fails to enforce its own labor laws. In filing the complaint, the STRM/CWA partners turned the NAFTA labor agreement – initially designed to protect U.S. and Canadian workers from Mexico's notorious failure to enforce its own labor laws – on its head. The STRM complaint claimed that the slow judicial process under U.S. labor law and the failure promptly to restore LCF workers' rights demonstrated the ineffectiveness of U.S. labor law in violation of the NAFTA pact. The NAFTA labor agreement bars dispute resolution and limits remedial action to "ministerial consultation." Despite these weak provisions, STRM and CWA viewed the complaint as an opportunity to mobilize international pressure on the Clinton Administration to take domestic action against Sprint and on the

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[35] CWA, "Worker Abuse at Sprint: Prominent Supporters of Workers' Rights;" CWA advertisement, "A Message to Candice Bergen from fellow Sprint employees," August 9, 1994; Letter from President Bill Clinton to Morton Bahr, March 3, 1997; Memo from Rick Braswell, re meeting with Deutsche Telekom/DPG delegation to Sprint, April 23, 1997, CWA Organizing Department Archives, Box 609248.

Mexican government to condition Sprint's planned entry into the Mexican telecommunications market on respect for labor rights and reinstatement of the LCF workers.[36]

Ultimately, the STRM complaint revealed the weaknesses of the NAFTA labor side agreement. In December 1995, ten months after STRM filed its complaint, U.S. Secretary of Labor Robert Reich and his Mexican counterpart announced the outcome of their ministerial consultation: a tri-national investigation (along with Canada) into the effects of sudden plant closings on workers' freedom of association and right to organize. In addition, the U.S. Labor Department would host a forum on plant closings and the LCF case in San Francisco.[37] In February 1996, one year after STRM filed the complaint and nineteen months after the LCF shutdown, the U.S. Department of Labor convened the forum. The hearing garnered significant publicity, as major U.S. news outlets reported on the irony of "U.S. Labor Making Use of Trade Accord it Fiercely Opposed."[38]

In June 1997, the Commission for Labor Cooperation issued the Plant Closings report. CWA blasted the document which the union said "failed completely" to mention

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[36] Complaint Filed by the Union of Telephone Workers of the Republic of Mexico with the National Administrative Office of the United States of Mexico, reprinted in Complaint Against Sprint Filed by Mexican Telephone Workers Union, *Daily Labor Report*, No. 28, February 10, 1995, D27; Sarah Lowe, "The First American Case Under the North American Agreement for Labor Cooperation," *University of Miami Law Review* 481 (January 1997): 481-510; CWA Press Release, "In First Mexican Complaint Under NAFTA Against a U.S. Corporation, Telecom Union Blasts Sprint's Labor Practices," February 9, 1995, CWA Research Department. Archives, Box 599124.

[37] U.S. Department of Labor, "Secretary of Labor Accepts Ministerial Consultations," June 16, 1995; U.S. Department of Labor, "Agreement Reached between Mexico and U.S. on Labor Issue," December 17, 1995; CWA Press Release, "Sprint Shutdown Prompts 3-Nation Investigation into Violations of Workers' Organizing Rights," December 18, 1995. CWA Research Department Archives, Box 599124.

[38] Official Report of Proceedings before the United States Department of Labor, Bureau of International Affairs, Public Forum, February 27, 1996; Carey Goldberg, "U.S. Labor Making Use of Trade Accord It Fiercely Opposed," *The New York Times*, February 28, 1996, A11.

the Sprint LCF case or to “suggest and propose real reforms to protect workers’ rights.” To be fair, the Plant Closing report cited a commissioned study that found employers threatened workers’ with plant closing in half of the sampled union organizing campaigns and noted that employer threats of plant closing “can have adverse effects on workers’ freedom of association and right to organize.” Yet, the report offered no recommendations for reform. In the final analysis, the STRM complaint proved to be a paper tiger.[39]

The 1997 Plant Closing report came as CWA and the fired LCF workers were waiting for NLRB resolution of their case. Two years earlier, an NLRB Administrative Law Judge (ALJ) found Sprint guilty of 50 labor law violations but failed to sustain the NLRB’s charge that Sprint closed the center to avoid the union election. While recognizing that “LCF employees had been bombarded with statements by local LCF managers and supervisors that LCF…would be closed if the Union got in,” the ALJ nonetheless concluded that Sprint closed the facility for financial reasons. During the trial, Sprint witnesses testified that LCF had a declining customer base, lost $4 million in the months before the closure, and projected an additional $7 million loss that year. The NLRB countered that Sprint continued to invest in LCF’s turn-around in the months before the union election, hired new management, additional telemarketers, and refurbished the center. The most damning NLRB evidence was a forged letter – dated

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[39] A Report to the Council of Ministers by the Secretariat of the Commission for Labor Cooperation, “Plant Closings and Labor Rights: The Effects of Sudden Plant Closings on Freedom of Association and the Right to Organize in Canada, Mexico and the United States,” June 9, 1997; Kate Bronfenbrenner, “Final Report: The Effects of Plant Closing or Threat of Plant Closing on the Right of Workers to Organize,” Submitted to the Labor Secretariat of the North American Commission for Labor Cooperation, September 30, 1996, CWA Research Department. Archives, Box 599124.

three months before the center's closing – from Sprint's Vice President of Labor Relations seeking outplacement services for LCF workers in anticipation of a facility shutdown. The NLRB argued that the manufactured letter demonstrated Sprint's real reason for the center closure. The NLRB did not convince the ALJ on the plant closure charge, although the ALJ sustained the complaint's other labor law violations. His remedy, however, was toothless. He ordered Sprint to notify the fired employees that Sprint would no longer harass, threaten, interrogate, or spy on them – small comfort, since they no longer worked for Sprint.[40]

The NLRB, with CWA as an intervening party, appealed the ALJ decision. In December 1997, a three-member NLRB panel "amended" the ALJ decision to conclude that Sprint would not have closed the center "in the absence of union considerations." The NLRB ordered Sprint to rehire the fired workers and pay them back pay and benefits, with interest, which CWA calculated at more than $10 million.[41] Sprint appealed the decision to the D.C Circuit Court of Appeals. The court, in November 1997, with liberal Judge Patricia Wald presiding, reversed the NLRB decision, finding that NLRB's "circumstantial evidence" was insufficient to counter the "overwhelming evidence that

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[40] Decision of Gerald A. Wacknov, August 30, 1995; CWA Press Release, "Judge Affirms Charges of Illegal Worker Abuse by Sprint Corp. During Union Drive at Sprint/La Conexion Familiar in San Francisco: Union Will Urge Labor Board to Strengthen Remedy and Cite Sprint for Firing of 235," August 31, 1995, CWA Research Department. Archives, Box 599124.

[41] National Labor Relations Board Decision and Order, LCF, Inc. d/b/a La Conexion Familiar and Sprint Corporation and Communications Workers of America, AFL-CIO, District 9, Case 20-CA-26203, December 27, 1996, (322 NLRB 774, 1996 WL 742383); CWA Press Release, "Sprint Corp. Ordered to Rehire and Pay Back Wages to 177 Latino Telemarketers Fired in 1994 for Union Organizing: Labor Board Panel in Washington Backs CWA Appeal over Shutdown of Sprint/La Conexion Familiar in San Francisco," December 30, 1996, CWA Research Department. Archives, Box 599124.

LCF was in a serious and sustained financial decline throughout the months before its closure." The fired Sprint workers were not entitled to any restitution.[42]

The court decision ended the CWA campaign for justice for the LCF workers and cast a dark shadow over CWA's efforts to support other Sprint long-distance workers in their union organizing efforts. The campaign at Sprint long-distance waned as union activists found it increasingly difficult to build support among fellow workers who feared that union strength might make their center the next target for a shutdown. Over the next decades, CWA continued its corporate campaign against Sprint, successfully blocking its proposed $129 billion merger with MCI WorldCom in 2000, but the union was never been able to break into Sprint's long-distance or wireless business. The challenges CWA faced at Sprint call centers, where anti-union employers were able to block worker organizing campaigns with a flick of a switch, reinforced CWA's views that employer neutrality was essential to support workers who want a union. But as CWA's five-year campaign to win card check/neutrality at Southwestern Bell Mobile Systems demonstrates, a successful bargain to organize strategy took a unique combination of political leverage, union leadership and member mobilization, and top-level management support at a crucial time in the restructuring of the local telecommunications regulatory framework – conditions which cannot be easily replicated.

Five Years to Card Check at Southwestern Bell Mobile Systems

In the decade after divestiture, as AT&T and the RBOCs downsized their unionized telephone workforces and set up non-union subsidiaries for their growth

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[42] Opinion for the Court, LCF, Inc. d/b/a La Conexion Familiar and Sprint Corporation, Petitioners/Cross-Respondents v. National Labor Relations Board, Respondent/Cross-Petitioner, Communications Workers of America, Intervenor, No. 96-1500, November 25, 1997 (29 F.3d 1276, 327 U.S.App.D.C.164).

businesses, CWA responded with a “wall to wall” program to pressure the companies to extend union recognition to their unrepresented workers. Central to the program was the bargain to organize strategy in which CWA aimed to leverage its power on the unionized side of the corporation to negotiate provisions that would strengthen its ability to gain collective bargaining representation of non-union employees. The goal of the bargain to organize program was to return to the labor-management practices of the pre-divestiture Bell system in which the union grew as the company grew, and optimally, to establish a union recognition process outside the NLRA framework.

The success of CWA’s bargain to organize program rested on four factors: first, a strong union presence in the corporation; second, a comprehensive union education program to mobilize local union leaders and activists to make organizing rights a bargaining priority; third, strategic opportunities for political leverage to pressure the company; and fourth, corporate management’s attitude toward the union. These factors came together most successfully in CWA’s campaign to organize wireless workers at SBC Communications, the parent to Southwestern Bell Telephone Company (SWBT) that provided local telephone service in Texas, Missouri, Oklahoma, Arkansas, and Kansas.[43]

In 1992, when CWA launched its wireless organizing campaign, CWA power at SBC was strong, representing 37,000 telephone employees, 63 percent of the SBC workforce. SBC was a profitable company, and the local telephone business comprised 80 percent of revenue.[44] There were multiple opportunities for political action as

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[43] Southwestern Bell changed its name to SBC, Inc. in 1994. I use SBC to refer to the parent company.

[44] Southwestern Bell Corporation, Annual Reports to Shareholders, 1992 and 1993; Southwestern Bell Telephone Company SEC Form 10-K for the year ended December 31, 1993.

policymakers considered market-opening telecommunications reform and regulators reviewed controversial SBC mergers. CWA's regional vice-president, Vic Crawley, made wireless organizing a top priority after attending a shareholder's meeting in which the CEO reported that SBC's strategic plan projected that mobility would comprise 70 percent of SBC revenues in ten years.[45] Finally, SBC's chief executive, Edward Whitacre, who started his career at Southwestern Bell Telephone as a union-represented technician, recognized the value of a labor-management partnership and intervened at crucial moments.

Initially, SBC wireless management responded to CWA's wireless organizing with an anti-union campaign, hiring consultants to guide local managers in union-avoidance tactics; transferring, firing, or demoting union activists; packing bargaining units with anti-union new hires; highlighting weaknesses in existing union contracts; characterizing the union as an outside third party; and creating an uncomfortable atmosphere of conflict in the workplace. Under these conditions, Southwestern Bell wireless workers were reluctant to vote for union representation. CWA had a 3-3 NLRB win-loss record in the first five years of the campaign. But ultimately management's anti-union strategy backfired. Union activists were deeply offended that "Ma Bell," the corporation that had given them and often members of their family good jobs, would actively oppose the union. CWA members' and leaders' resolve solidified around a multi-pronged strategy of member education, worker mobilization, political action, and

[45] Communications Workers of America, *CWA at Southwestern Bell: Five Years to Card Check*, July 1997.

negotiations to win neutrality and card check recognition at SBC's non-union subsidiaries.[46]

In 1992, fresh from the SBC shareholder meeting, Crawley launched a district-wide campaign to organize Southwestern Bell Mobile Systems (SBMS). Two seasoned organizers, Danny Fetonte and Sandy Rusher, led the effort. Fetonte and Rusher honed their organizing skills building the CWA-affiliated Texas State Employees Union (TSEU), a public sector union in a state without public employee collective bargaining rights. In building TSEU, Fetonte and Rusher learned many lessons that would prove crucial at Southwestern Bell Mobile Systems: the need to build strong worker-led organizing committees; the importance of building alliances between CWA's organized telephone workers and unorganized workers; and the critical role that political action could play in leveraging power. Utilizing the CWA worker-led organizing model, they began to train a network of local union activists to reach out to Mobile Systems workers.

CWA Vice President Crawley took the lead educating union leaders and activists about the wireless organizing imperative. "I don't think there was a meeting I was part of where I didn't include a discussion of the direction our industry was heading and why it was critical for us to organize wireless," Crawley later recalled. Crawley's "Why Organize?" presentation used powerful graphs to show union job loss at Southwestern Bell Telephone Company at the same time that non-union jobs were growing at SBC's subsidiaries. Crawley hammered home the message that CWA would not be able to provide good representation to its members if the union did not bring unorganized

[46] Under card check recognition, an employer agrees to recognize the union upon presentation of union authorization cards signed by a pre-determined number of workers (typically 50 percent plus one). Under neutrality, the employer agrees not to "help or hinder" the decision of a group of workers on union representation.

wireless employees into the union. In the first two years alone, 350 member activists attended educational workshops and fifteen local unions got involved in wireless organizing.[47]

The campaign launched in St. Louis in 1992 with a meeting between CWA activists and Mobile Systems employees inside a building with both telephone and wireless employees. CWA local organizers moved relatively freely throughout the building talking to workers and distributing literature. The union activists learned that 90 percent of wireless employees work in customer service, evenly split between call centers and retail stores. (Wireless technology does not require the large construction and maintenance workforce of a landline network.) The union workers also discovered that SBMS customer service representatives earned less than half the wages of their unionized telephone company counterparts, with higher contributions for health benefits. These facts sharpened their resolve. “I had worked for SBC all my life and it was a shock to hear about the wages and working conditions of the mobile workers,” Tena Ryland, CWA local president in Abilene TX explained. “This was the fastest growing entity in the company and I knew that as they got larger they would weaken us. I knew that by organizing these workers we would be able to improve their conditions and also protect our own in SBC.”[48]

St. Louis mobile systems management responded to the CWA outreach with anti-union information. In response, Crawley, who was negotiating the 1992 telephone

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[47] CWA, *Five Years to Card Check,* 13.

[48] CWA, *Five Years to Card Check*, 5, 12; CWA Leaflet, “Southwestern Bell Mobile Systems Has Increased Profitability in every way,” nd; CWA Research Department analysis, “Union Makes the Difference: A Comparison of Benefits,” nd, CWA Research Department.

company contract, pushed hard at the bargaining table to win a corporate-wide neutrality agreement. He won half a loaf: SBC agreed to neutrality covering all SBC telecommunications subsidiaries *except* Mobile Systems. Later that year, CWA and Mobile Systems CEO John Stupka signed a letter with a neutrality clause covering Mobile Systems, giving the union access to wireless employees on company premises. Mobile Systems managers violated the agreement. After CWA filed for an NLRB election in St. Louis in 1993, Mobile Systems announced mandatory employee meetings to deliver its anti-union message. CWA sprang into action. Crawley reached out to CEO Whitacre and the CWA Texas legislative director told SBC that CWA would withhold support on pending telecommunications legislation if anti-union meetings continued. Although Mobile Systems did not cancel the mandatory meetings, SBMS management allowed a CWA staff representative to make a presentation about the union at the meetings. This proved critical. "I think we would have lost the election at that point if we had not been able to show the mobile workers that we had some power through our relationship with the company," Crawley recalled. CWA won its first SBMS election in St. Louis, 59-34.[49]

The next stop was Dallas/Fort Worth, where Southwestern Bell Mobile Systems had twelve locations and about 650 employees. After a twenty-five person internal organizing committee posted a pro-union letter on company bulletin boards, SBMS CEO Stupka hired an anti-union consultant to train local supervisors and transferred or promoted union leaders out of the bargaining unit, effectively cooling the organizing effort. CWA organizers shared the consultants' anti-union handbooks and activities with

[49] CWA, *Five Years to Card Check*, 7.

CWA local leaders. This angered CWA leaders who were accustomed to a telephone company management that largely accepted the union, and it deepened their commitment to win organizing neutrality.[50]

CWA activists, organizers, and staff formed a district-wide strategy group that frequently debated – and constantly re-evaluated – how to balance tactics of union resistance versus union support to achieve their goal of SBMS neutrality. As SBMS increased its union avoidance activity, local leaders became more willing to oppose the company in the political arena as state legislators and regulatory commissions debated telecommunications reform. In 1993, CWA leaders in Kansas supported SBC in the legislature, but only after SBC signed a no lay-off pledge for union members. But a year later, the president of the powerful Dallas local urged fellow Texas local union presidents to withhold support for SBC-supported telecommunications legislation, reasoning that if SBC blocked union growth in wireless, the union should block SBC's growth in the state. CWA staged a large demonstration at San Antonio corporate headquarters protesting Mobile Systems anti-union activity.

Passage of the market-opening federal Telecommunications Act of 1996 intensified the state regulatory battles. To jumpstart competition, the 1996 Act required state regulatory commissions to set the wholesale rates that incumbent telephone carriers like SBC could charge competitors to lease all or parts of the SBC network for resale. SBC reached out to CWA to line up support. CWA district and local leaders told SBC management that the union would not support policies to help grow the company as long as SBC blocked union growth in wireless and other non-union subsidiaries. "We had a

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[50] CWA, *Five Years to Card Check,* 7-8.

retreat with SBC to talk about our relationship with them, and a large amount of time was spent on the question of Mobile Systems, why we believed we should have recognition but would accept card check," reported Alma Diemer, president of a Little Rock, Arkansas local. "I know the message got back to the top levels of the company" that CWA would not support SBC's position on Arkansas telecommunications legislation without company movement on card check. In other instances, CWA demonstrated its political clout and value to SBC by supporting telecommunications legislation that would benefit SBC and the workforce. In 1995, CWA brought 5,000 members to Austin, Texas to lobby legislators on a major telecommunications reform bill. Prior to lobby day, CWA local leaders told SBC management that the union was looking for card check and recognition at wireless. Elsewhere, the San Antonio, Texas local convinced the city council to drop a plan to lease a city-owned fiber ring to an SBC competitor. CWA staff Gloria Parra would later remind SBC CEO Whitacre that such support would not come again if SBC continued to fight the union at Mobile Systems.[51]

As CWA continued reaching out to wireless workers in Texas, SBMS management consistently violated the neutrality agreement with mandatory anti-union meetings and dismissal of pro-union activists. After CWA lost an NLRB election in Abilene, Texas in 1994 by two votes, the union filed unfair labor practice (ULP) charges. Union organizers used the NLRB hearings to gather information about the company's anti-union activity, sharing details with activists, fueling their anger and cementing support for neutrality/card check at wireless. The continuous pressure began to pay off. To get the Abilene ULP charges dismissed, SBC agreed to its first card check agreement,

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[51] CWA, *Five Years to Card Check,* 10-18.

giving recognition in Abilene if 60 percent plus one signed representation cards certified by a neutral third-party. With card check, CWA signed up 70 percent of the Abilene unit over eighteen months. CWA continued to press SBC and Mobile Systems executives to strengthen and abide by the neutrality agreement, and in 1995, the parties inserted a mediation and arbitration provision into a new neutrality agreement. This made a difference. In May 1995, Mobile Systems management refrained from anti-union activity prior to an NLRB election in Corpus Christi, Texas, and stopped an employee from passing out anti-union material on the job. The union won the election.[52]

Soon after, CWA and SBC signed a 55 percent plus one card check/neutrality agreement covering Mobile Systems in Houston, Austin, and Beaumont, Texas. In exchange, CWA agreed to allow wireless employees to sell wireline services (work over which the union had jurisdiction) in one-stop retail centers. Seventy-five percent of Mobile Systems workers in Houston, Austin, and Beaumont signed up and were certified for CWA representation. Yet, Mobile Systems neutrality was not assured in other locations. In San Antonio, the anti-union consultant trained managers to spread negative information about CWA and successfully thwarted the election, with CWA losing by twenty-five votes.[53]

CWA saw a golden opportunity to win system-wide card check/neutrality language when SBC announced in the spring of 1996 its merger with Pacific Telesis, the RBOC in California and Nevada. The passage of the market-opening Telecommunications Act of 1996 ushered in a wave of corporate restructuring, beginning

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[52] CWA, *Five Years to Card Check*, 13-18.

[53] Ibid., 5-19.

with the SBC/Pacific Telesis merger. These transactions were subject to Federal Communications Commission (FCC) and state commission review. SBC had a high hurdle to climb to convince regulators, especially the tough California Public Utilities Commission, to approve putting two former Bell system companies back together. CWA District 6 Vice-President Ben Turn, who had replaced Crawley, and Vice-President Tony Bixler in CWA District 9 (covering California and Nevada) agreed they would withhold merger support until their respective employers agreed to card check/neutrality in wireless. After many months of negotiation, in spring 1997 CWA Districts 6 and 9 signed comprehensive card check/neutrality agreements with SBC. The language covered all SBC lines of business and future in-region subsidiaries; required 50 percent plus one signed cards for certification; and gave automatic recognition to any unit where more than 50 percent of the workers were transferred from an already-represented CWA group. CWA subsequently supported the SBC/Pacific Telesis merger on the basis that the extension of organizing rights throughout the corporation would provide workers a collective bargaining platform to negotiate a fair share in the benefits of the combined company's growth.[54]

At its 1997 convention, CWA recognized District 6 with the coveted President's organizing award. CWA President Morton Bahr acknowledged "the enormous impact that this agreement can have on us and our future…The pact…covers future Internet and video services, mobile systems or wireless systems, one-stop shopping stores, and things that are not even on the board yet." Bahr emphasized that "even under the extremely difficult conditions for organizing in the U.S., District 6 locals realized that wireless is

[54] CWA, *Five Years to Card Check*, 21-23.

the key future technology in voice communications and that organizing these workers is critical to the future of the movement…[T]he entire district, led by two vice presidents, at least 100 local officers, and thousands of members has demonstrated that we do make a difference." Then President Bahr took an unprecedented step of inviting SBC CEO Edward Whitacre to address the delegates. Bahr praised Whitacre as a corporate executive who "sees CWA as adding value to the company" who understands that "good relations with their unions…and their employees were their most valuable asset."[55]

As SBC acquired other RBOCs over the next decade (Pacific Bell, 1997; SNET 1998; Ameritech 1999; AT&T 2005; BellSouth 2007), CWA conditioned support for these mergers upon extension of the SBC card check/neutrality language to the newly-purchased entities, a condition that SBC (renamed AT&T after the 2005 merger) accepted in each acquisition. Under card check/neutrality, SBC wireless employees signed up for the union, and as the wireless industry grew, so did the number of CWA-represented wireless employees, reaching about 45,000 AT&T Mobility wireless workers at its height in 2015, representing about one-third of the U.S. wireless workforce.[56] But as AT&T accelerated outsourcing call center and retail store jobs, the number of CWA-represented wireless workers dropped to 31,000 in 2021. (See Appendix Figure 14 page 316.)

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[55] CWA, Proceedings of the 58th Annual Convention, 1997.

[56] See chapter six and conclusion for discussion about CWA organizing at Verizon Wireless. Over the past decade, CWA focused wireless organizing on T-Mobile, which is owned by the German company Deutsche Telekom. Despite an international alliance with the German union ver.di, whose leaders sit on the Deutsche Telekom supervisory board, T-Mobile's aggressive anti-union activity has blocked workers' organizing efforts. CWA, "Stop the Systematic Abuse at T-Mobile," 2015 http://cwafiles.org/tmobile/SystematicAbuse.pdf,;.T-Mobile Workers United website http://tmobileworkersunited.org/about-us/; CWA, "Judge Orders T-Mobile to Disband Illegal Workplace Organization https://www.cwa-union.org/news/releases/judge-orders-t-mobile-disband-illegal-workplace-organization.

In both the Sprint and Southwestern Bell wireless organizing campaigns, workers and the union confronted substantial employer resistance, but ultimately the wireless workers won their union whereas the Sprint workers did not. At SBC, the wireless organizing took place at a critical moment of telecommunications regulatory reform and corporate restructuring, in a period in which the union's stronghold, the local telephone market, was just emerging from regulated monopoly to one of competition, giving CWA multiple opportunities to mobilize its considerable political power in the states to win employer concessions to neutrality and card check recognition. Without fear of job loss or retaliation, Southwestern Bell wireless workers chose union recognition. But few, if any, of these institutional and market conditions existed at Sprint which operated in a highly competitive, deregulated long-distance market, where political levers, including the federal labor regime and the labor provisions in NAFTA, did not protect the Sprint workers who wanted a union. In the end, the weak NLRA framework allowed the employer to give workers an untenable choice: the union or your job.

The failure of U.S. labor law to protect non-union telecommunications workers seeking union representation marked the end to any hopes of reviving the industry-wide sectoral bargaining of the monopoly era. With the 1992 election of William J. Clinton as the first Democratic president in twelve years and with Democratic majorities in Congress, the labor movement pressed his Administration and a Democratic Congress to pass fundamental labor law reform. But the Clinton Administration never got behind the effort, choosing instead to focus on labor-management partnerships to give workers' greater voice on the job. For a brief moment in the 1990s, AT&T and Bell Atlantic joined the labor-management bandwagon as managers struggled to redesign the expensive, inflexible bureaucratic work systems inherited from the Bell system. CWA leaders and call center activists saw opportunity to engage with their employers to redesign the service representative job, opening the door to what the union leaders considered an expansion of collective bargaining over fundamental issues of work organization and technology.

Chapter 4. Job Redesign through Labor Management Partnerships

In the early 1990s, Linda Mulligan served as the union co-chair of the joint labor-management team working to redesign the service representative job at US West, the Regional Bell Operating Company (RBOC) operating in the fourteen-state western region of the country. With fifteen years' experience as a service representative and a local union leader, CWA selected her to join a management counterpart to coordinate an eighteen-month project designed to improve the customer service job. "Job redesign was a very meaningful time of my career," she later recalled. "The process created so much energy. The service representatives felt they were appreciated. Work pressures went down when the company did away with sales objectives. We came up with a job redesign that streamlined the process for the customer, that used the service representative's knowledge to make sure the customer got what was needed. But the company never implemented the job redesign."[1]

During the decade of the 1990s, CWA and its customer service members pursued yet another strategy to improve working conditions in the call centers, one that CWA called an extension of collective bargaining and that managers called labor-management partnerships. During this period, managers at AT&T and several of the Regional Bell Operating Company (RBOCs) aimed to restructure their work systems from the bureaucratic, centrally-controlled structures of the public service monopoly era to systems that were leaner, more flexible, and better suited to maximize profits in a competitive business environment. In the call centers, a subset of managers aimed to reorganize their operations to improve quality, reduce costs, and increase responsiveness

[1] Linda (Armbruster) Mulligan interview with author, November 17, 2020.

to customers. Engaging and motivating the frontline service representatives who served as the face of the company to the customer and the voice of the customer to the company was critical to the success of these reorganization efforts. Because CWA represented virtually all the frontline customer service employees at these companies, these managers reached out to the union to join them as partners in their process improvement programs.

CWA leaders seized this opening as an opportunity to achieve their own goals to enhance job security, improve working conditions, maintain a relatively high-wage compensation structure, and increase union presence and power in the workplace and at higher levels of the company. They recognized that their fight for contractual provisions to protect against abusive surveillance, work speed-up, unreasonable sales quotas, and downgrading and deskilling of jobs was necessary but not sufficient to create good working conditions in the call centers. They understood that the root cause of the dehumanizing and stressful conditions in the call centers was grounded in the Taylorist work organization and associated management systems that controlled the pace and manner of work. Their members, the customer service representatives, wanted more than band-aid solutions; they wanted real power and control over how they did their jobs. The union saw labor-management participation – if properly structured to give the union a role in the process – as yet another arrow in its quiver, together with collective bargaining, contract enforcement, organizing, and member mobilization, in the fight for good jobs, worker power, and union strength in the call centers.

In this chapter, I analyze labor-management partnerships in the 1990s at AT&T and two RBOCs – Bell Atlantic and US West – in which CWA leaders and top-level managers responsible for customer care operations worked diligently to redesign call center operations. For CWA and the call center workers, this provided an opportunity to participate in shaping such fundamental issues as technology deployment and work organization. It was an exciting time for the union and its members. In each case committed directors of the customer care operations, union leaders, and frontline workers succeeded in developing models for call center operations that met management goals for more streamlined, customer-focused operations and union goals of employment security and more varied, autonomous work. These initiatives represented a high-wage high skill strategy to compete based on quality and service and offered a win-win solution for all stakeholders – shareholders, customers, and workers. Yet, these initiatives faltered as higher-level corporate executives rejected the carefully crafted proposals in favor of labor-saving and cost-cutting reengineering and, in the case of AT&T, union avoidance policies.

In this chapter, I argue that these labor-management partnerships at the former Bell companies died when AT&T and RBOC corporate executives succumbed to Wall Street pressure to prioritize maximizing short-term shareholder value over longer-term investments in the workforce. The triumph of the financial model of the firm sealed the death knell for management's interest in sharing power with workers and the union in designing new work systems. Wall Street punished companies that invested in their workforce while rewarding firms that cut costs, shed workers, and engaged in financial reengineering to boost profits.[2] The period of management interest in engaging employees in workplace reform went the way of earlier boom and bust cycles of employer interest in involving frontline workers in work design.[3] Under pressure from Wall Street investors, coupled with executives' interest in boosting short-term share price to increase the value of their stock options, these corporate leaders opted to prioritize cutting jobs and other expenses and financial reengineering rather than making the longer-term investments in workers that the high-wage high-skill competitive model required.[4]

Despite the plethora of contemporaneous literature reviewing labor-management experiences designing new workplace systems, labor historians and other scholars have not yet explored the rise and rapid demise of these programs. By locating my discussion of the joint labor-management programs to redesign call center jobs at AT&T, Bell Atlantic, and US West in the context of the larger story of the transition of the U.S. economy and business practices from corporate to financial capitalism and from

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[2] The key article on cost-cutting reengineering is Michael Hammer, "Reengineering Work: Don't Automate, Obliterate," *Harvard Business Review* (July-August, 1990) 104-112. See also Rosemary Batt, "The Financial Model of the Firm, the 'Future of Work,' and Employment Relations" in *The Routledge Companion to Employment Relations,* ed. Adrian Wilkinson, Tony Dundon, Jimmy Donaghey, and Alex Colvin (New York: Routledge, 2012); Eileen Appelbaum and Rosemary Batt, *The New American Workplace* (Ithaca NY: ILR Press, 1994), 146-161; David Weil, *The Fissured Workplace: Why Work Became So Bad for So Many and What Can Be Done to Improve It* (Cambridge MA: Harvard University Press, 2014).

[3] Thomas Bailey, "Discretionary Effort and the Organization of Work: Employee Participation in Work Reform since Hawthorne," paper prepared for the Sloan Foundation, August 1992, cited in Batt and Appelbaum, *The New American Workplace*, 5; George Straus, "Worker Participation – Some Under-Considered Issues," *Industrial Relations* 45:4 (September 15, 2006), 778-803.

[4] The 1990 publication of an influential article by Michael C. Jensen and Kevin J. Murphy in the *Harvard Business Review* in 1990 urging corporate compensation in stock options to align executives' interests with those of shareholders further cemented top managers focus on boosting short-term share price to increase the value of their stock. Michael C. Jensen and Kevin J. Murphy, "CEO Incentives – It's Not How Much You Pay, But How," *Harvard Business Review*, May-June 1990.

managerial to the financial model of the firm, accompanied by the decline of labor union power, I offer an explanation for what I consider a tragic moment of lost opportunity for U.S. workers and their unions. Union involvement in transforming work systems offered a path forward to a high-wage, high-skill economy with more meaningful, well-compensated, and secure jobs for workers and a deeper level of participation for unions in business decisions. What was good for Wall Street was not necessarily good for the U.S. economy and was certainly not good for U.S. workers and their unions. The demise of the call center work redesign programs at US West and Bell Atlantic and the Workplace of the Future at AT&T were part of this larger trend among U.S. employers to focus on maximizing shareholder value over power sharing with workers and their unions to invest in the production of quality goods and services created by a high-wage, high-skill workforce.

The New Mantra: High Performance Work Systems

The AT&T and RBOC labor-management initiatives were part of a short-lived moment in U.S. capitalism and management practices in which a broad constituency of managers, union leaders, academics, policymakers, and some visionary corporate leaders advocated for and experimented with employee participation and joint labor-management programs to design new work systems. In response to the competitiveness crisis that began in the early 1970s, characterized by declining productivity, lower profit rates, and stagnating wages, as well as worker and union desire for more meaningful, secure work, a significant number of companies, workers, and their unions advocated new work systems that engaged frontline workers in productivity and process improvements.

The industrial model based on high-volume mass production of standardized products no longer provided U.S. firms with the comparative advantage they had achieved throughout much of the twentieth century. Taking lessons from successful programs in Japan, Germany, and Sweden, advocates of new work systems argued that American competitiveness in a knowledge-based, global economy required replacing the dominant Taylorist mass production model – a work system that separated thinking from doing and structured work through detailed, repetitive division of labor – with organizations that gave frontline workers greater autonomy and input into the work process. For employers who were particularly impressed with Japanese quality circles and German flexible production, these new work systems would lead to a competitive model based on quality and customization rather than low cost mass production. For workers, these initiatives could give them more fulfilling, secure, and well-compensated jobs, and for unions, if properly structured and under the right circumstances, these programs could enhance their power in the workplace and over strategic business decisions.[5] For policymakers, particularly the Democratic Clinton administration, the new American workplace would lead to a competitive high-wage high-skill economy.[6]

From the eclectic mix of new workplace systems – known by such names as quality circles, total quality management, quality of work life, team-based work structures, joint labor-management programs, and others – two dominant U.S. business models of new workplace systems emerged: lean production and team production. Team production borrowed from German models rooted in co-determination statutes requiring employee representation on corporate boards and joint labor/management works councils in the workplace and Swedish socio-technical autonomous work team models, locating the source of competitive advantage and continuous improvement in frontline workers, decentralizing decision-making and incorporating worker representation at higher levels

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[5] Union representation increased the success rate of employee participation programs by ensuring that the programs would benefit workers. David L. Levine and Laura D'Andrea Tyson, "Participation, Productivity, and the Firm's Environment," in *Paying for Productivity*, ed. Alan Blinder (Washington, D.C.: Brookings Institution, 1990).

[6] There is a large literature on workplace restructuring. Eileen Appelbaum and Rosemary Batt, *The New American Workplace;* Charles Heckscher, Michael Maccoby, Rafael Ramirez, and Pierre-Eric Tixier, *Agents of Change: Crossing the Post-Industrial Divide* (New York: Oxford University Press, 2003); Thomas A. Kochan, Harry C. Katz, and Robert McKersie, *The Transformation of American Industrial Relations* (New York: Basic Books, 1986); Michael J. Piore and Charles F. Sabel, *The Second Industrial Divide: Possibilities for Prosperity* (New York: Basic Books, 1984); Peter Cappelli, Lauri Bassi, Harry Katz, David Knoke, Paul Osterman, and Michael Useem, eds., *Change at Work* (New York: Oxford University Press, 1997); Ray Marshall, "Unions, Work Organization, and Economic Performance," in *Unions and Economic Competitiveness*, eds. Lawrence Mishel and Paula Voos (Armonk, NY: M.E. Sharpe, 1992), 287-315; Joel Catcher-Gershenfeld, "Tracing a Transformation in Industrial Relations," U.S Department of Labor-Management Relations and Cooperative Programs, Report No. 123 (Washington DC: U.S. Government Printing Office, 1988); Richard E. Walton, "From Control to Commitment: Transforming Work Force Management in the United States," Prepared for the Harvard Business School's 75th Anniversary Colloquium on Technology and Productivity, March 27-29, 1984.

of the company.[7] While these team production models required greater investment in the workforce, the pay-off would presumably be competitive firms and a high-wage, high-skill U.S. economy. In contrast, lean production borrowed heavily from Japanese quality circles with a focus on gathering employee input to improve work processes, which management used to cut expenses and eliminate so-called redundant jobs.[8] The competitive success of Japanese auto manufacturing and German production of customized high-quality goods convinced many employers that worker participation programs played a significant, if not a key role, in reorganizing work systems for financial success.

This wave of U.S. employer interest in worker empowerment in new work systems to improve productivity and quality began with quality of work life programs in the 1970s, expanded to broader employee participation programs to improve work processes in the 1980s, and evolved in the 1990s to include union involvement not only in the workplace but also at top levels of the company.[9] By the mid-1990s, according to the U.S. Commission on the Future of Worker-Management Relations, about one-fifth to one-third of the U.S. workforce was involved in some form of employee participation

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[7] For a good description of the origins and impact of German co-determination agreements, see Ewan McCaughey, "The Codetermination Bargains: The History of German Corporate Law and Labour Law," *London School of Economics Law, Society, and Economy Working Papers*, March 31, 2015 (last revised) https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2579932#. For a discussion of the impact of German co-determination institutions on German call center operations, see Virginia Doellgast, *Disintegrating Democracy at Work: Labor Unions and the Future of Good Jobs in the Service Economy* (Ithaca, NY: ILR Press, 2012).

[8] Appelbaum and Batt, *The New American Workplace*, 123-145.

[9] Earlier periods include the human relations movement in the 1930s emerging from Elton Mayo's experiments at the Bell system's Western Electric Hawthorne plant and the social relations or socio-technical movement starting in the 1950s. Appelbaum and Batt, *The New American Workplace* 5 citing Bailey, "Discretionary Effort and the Organization of Work: Employee Participation and Work Reform since Hawthorne;" George Strauss, "Worker Participation: Some Under-Considered Issues."

program.[10] The AFL-CIO Committee on the Evolution of Work endorsed labor-management partnerships, and major unions, including the United Auto Workers, CWA, the Steelworkers, the Amalgamated Clothing and Textile Workers and others, negotiated joint labor-management programs, seeking not only to improve the quality of jobs but also to enhance employment security and raise workers' incomes.[11] The Clinton administration's Commission on the Future of Worker-Management Relations (known as the Dunlop Commission after its well-respected chair, former Labor secretary and long-time labor-management specialist, John T. Dunlop) applauded these programs as the solution to the challenge of U.S. competitiveness, concluding that they were "good for workers, firms, and the national economy." The Commission went so far as encouraging changes to the National Labor Relations Act to permit management-appointed employee committees in non-union settings, a "grand bargain" that would be paired with labor law reforms to make it easier for non-union workers to organize. But union leaders

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[10] U.S. Department of Labor and U.S. Department of Commerce, U.S. Commission on the Future of Worker-Management Relations, *Fact-Finding Report*, May 1994, 36 http://digitalcommons.ilr.cornell.edu/key_workplace/276.

[11] AFL-CIO, *The New American Workplace: A Labor Perspective*, February 1994; Kochan et al, *The Transformation of American Industrial Relations*, 146-205.

vehemently opposed any provision that would open the door to company unions as an undemocratic violation of the principle of independent worker organization.[12]

Even during the heyday of employer interest in joint programs in the latter third of the twentieth century, union leaders and activists debated whether and, if so, under what conditions to participate in the newly popular labor-management partnerships. Critics such as Victor Reuther, who along with his brother Walter was one of the early founders of the United Auto Workers (UAW), slammed early union-auto company partnerships for "the enticing illusion that the worker will have a voice in management" and as "an attempt to undermine the unity and solidarity of the workers on the plant floor." *Labor Notes* editors Mike Parker and Jane Slaughter authored an influential critique of the team concept in auto plants as a form of speed-up and "management by stress." Labor and management had adversarial interests, these critics argued, and "labor-management cooperation" was simply a mechanism to give management access to workers' knowledge in order to squeeze labor, cut jobs, and boost shareholder return.[13]

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[12] U.S. Department of Labor and U.S. Department of Commerce, U.S. Commission on the Future of Worker-Management Relations, *Report and Recommendations*, December 1994, xviii (for citation). UAW President Douglas Fraser blasted the Commission recommendation to change Section 8(a)(2) of the National Labor Relations Act (NLRA) to allow management-appointed worker organization for purposes of employee participation in non-union settings. The Commission made this recommendation in light of the *Electromation* case in which courts ruled that such worker organizations were a violation of the NLRA Section 8(a)(2) ban on company unions. In his dissent, Fraser emphasized that "employer-dominated representation is undemocratic regardless of the particular subjects with which the employer-controlled representative deals," and cited CWA President Morton Bahr's testimony to the Commission that "to effectively participate in workplace decision-making, front-line workers must first have their own organizations, educated leadership, and significant resources in order to have the confidence and preparation to participate as equals and without fear." Statement of Douglas A. Fraser, Report of U.S. Commission on the Future of Worker-Management Relations, 13-14.

[13] Victor Reuther quote from foreword to Mike Parker and Jane Slaughter, *Choosing Sides: Unions and the Team Concept* (Boston: South End Press, 1988), v; see entire volume for Parker/Slaughter critique; Donald M. Wells, *Empty Promises: Quality of Working Life Programs and the Labor Movement* (New York: Monthly Review Press, 1987); Mike Parker, *Inside the Circle: A Union Guide to QWL* (Boston: South End Press, 1985).

But as employee participation programs gained traction in the 1980s and 1990s, many labor leaders came to see them as an extension of the collective bargaining process that would enhance worker and union power. Employee involvement programs, they argued, would allow unions to move beyond the restrictions of "management rights" contract clauses to give workers, through their union, a greater voice in key decisions both in the workplace and in the corporate boardroom.[14] In an influential 1989 edition of the *Labor Research Review*, a journal dedicated to the project of reforming unions to an activist organizing model, Jack Metzgar and Andy Banks endorsed a "union-empowering model of participation." The authors urged unions to negotiate employee participation programs that would give the union influence at all levels of decision-making in the enterprise; turn cost savings into negotiated improvements in job security, wages, benefits, working conditions, and a stronger union; and ensure that the union – not management – would maintain control over the knowledge of the workforce. Banks and Metzgar urged progressive unions to adopt this model for employee participation programs because "if unions don't learn how to organize and control the collective knowledge and insight of their members to improve production, managements – despite their inherent disadvantages – will."[15]

Similarly, the AFL-CIO Committee on the Evolution of Work, which included the presidents of twenty-eight unions from the industrial, service, and public sectors including CWA President Morton Bahr, issued a 1994 policy statement, "The New

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[14] Management rights contract clauses typically restrict union involvement in decisions regarding work organization, technology deployment, financial decisions, and governance.

[15] Andy Banks and Jack Metzgar, "Participating in Management: Union Organizing on a New Terrain," *Labor Research Review* 18:2 (fall 1989): 1-41. The journal includes an article by CWA President Morton Bahr, "Mobilizing for the '90s," 59-65.

American Workplace: A Labor Perspective." The report encouraged unions "to take the initiative stimulating, sustaining, and institutionalizing a new system of work organization based upon full and equal labor-management partnerships." The labor federation saw new forms of work organization as an opportunity to overturn Taylorism, which the policy statement described as a dehumanizing system that prevents workers from deriving meaning and accomplishment from work. The AFL-CIO identified five key principles for a new model of work organization: rejection of the traditional dichotomy between thinking and doing; job redesign to give workers greater variety of skills, tasks, and responsibility; flat management structures with the supervisor as team leader; workers, through their union, having a decision-making role at all levels of the enterprise; and rewards distributed on equitable terms through collective bargaining. The AFL-CIO made clear that true labor-management partnership must be based upon the employer's respect for the union as the representative of the collective voice of the workers. As such, unions could overcome traditional limits of "management rights" clauses in the contract "to insist upon the right of workers to participate in shaping the work system under which they labor and to participate in the decisions that affect their working lives." A growing body of scholarly research documented the positive role of unions in labor-management participation programs. Unions ensured that productivity improvements would benefit the workforce, conditions that researchers found were essential to successful programs. Otherwise, workers would not participate in productivity and quality enhancement initiatives that could very likely cost them or their co-workers their jobs.[16]

CWA Evolving Views on Labor-Management Partnerships

In 1980, CWA became an early participant in the first generation of labor-management participation programs when officers negotiated a Quality of Work Life program (QWL) in the AT&T contract. The QWL program was designed "to improve the work life of the employees and enhance the effectiveness of the organization."[17] The union saw QWL as a means to reduce the kind of job pressures, excessive monitoring, heavy supervision, and unreasonable output standards imposed on their members, especially the operator workforce.[18] At the same time, AT&T was concerned with declining employee morale, evidenced by a 1980 survey that showed 40 percent of employees were dissatisfied with their job because "jobs were too structured, there was an over-abundance of measurement and too great an emphasis on employee productivity." With the assistance of psychotherapist-turned-organizational consultant Michael Maccoby, the union and company created the QWL program to humanize and

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[16] Levine and Tyson, "Participation, Productivity, and the Firm's Environment;" Maryellen R. Kelley and Bennett Harrison, "Unions, Technology, and Labor-Management Cooperation," in *Unions and Economic Competitiveness*, eds. Lawrence Mishel and Paula Voos (Armonk, NY: M.E. Sharpe, 1992), 247-282.

[17] CWA/AT&T National Committee on Joint Working Conditions and Service Quality Improvement, "Statement of Principles on Quality of Work Life," presumably 1981, QWL Folder, CWA Research Department. The origins of QWL in the U.S. date to the 1970s, when the well-publicized auto worker rebellion at the GM Lordstown plant galvanized union leaders and progressive managers to look for alternative models of work design. They looked to Scandinavian socio-technical approaches to humanize work with a shift to team-based production to improve employee morale and productivity. Heckscher et al, *Agents of Change,* 26.

[18] For a discussion of CWA operators' campaign to relieve job pressures, see chapter one, 76-88.

streamline work processes.[19] A joint union-management governing committee established principles for the QWL program: all workplace initiatives must be voluntary, the union must be an equal partner, QWL must not lead to lay-offs or job downgrades, and must stay away from collective bargaining and grievance issues. AT&T committed $5 million to the program for training and facilitators. By 1983, there were more than 1,200 problem-solving teams in place, hundreds of trained facilitators from management and employee ranks, and an estimated 100,000 employees who had participated in the program. However, a 1985 Department of Labor evaluation concluded that most improvements were "modest" and limited to cosmetic issues (redesign of the break room, for example).[20]

In 1983, CWA and AT&T and the RBOCs expanded upon the QWL program by negotiating Common Interest Forums to bring together top union and company leaders to discuss high-level issues of common concern. Together with the Technology Change committees negotiated three years earlier, CWA leaders hoped these joint programs would lead to a larger role for the union in implementation of new technologies and work

[19] Michael Maccoby, "Helping Labor and Management Set Up a Quality-of-Work Life Program," *Monthly Labor Review*, March 1984, 28-32; Heckscher et al, *Agents of Change*, 26-35. Michael Maccoby trained as a psychoanalyst with Erich Fromm. After publication of his book *The Gamesman* in 1977, Maccoby began management consulting while directing a program on work and technology at Harvard's Kennedy School of Government from 1978-90.

[20] U.S. Department of Labor, "Quality of Work Life: AT&T and CWA Examine Process After Three Years," 1985. One highly successful QWL project involved the job redesign at a greenfield hotel billing and information system office in Tempe, Arizona where the union and a progressive manager created an entirely worker self-managed operation, leading to 35 percent supervisory cost-savings, 45 percent profit margins, high worker morale, and decline in absenteeism and grievances. AT&T shut down the center after divestiture, foreshadowing the corporate decisions to shut down the call center job redesign projects that I describe in this chapter. Jeffrey Miller, "The Bossless Office: Unique Arizona Experiment Proves Workers Can Run the Show," *CWA News*, February, 1984, 6-7; Batt, "Performance and Welfare Effects of Work Restructuring," 98; Rosemary Batt,"A Study of Self-Managed Teams in the United States Telecommunications Industry," manuscript submitted to the Alfred P. Sloan School of Management, 1991.

organization at AT&T and the Bell Operating Companies.[21] But their life was short-lived. The massive job cuts, dislocation, and turbulence that accompanied the break-up of the Bell system the next year effectively killed the spirit of trust and mutual gain that are essential to any successful labor-management program. As CWA President Bahr explained, "[T]he 1984 divestiture delayed the development of effective committees and unleashed a ten-year period of turmoil and disruption."[22] With the notable exception of BellSouth and Mountain Bell (the latter is one of the operating companies that merged to form US West after divestiture), these workplace programs effectively died at AT&T, Bell Atlantic, and the other RBOCs.[23]

Yet, the lessons CWA learned from the QWL experience would guide the union in the 1990s as it entered into a number of negotiated labor-management programs designed to address the union's primary challenges in the post-divestiture period to ensure employment security for its members and to strengthen the union as an independent institution of worker power. The 1994 CWA executive board policy on union-management participation in the telecommunications industry made clear that the union wanted a seat at the table at all levels of the company, with access to vital information and an opportunity to influence key financial, technological, and human

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[21] George Kohl interview with author, January 12, 2021.

[22] Testimony of Morton Bahr to Commission on the Future of Worker-Management Relations, September 15, 1993, 2.

[23] The QWL experiments did produce benefits by initiating changes in corporate behavior away from a command and control style of management to a more participatory style. The experience also gave employee facilitators critical leadership skills and encouraged participants to have more confidence in their ability to raise issues with management. Finally, the QWL experience provided CWA with important lessons about how to structure second generation labor-management participation programs to expand the scope of union involvement in these programs. Batt, "Performance and Welfare Effects of Work Restructuring," 97.

resource decisions during planning stages rather than after the fact. "With effective union-management participation," the policy statement stated, "there will be more opportunity to protect workers at companies which are now being forced to change because of technology, further deregulation and increased competition." Union-management participation, the CWA statement concluded, "has become essential to effective collective bargaining in the information age."[24]

Workplace of the Future at AT&T

In 1992, CWA and AT&T reached agreement on an ambitious labor-management program called Workplace of the Future, which became one of the most widely cited union/management programs of the period. Workplace of the Future (WPOF) differed from the earlier Quality of Work Life program in several ways. First, the WPOF Agreement provided for union involvement at multiple levels of the company, including the workplace, the business unit (a functional division of the company), and the corporation. Union leaders and staff appointed all employee members of workplace

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[24] The CWA policy statement endorsed union-management participation as "an expansion of collective bargaining by union representatives at all company levels" and reassured union leaders and activists that these programs were not an alternative to but rather an extension of the traditional collective bargaining process. Participation programs could provide the union access to vital information and an opportunity to influence key financial, technological, and human resource decisions during planning stages rather than after the fact. The policy statement articulated two goals for CWA engagement in union-management participation: *first*, to better serve the needs of members for employment security, fair rewards and recognition, participation in decision-making, and continued growth and learning; and *second*, to strengthen the union as an independent institution of worker power. To achieve these goals, CWA advised union leaders to negotiate a contractual agreement or memorandum of understanding establishing a union-management program incorporating these key principles: union engagement would take place at all management levels; the union would have access to information needed for meaningful participation and input before decisions are made; the union would select all occupational employees on the teams or committees; the union would participate in the development and implementation of training for participation, with segments on business strategy and union goals; management would make a commitment to employee training and development for jobs of the future; and employment security would be a major objective of the program. The CWA report urged union and management to work together to bring subcontracted work back in-house, resist headcount reductions, and support management neutrality in union organizing. CWA Executive Board Report on Union-Management Participation for the Telecommunications Industry, 1994, CWA Research Department.

teams and business unit planning councils, and all WPOF training and materials were jointly developed and implemented by the union and the company. Union goals for employment security were baked into the WPOF Agreement, recognizing that WPOF initiatives to target customer satisfaction and market flexibility must also "be sensitive to employees' needs regarding employment security." The WPOF contractual agreement stated that "[i]t is not the Company's intention for employees to be negatively impacted by workplace innovations resulting from employees' ideas."[25]

Workplace of the Future represented a break from the adversarial relations between CWA and AT&T that followed the 1984 break-up of the Bell system as the union fought the company's downsizing of 125,000 union jobs, including a twenty-five day strike against AT&T in 1986. In preparation for 1992 contract negotiations with AT&T, the union sought new approaches to save jobs. As CWA President Morton Bahr put it, the union wanted to move beyond negotiations over programs that would "ease the pain" of AT&T downsizing, restructuring, and new technology to gain a "guaranteed (and) significant voice in managing change in the workplace." A CWA survey conducted in preparation for 1992 bargaining found that 85 percent of members wanted the opportunity to have a voice in decision-making about their jobs.[26]

At the same time, AT&T managers were looking for a way to make the company more productive and customer focused, to reduce the high costs associated with its bureaucratic structure and large managerial workforce, and to gain greater flexibility in

[25] CWA/AT&T 1992 Contract, "Workplace of the Future."

[26] Morton Bahr speech to CWA/AT&T Workplace of the Future conference, "A Report on the Workplace of the Future Conference," presumably 1993, 3; CWA, "Union Involvement in the Workplace of the Future: A Guide for Staff and Local Unions Representing AT&T Employees," March 1993, 1, Workplace of the Future folder, CWA Research Department.

responding to customer demand. While AT&T's financial position had largely stabilized by the early 1990s, its cost structure remained high compared to its non-union, more nimble competitors. Although some senior managers advocated decertifying the union, they became convinced that the cost in time, money, and disruption would be too high. Therefore, prior to 1992 contract negotiations, AT&T vice-president for labor relations Bill Ketchum turned to consultant Michael Maccoby to reach out to CWA Vice-President Jim Irvine (who was responsible for the AT&T bargaining unit) to craft a more cooperative labor-management approach. The result was Workplace of the Future (WPOF).[27]

CWA and AT&T launched Workplace of the Future with great fanfare at a 1993 conference attended by one thousand union leaders and company managers. Secretary of Labor Robert Reich keynoted the event, praising CWA and AT&T for embarking on a model for the rest of the nation in building a "high value organization that looks upon its workforce as an asset to be developed" rather than a cost to be reduced. CWA President Bahr lauded Workplace of the Future as a "recognition by AT&T that a major policy objective must be employment" and emphasized that "with Workplace of the Future, the union is guaranteed a significant voice in managing change in the workplace…before decisions are made." CWA Vice-President Irvine acknowledged that while there are union "naysayers," the program went well beyond QWL and he expressed optimism that the union and management could make this "revolutionary concept" work. Irvine added that nearly 90 percent of the membership ratified the 1992 contract, indicating rank and

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[27] Heckscher et al, *Agents of Change*, 35-40; Batt, "Performance and Welfare Effects of Work Restructuring," 35-146.

file support for the program. Stan Kabala, AT&T vice president for data communications services and a strong WPOF advocate, told conference attendees that "the key to our survival and prosperity lies in a revolution that's led by involved, empowered, and enthusiastic employees."[28] For Kabala, who was responsible for AT&T's data network, competitive success required overturning the Bell system's bureaucratic and costly work organization with its multiple layers of management ensuring compliance with standard operating procedures. Pushing responsibility down to frontline workers could save costs not only by reducing management layers but also by capturing workers' knowledge in order to make process improvements.

CWA national leadership and staff and many local leaders worked hard to make the program a success and to ensure that union goals were incorporated into Workplace of the Future initiatives. CWA provided local leaders with a guide to union involvement in WPOF. Thousands of union members and company managers attended WPOF training sessions, with a curriculum developed by Rutgers University School of Industrial Relations that included sections on union and CWA history as well as AT&T challenges in the telecommunications industry. At the same time, because local union involvement in WPOF was voluntary, many local officers and activists refused to participate.

Laura Unger, militant President of CWA Local 1150 in New York City, explained to a labor/management WPOF Forum that she was working harder than ever doing her traditional local president tasks with the added load of WPOF, sitting on a planning council, the business communications service (BCS) customer service transformation effort, two planning council subcommittees, one cross-planning council subcommittee,

[28] AT&T and CWA, "A Report on the Workplace of the Future Conference."

reading the minutes of every WPOF committee in her local, and giving training classes to management. “We have to make this (WPOF) work,” she explained. “For the Union because our members can’t go on living in constant fear of losing their jobs and for Management because you cannot survive in a customer focused, competitive environment with your employees and their Union constantly aiming for your jugular.” At the same time, Unger warned that WPOF of the future could promote “an illusion of inclusion” unless the union developed a strong independent agenda and used the WPOF structure “as a tool to fight for our members.”[29]

The Workplace of the Future program lasted seven years. The results were mixed. The AT&T corporate structure was designed to give autonomy and accountability to each business unit. Where the AT&T business unit vice president supported WPOF and actively engaged the union in significant initiatives, WPOF was most successful, as in the case of the business customer service transformation project that I discuss below. One AT&T executive estimated that WPOF saved the company hundreds of millions of dollars due to improved productivity; another put the savings at $2 billion including savings associated with not having to prepare for and operate strikes. Union leaders and managers appreciated the more open exchange of information facilitated by the WPOF structure and the opportunity it gave to increase their presence in the workplace, engaging with members in constructive projects. On the other hand, many managers resisted union participation in decision-making and were reluctant to transform unilateral quality initiatives into WPOF joint programs. Most business units did not participate in the

[29] Laura Unger, Speech for Workplace of the Future Forum, February 7, 1995, High Performance/WPOF folder, in author’s possession.

program and less than one-third of the AT&T workforce was involved at any level. Union participants on business planning councils found they often needed significantly more technical support, time, and resources to play a meaningful role. The Human Resources board did not meet regularly and therefore the union did not realize its goal to have a voice in strategic decisions at the highest level of the corporation.[30]

One of the most successful WPOF projects was the union/management initiative to transform the customer service operation in AT&T's business communications services (BCS) division. CWA used the process to win a substantial pay increase for the customer service employees in the business customer care organization, and as part of the job upgrade, succeeded in eliminating the second-tier wage rate for the account representatives in the billing offices, an unrealized union goal through several rounds of contract negotiations.[31] In this section, I analyze why this particular WPOF labor-management program led to this positive outcome, one which proved elusive in the Bell Atlantic and US West call center job redesign projects that I discuss later in the chapter.

AT&T's ten million business customers represented about one-half of the company's annual revenue, bringing in about $20 billion a year with potential for enormous growth as new data services came online. In addition to competition from MCI, Sprint, and other long-distance companies, AT&T was preparing for the emergence

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[30] William Stake interview with author, August 21, 2014; Mary Ann Alt interview with author, September 3, 2012 ; Steve Leonard interview with author, March 9, 2014; James Irvine interview with author, January 27, 2013; Mary Lou Schaffer interview with author, May 5, 2013; Heckscher et al, *Agents of Change*, 41-45; The Rutgers University five-year evaluation of ten WPOF teams studied ten WPOF projects, finding that four were relatively successful, four were unsuccessful, and the other two were a mixed picture. The report does not explain evaluation criteria beyond interviews with labor and management participants. Charles Heckscher, Sue Schurman, Adrienne Eaton, Beth Craig, "Work Place of the Future: a Research Report," New Brunswick NJ: Rutgers University Department of Labor Studies and Employment Relations, May 15, 1997, CWA Research Department.

[31] See chapter two, pages 113-119.

of a new threat as federal legislation, which would open the door to RBOC entry into long-distance services, moved through Congress and eventually was enacted as the Telecommunications Act of 1996. In 1995, the AT&T business communications services (BCS) business unit launched a major reorganization initiative to create a more cost-efficient, streamlined customer service operation. The business unit leadership engaged the union in the project as part of Workplace of the Future. CWA selected Mary Jo Sherman, a union leader and frontline sales representative from the Syracuse, New York call center to work full-time at AT&T headquarters as part of the team working on the customer service transformation. Ad hoc labor-management teams worked together on various aspects of the program. Union goals were incorporated into every component of the initiative, all training was jointly developed and implemented, and a union/management workforce planning subcommittee played a role in implementation of staffing changes and other force planning issues. The transformation team kept the joint WPOF business unit planning council informed of all developments.

From the beginning, the customer service transformation project focused on creating value for three groups of stakeholders -- customers, shareholders , and employees – by providing business customers a single point of contact for all sales, service, and billing functions. Prior to transformation, customers were required to call different customer service representatives depending on whether the issue was voice service, data service, or billing. AT&T market research confirmed that customers wanted a "a simple way to get things done with fewer places to go." Customers told the market researchers that the key differentiator in selecting a telecommunications provider was "customer service." AT&T was also looking to cut costs. The company's time studies showed that management sales teams were spending an average of 36 percent of their time performing post-sales work; if this work could be moved to union-represented workers, not only would the sales team have more time to spend on sales, the company could save money on labor costs. In addition, by integrating customer service functions, AT&T believed it could reduce expensive redundancies and rework. According to William Stake, operations vice president for business customer care, "[I]f one person could handle a broader role, it could be done faster, better, cheaper."[32] For AT&T's frontline employees, one stop shopping would provide work with broader scope and variety, increasing their job satisfaction by empowering them to satisfy all their customer's needs.[33]

After several months of research, the customer service transformation team rolled out its proposal to reorganize work to provide one-stop shopping to customers, using different models depending on the size of the business customer and corresponding complexity of service needs. In each of the models, AT&T returned to a universal service representative job design that required cross-training in order to provide sales, service, and billing functions. The customer representative who serviced small mom and pop business customers would now handle nearly all customer needs, including selling, pricing, product/promotion, ordering, billing, inquiry adjustments, and repair referrals. For these low-revenue customers, some transactions would take place using an interactive voice response system (IVR) without any human interaction. Customer service representatives servicing mid-size customers who purchased both voice and some data

[32] William Stake interview with author.

[33] Customer Service Transformation, "Meeting in a Box" PowerPoint, October 24, 1995, CWA Communications and Technologies Time-in-Title Notebook.

services and typically interacted with AT&T more frequently would provide customers all the services described above, with the exception of repair referrals. AT&T assigned a dedicated customer service representative to those customers who interacted with the company on a weekly basis. The customer service representatives who serviced large, national (or even global) business customers who purchased advanced data and virtual network services, typically under terms of a negotiated contract, also provided one-stop shopping to their assigned, dedicated customer.[34]

With the expansion of job responsibilities, AT&T created a new job title for the frontline call center worker — the customer service and sales specialist (CSSS). In response to union pressure, AT&T set the wage rate for this new position equivalent to that of the highest paid occupational title in the business customer care organization. This represented a significant wage increase for employees who successfully transferred from the billing center titles to the new CSSS title, amounting to 9.7 percent (or about $3,200 a year) for billing inquiry representatives and 18.6 percent (or about $6,700 a year) for account representatives.[35] With the creation of the CSSS title, CWA realized a decade-long goal to eliminate the second-tier titles in the business customer care organization. (The second-tier account representative title remained in the consumer call centers.) As AT&T vice-president William Stake remembers, “I got a lot of push back from my AT&T counterparts because in creating the new job we were actually…raising people’s salary grade and pay. It was like ‘you’re crazy, you don’t have to do this.’ On the other

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[34] Meeting in a Box” PowerPoint.

[35] Author calculation based on CWA/AT&T contract wage schedules.

hand, we were working with the union through this process."[36] A labor-management workforce planning committee developed and implemented a training and bidding process for employees in the lower-paid billing center jobs to move into the upgraded CSSS position.

The frontline call center workers and union activists were thrilled with the job upgrade. "The best part of customer service transformation was the wage increase," recalls Mary Lou Schaffer, who worked in the Pittsburgh mid-markets call center. "It felt like the company valued you more. It took some time to get used to, but it was a much better time, feeling that we could really help the customer." The CSSS position was a complex job, requiring three and one-half months of training. Mary Ann Alt worked in a center serving global customers and was assigned to the General Electric account. "They called me for everything, to make changes, and I was even writing technical orders." To assist employees, AT&T provided desktop access to automated tools for access to customer records as well as information regarding AT&T products and services. Managers became coaches, helping the customer sales and service specialists improve on the job. While customer service transformation included some office consolidation, the number of union jobs grew. AT&T analysis found significant improvements in customer care operations from the reorganization. [37]

Several factors contributed to the success of the project. First, there was significant overlap in management and union/worker goals to improve service, efficiency, and job quality by expanding the job of the frontline customer service employee as a

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[36] William Stake interview with author.

[37] Mary Lou Schaffer interview with author; Mary Ann Alt interview with author.

single point of contact for customers. Second, the AT&T business unit management was willing to invest in a high-wage, high-skill worker because she served lucrative business customers; her ability to provide quality service and use her knowledge of the customers' needs to sell services returned significant value to the company. Moreover, transferring a portion of customer contact from more highly paid account representatives to the CSSS employee saved the company money. Third, the union was truly a partner in the process, with a full-time union leader working with the management team. The union ensured that workers benefitted directly from the process improvements with a wage increase, strengthening employee support for the reorganization which led to a more challenging job. Finally, the AT&T structure gave the business unit leader autonomy to run the business, which in this instance, resulted in a successful WPOF business customer service transformation project.

Yet, the larger Workplace of the Future labor-management program ultimately proved unsustainable. The success of Workplace of the Future, like all union-management programs, depended on two key corporate commitments: first, a willingness to forego short-term benefits to the bottom line, if necessary, in order to make longer-term investments in the workforce; and second, a recognition that corporate restructuring would not diminish union representation of the workforce. AT&T was not willing to make those commitments, slashing 36,000 union jobs between 1995 and 1999 and fighting aggressively to keep the union out of its growing wireless, cable, and consulting businesses. In 1995, AT&T initiated a major corporate and financial reorganization designed to boost shareholder value by selling off its NCR computer unit, divesting its manufacturing and installation business to form Lucent Technologies, and through the process, slimming down to its core communications business. Over the next four years, as AT&T purchased TCI, the nation's largest cable company, and grew its wireless business, union density plummeted to 27 percent in 1999.[38] In 1996, CWA's Bahr warned that "the climate of trust that we struggled so hard to build…is rapidly eroding," a process that accelerated after 1997 as AT&T's new CEO Michael Armstrong announced another major cost-cutting initiative to reduce selling, general, and administrative (SG&A) costs from 29 to 22 percent of revenue by eliminating tens of thousands of jobs.[39] By 1999, rather than perpetuate a charade of labor-management participation, CWA formally withdrew from WPOF. Bahr expressed his disappointment: "Unions are ready to partner with management to improve productivity and employment security. First, however, we must overcome U.S. management's need to achieve short-term profits at any cost."[40]

With the demise of WPOF, joint labor-management initiatives came to an end in the business communications service division. Mary Ellen Mazzeo, president of CWA Local 1152 in Syracuse and member of the BCS business unit planning council, reflected on the experience. "I don't believe we would have gotten the job upgrade without WPOF and the considerable buy-in by company executives," she recalled. But the experience also taught her important lessons about the limitations of labor-management programs in the context of the U.S. labor relations framework. "How naïve of us to believe that we really had a place at the table where union and company could work together in the best

[38] AT&T SEC Form 10-K for the year ended December 31, 1999.

[39] AT&T, "Strategy Overview," AT&T 1998 Annual Report.

[40] Morton Bahr, "What's the Long-Term Cost of Short-Term Profits?" *Quality Progress* (July 1996), 58-58.

interest of the company, employee, and customer," she observed. "I think this exists in Europe. There may have been piece parts of WPOF where the union did well. But we deluded ourselves that we thought we had a real place at the table."[41]

Mega Teams at Bell Atlantic

In contrast to the Workplace of the Future contractually negotiated labor-management program at AT&T, the Bell Atlantic Mega team project to engage the union in the redesign of the call center job was initiated by and depended upon the commitment and leadership of one person, the vice president of consumer and small business services, Bruce Gordon. Bell Atlantic CEO Raymond Smith had just reorganized the $9 billion company into nine lines of business, and appointed Gordon, a twenty-five year Bell Atlantic marketing executive known for his maverick leadership style and willingness to work with the union, to lead its largest division, consumer and small business services.[42] With its local monopoly in six mid-Atlantic states and Washington DC, Bell Atlantic served virtually all eleven million residential households in its region, generating $4 billion in annual revenue which represented 34 percent of total corporate revenue.[43] Anticipating more competition on the horizon, and influenced by the model of the UAW/GM joint program at Saturn, Gordon determined to improve the performance of the consumer division by engaging the union. He reached out to the three CWA vice

[41] Mary Ellen Mazzeo interview with author, April 19, 2012, June 5 and June 9, 2020.

[42] Bruce Gordon biography, The History Makers, July 14, 2013 https://www.thehistorymakers.org/biography/bruce-gordon; "Keeping the lines of communication open: Bruce Gordon answers the call at Bell Atlantic," https://www.thefreelibrary.com/Keeping+the+lines+of+communication+open%3a+Bruce+Gordon+answers+the...-a016827572; Bruce Gordon biography, encylcopedia.com, https://www.encyclopedia.com/people/social-sciences-and-law/social-reformers/bruce-s-gordon.

[43] Bell Atlantic SEC Form 10-K for the year ended December 31, 1993.

presidents responsible for the bargaining units at the Bell Atlantic local telephone companies and received their endorsement of the Mega Team union-management project to implement his strategic plan for the consumer services line of business. There was no formal written agreement between union and management regarding goals, structure, or resources. Although CWA previously objected to other Bell Atlantic unilateral employee participation programs that sidelined the union, in this instance, CWA leadership concluded that Gordon was serious about his commitment to full union participation.[44]

Gordon invested significant resources in what he called the Mega Team project, a union-management program to improve the performance of Bell Atlantic's consumer line of business. The project lasted one year (1993-1994), with fifteen union-management teams of seven to nine members each (for a total of more than one-hundred thirty employees) meeting several times a month to address such core issues as job redesign, monitoring, staffing, training, measurement, and technology. Because the job redesign team tackled the most comprehensive aspect of work reorganization, and in order to compare and contrast the Bell Atlantic Mega Team with the AT&T and US West case studies, in this section I focus on that team's work. In the end, Bell Atlantic did not adopt the team's recommendations and Gordon disbanded the joint project. What happened? What was the team's proposal? What factors led to its demise?

The Mega Team project was chaired by Gordon and a union counterpart, Barbara Lephardt, assistant to the CWA district two vice president representing the union at C&P

[44] "The MEGA-TEAM: A New Partnership Focused on the Future," Bell Atlantic Special News Bulletin, presumably 1993, Local 13500 Archives; Sandy Kmetyk interview with author, January 21, 2013.

Telephone.[45] All staff time, travel and other expenses came out of Gordon's budget. While union and management co-chaired all teams, management developed the meeting agendas and worked with others in the company to provide the data the teams needed to do their work. In other words, the union representatives were dependent on management for information and agenda setting, and did not have independent resources to assist them in their work.[46]

The job redesign team, along with the other teams, began its work in August 1993 with an opening two-day conference in Philadelphia.[47] The job redesign team's work coincided with a separate but parallel union-management negotiation to create a new consultant job title to replace the lower-paid collections representatives who handled billing issues and the service representatives who took orders and made sales, as discussed in chapter two.[48] The consultant job redesign committee, therefore, focused on how best to integrate the billing, sales, and other functions of the consultant job, initiating training pilots to test various alternatives, and promoting other initiatives to improve work processes.

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[45] The steering committee also included Sandy Kmetyk, representing the statewide customer service local 13500 in Pennsylvania (see chapter one), Jo Ann Diana, representing the customer service locals at New Jersey Bell, and Jane Sutter, the Bell Atlantic vice president for consumer sales.

[46] Linda Kramer telephone interview with author, December. 9, 2020; Sue Anderson, interview with author, December 31, 2020. "Consumer Services Mega-120 Teams, Sue Anderson notebook, Tab 1 (for list of teams) and all tabs (for meeting agendas) (in author's possession). Sue Anderson, member of the consultant job redesign team, provided the author with a notebook documenting meetings, conference calls, and other materials assembled as part of the job redesign team (hereafter Anderson notebook).

[47] In a separate session for the union representatives at the conference, CWA district two vice president Pete Catucci and CWA district thirteen vice president Vince Maisano urged the union leaders to work with Gordon ("a union advocate"), while remaining "open and strong union people" keeping a focus on union goals to expand union representation to all Bell Atlantic lines of business and remain vigilant in contract enforcement. Anderson conference notes, Anderson notebook, Tab 2 (Oct 19-20, 1983).

[48] For a discussion of the consultant agreement, see chapter two, 127-128.

Together, the team developed a vision for the Bell Atlantic consultant as "one who is knowledgeable and available to meet all customer needs (making)…Bell Atlantic… a place where everyone will want to work."[49] Beyond that, the team never articulated shared goals for the job redesign, leaving substantial ambiguity as to how important employee objectives for meaningful work were in consideration of a final recommendation. The company was clear that the purpose of the project was to "design the consultant job to create customer and employee loyalty, acquire new customers, maximize profits and meet corporate goals.[50] Yet, team minutes indicate that the team considered the impact of process changes on three groups of stakeholders: employees, customers, and company finances. Certainly, employee team members agreed with management that their work should result in processes to improve revenue, reduce errors, hold time, misdirects of calls, and bad debt. In addition, the employee team members embraced a vision of a good job that would provide a single point of contact for customers, enough time to do a quality job, encourage teamwork, provide diversity, increased training, more time off the phones ("closed time") to do follow-up paperwork, eliminate sales and adherence quotas, and less stress.[51]

Ultimately, the team developed three alternative models to redesign the consultant job, struggling to find a model that provided one stop shopping for customers, job variety for consultants, while at the same time recognizing that there was simply too much information that any one consultant had to know in order to perform all job functions.

[49] Mega Team 1 Vision, Anderson Notebook Tab 1.

[50] Memo to Mega Co-Chairs from Mega Communications Team re Executive Summary, February 1994 CWA Local 13500 archives.

[51] Job Redesign team minutes, August 26, 1993, February 3, 1994, January 27, 1994, Anderson notebook.

Under the universal job design model, the consultant would respond to all customer requests, including new orders, transfers, disconnects, change orders, complex orders, billing questions, make collection calls, and complete off-line paperwork. In contrast, under the functional model, consultants would work as a co-located team, with some taking sales and service order calls, others assigned to collections and billing, and a third doing offline paperwork. A third option, the cross-trained model, represented a hybrid, with consultants cross-trained in sales and billing functions, rotating job functions based on their preferences, including time off-line.

The team never reached consensus on a recommendation. In the last meeting of the job redesign team in September 1994, the group determined that the best way to decide among the models was to take a vote. Clearly daunted by the sheer complexity of the many consultant job functions, the team split between the hybrid and the functional models, with no support for the universal design. The team agreed that the ideal job would include some degree of specialization, rotation, cross training, co-location of functions, and, most important, as Bell Atlantic rolled out new products and services, the consultants would sell and service them.[52] There is no record of any final recommendation. The job redesign team stopped meeting after September 1994 and the Mega Team project shut down a month later.[53]

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[52] Mega Team 1 Job Redesign Meeting Minutes, September 22, 1994, Anderson notebook Tab 7 (cross-trained model), Tab 5, February 2, 1994 (universal design and functional design models).

[53] The job redesign team did make progress on seventeen pilot initiatives to improve consultant work processes in the collections and sales and service centers. These largely focused on cross-training collectors to handle disconnects and orders, and sales and service consultants to handle some billing issues. Partnership Press Special Edition newsletter, Mega Team 1 Update, nd. Anderson notebook.

Union minutes of team meetings do not record the reason for the shut down, but clearly tensions had been building in the final months of the project. In May 1994, union team members raised formal concerns that the partnership was breaking down. Union team members were not getting the time they needed to devote to team projects. Managers were leaving the teams and opposed many of the recommendations. The company unilaterally implemented initiatives that undermined the work of the Mega team. There were reports of upcoming downsizing. Gordon responded to union concerns in a meeting with union team leaders. He remained committed to the project, he told them, but "it's harder than he imagined" as the teams tackled "tough issues of the business." By October 1994, Gordon's focus had moved on, perhaps with his appointment to the senior management team at Bell Atlantic. Without his support, the Mega team program ended. Union team members were disappointed, while recognizing that the joint work laid the groundwork for future union bargaining proposals. "We came up with great ideas," Local 13500 President Sandy Kmetyk recalled. "Many went into bargaining proposals and the service representative relief package that we won after the strike in the year 2000."[54]

Why did the Mega Team project fail in contrast to the successful Workplace of the Future job redesign project in the AT&T business customer care unit? First, Mega Team, unlike WPOF, was not a union-negotiated program; it depended upon the commitment of one individual, Bruce Gordon. When Gordon lost interest, the initiative

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[54] Memo from Mega 1 Union Members to Mega 1 Team re True Partnership?, May 5, 1994; Mega-30 Meeting minutes, May 19, 1994, Anderson notebook Tab 7; Sandy Kmetyk interview with author, Barbara Fox Shiller interview with author, January 2, 2013. Sue Anderson interview with author; Anderson notebook, Tab 8 (for discussion of service representative relief package.) For Gordon appointment to senior management, see *Wall Street Journal*, May 26, 1994, B10.

ended. Second, the job redesign team was not able to reach agreement on a recommendation, although it is not clear whether the decision to shut down the project short-circuited final agreement. Third, the Bell Atlantic job redesign project was in the consumer line of business, whereas the AT&T project was on the business side of the company. Residential customers simply did not provide the same return to the company as business customers, and therefore did not justify the significant investment in training and software systems. Fourth, and most important, in August 1994 Bell Atlantic's corporate leaders announced its next phase of financial reengineering with aggressive cost reductions, including elimination of 5,600 jobs and call center consolidation, and adopted an aggressive stance toward the union. For example, when 1,200 technicians protested by wearing red t-shirts to work proclaiming "we won't be roadkill on the information highway," the company suspended them all."[55]

The union-management partnership in the consumer line of business fell victim to the companies' business strategy to boost earnings from its telephone business in order to finance investment in its wireless joint venture with NYNEX and network upgrades to enter the video business. This strategy positioned Bell Atlantic as a "telecom renegade" in 1995 contract negotiations when the company refused to follow the pattern set by the other six RBOCs in the triennial collective bargaining round. Relations between CWA and Bell Atlantic deteriorated as the union waged a mobilization campaign of workplace actions, outreach to shareholders, elected officials, and the public against Bell Atlantic, eventually reaching agreement on a contract five and one-half months after expiration.[56]

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[55] "Sweeping Cutbacks Expected at Bell Atlantic," *New York Times*, August 13, 1994; Morton Bahr, "A Message for Ray Smith – And Others," *CWA News*, January 1995.

The 1995 contract did not include any provisions to provide stress relief in the call centers. The positive labor-management relations fell apart, and the workers' hope to work with management to restructure the consultant job to provide the autonomy, support, training, and skills they wanted and needed to serve customers in a healthy environment was not realized. Yet, the team members and the union had developed practical solutions that would resurface five years later as call center workers' demands for stress relief took center stage during the eighteen-day CWA strike against Verizon, that I discuss in chapter six.

Job Redesign at US West

In 1993, the U.S. Office of Technology Assessment published a laudatory eighty-page report describing "a successful joint union-management efforts to improve customer service and productivity at US WEST, Inc" in its consumer line of business. "T]he company and the unions," the report noted, "have reached a series of mutual decisions that have protected union members' jobs and reorganized their work in a way that increases worker and customer satisfaction and that benefits the firm." That same year, President William J. Clinton chaired a panel at a Future of the American Workplace

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[56] Rather than go on strike, CWA launched an inside/outside mobilization campaign including workplace actions, rallies, outreach to shareholders, elected officials, and the public, and radio, TV, and print advertising from contract expiration in August 1995 to agreement on a contract in February 1996. The contract included substantial wage and pension improvements, no health care givebacks, and provisions to give the union access to jobs in new lines of business (except wireless). "CWA Mounts 'Corporate Campaign' Against Telecom Renegade, *CWA News*, September 1995; "Seas of Red Confront Bell Atlantic as CWA Presses Corporate Campaign," *CWA News,* October 1995; "Bell Atlantic Pact Meets the Industry Pattern," *CWA News,* February 1996.

conference featuring the US West/CWA job redesign case study.[57] What were the factors that contributed to the initial success of this initiative? How did it differ from the failed project at Bell Atlantic? And what was the final outcome? Were the union and management able to sustain the initial success of the project?

Certainly, the labor-management job redesign project at US West seemed destined for success. US West was the smallest of the RBOCs, providing local telephone service in fourteen largely rural western states stretching from Iowa to Washington, with $10 billion in revenue in 1992. Union density remained stable at 62 percent, with 39,000 union-represented employees. Unlike the other RBOCs, the company and CWA maintained joint QWL teams in the years after divestiture, and as an indication of company support, in 1989 they reached agreement that the company would fund fifty-eight "change agents" (half union-appointed, half management) to serve as internal consultants to support the joint work of teams. A labor-management Employee Involvement Quality Council (EIQC) composed of four union and four management representatives oversaw the joint projects.[58] The job redesign project, part of a larger labor-management initiative in the US West consumer division, known as Home and Personal Services, was governed by a memorandum of understanding that protected jobs and the union as an equal partner. The company paid for two skilled consultants – Kevin

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[57] Margaret Hilton, Gretchen Kolsrud, Peter D. Blair, and Audrey B. Buyrn, U.S. Congress, Office of Technology Assessment, *Pulling Together for Productivity: A Union-Management Initiative at U S WEST, Inc*., OTA-ITE-583 (Washington, DC: US Government Printing Office, September 1993); U.S. Departments of Commerce and Department of Labor, *Workplace of the Future: A Report of the Conference on the Future of the American Workplace* (Washington DC: July 26, 1993). Sue Pisha interview with author, May 19, 1993. Sue Pisha served as CWA district 7 vice president from 1992-1999.

[58] Union EIQC members included Reed Roberts from the Phoenix local, Karla Floyd from Portland, Oregon, Randy Warner from Salt Lake City, and Jim Mahoney from St. Paul. They represented amalgamated locals of technicians, operators, and customer service representatives.

Boyle chosen by the union and Winnie Nelson chosen by management – to facilitate the labor-management teams.[59] Not only did the company pay for all team-related expenses, including time off the job and travel, US West also covered the cost of union-only team meetings so the union representatives could discuss their own agenda prior to joint meetings with management.[60]

The origins of the job redesign project in the US West Home and Personal Services division began at the 1991 CWA national customer service conference.[61] In a US West bargaining unit break-out session, CWA activists shared stories about the highly stressful conditions in their call centers due to intensive monitoring, unreasonable sales quotas and adherence standards, work speed-up, and the general lack of control over the pace and manner in which they did their work. The union activists agreed on a district-wide mobilization plan to raise their concerns to US West management. When they returned home, they sent Jane Evans, the newly-appointed vice-president of the Home and Personal Services division, a bouquet of black balloons with a demand to change what they called "sweatshop" conditions in the call centers. To their surprise, Evans reached out with a request to form a labor-management team to "redefine the work" in the call centers that employed 5,600 people. She was well aware of serious problems in the division: there were large numbers of uncollected bills, the service representatives

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[59] Kevin Boyle from CWA brought seven years of experience and training in joint union-management processes and Winnie Nelson, a US West service quality consultant, brought technical expertise in methods of quality improvement.

[60] Hilton et al, *Pulling Together for Productivity.* My analysis draws heavily on the Office of Technology Assessment report and personal interviews that I conducted with key union participants and leaders in 1992-94 and updated in drafting this dissertation.

[61] For a discussion of the CWA customer service conference see chapter two 129-133.

only answered half the calls within the regulatory sixty second time frame, and there were high turnover and absentee rates. Flashing signs in the call centers frequently indicated one hundred people were in queue waiting for someone to answer their call.[62]

Before the union would agree to the joint project, the four union members of the Employee Involvement Quality Council drafted a memorandum of understanding to guide the project, with provisions that guaranteed no lay-offs, no downgrades, equal partnership, and respect for collective bargaining. To their surprise, Evans signed it. When the CWA locals unanimously ratified the draft, the project, dubbed "Bunts and Singles" took off. (Bunts and Singles to indicate that the team would work on many small initiatives.) The full team consisted of twenty-eight members, equal management and union. They initiated more than thirty projects to improve work processes, particularly in the collection centers. The team initiatives paid off in $20 million reduction in uncollected bills, a 10 percent increase in customer access, and reduced absenteeism and turnover. In recognition of the importance of collectors to revenue generation, Evans upgraded the pay for the collector title to that of the service representative, a move that employees and the union applauded. (Like Bell Atlantic, US West had split the universal representative title into two job functions in the 1980s, downgrading the pay of the collectors who handled billing functions from that of the service representatives who handled sales.) The division added 250 positions in 1992. Most significant, Evans eliminated all performance appraisals early on in the process, convinced by management consultant Nelson that they did not improve performance.[63]

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[62] "Pulling Together for Productivity," 42-43.

[63] "Pulling Together for Productivity," 41-45, 53-54. See also Linda Malloy, US West VP-Customer Services, Randy Warner, President CWA Local 7704, Davie Piette, US West Director-Customer Services,

The team's most ambitious undertaking was the job redesign project.[64] The job redesign team of fourteen articulated the purpose of the initiative with a statement that made explicit worker and union goals: "through mutual cooperation, creativity, trust and employee involvement, (we will) jointly design satisfying, safe, and secure customer contact jobs which will give valued employees an environment to provide superior customer service resulting in the growth of our business and our unions." The team aimed to redesign the service consultant job to provide diversity, safe and healthy working conditions, effective technology to support work and enhance education and skills, multi-skilled employees with high wages, no subcontracted work, and all job titles subject to collective bargaining.[65]

Consultants Boyle and Nelson introduced the team to the socio-technical systems approach to job design, guiding them through a mapping process of the people (social system) and techniques, tools, and knowledge (the technical system) necessary to do a quality customer contact job. The team worked for a full year, frequently consulting with on-the-job customer contact workers.

In December 1992, the team presented its recommendation to reorganize the consumer customer contact centers into cross-functional teams, with service consultants working in co-located cross-trained teams, able to handle order taking and sales as well as billing and collections. The automatic call distributor (ACD) would be reprogrammed

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"How to Manage without Employee Performance Appraisals," presumably 1993, CWA Research Department.

[64] Linda (Armbruster) Mulligan for the union and April Hunter, US West labor relations manager co-chaired the job redesign team.

[65] "Pulling Together for Productivity," 46-51.

as a two-way system, not only directing customer calls to the appropriate call queue based on a voice response cue, but also providing the consultant with information, in real time, so she could respond to call demand by switching the type of calls she would take. The service consultant's job would expand to include provisioning functions (establishing dial tone, assigning phone numbers), simple repairs, and the ability to talk directly to technicians in the field. Supervisors would become coaches who would use the information from the performance tracking systems to help service consultants improve. Peer coaching would be integrated into the team. Vice President Evans agreed to pilot the cross-functional teams in several call centers and selected Phoenix as the location to test the service consultant job redesign.[66] It was at this point that the Office of Technology Assessment published its report on the union-management project of which job redesign was one part.

Vice President Evans forwarded the job redesign proposal to her boss Greg Wynn. He rejected the proposal as too expensive. In September 1993, US West CEO Richard McCormack announced plans to eliminate 9,000 jobs at the company, about 14 percent of the workforce, consolidate the call centers into mega centers in the larger cities, and close rural offices. These job cuts were on top of an earlier downsizing of 6,000 positions announced two years earlier. Stock prices jumped four percent on the announcement, adding $470 million in value.[67] US West opted to squeeze cash from the business to reward shareholders rather than support the longer-term investments in

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[66] "Pulling Together for Productivity," 46-51 and 57-61.

[67] "Pulling Together for Productivity," 61; Anthony Ramirez, "US West to Eliminate 9,000 Jobs in 3 Years," *New York Times*, September 18, 1993, 33; "US West Jobs Outlook," *New York Times*, May 4, 1992.

training and technology required to implement the year-long joint labor-management redesign of the customer contact job. As the author of the Office of Technology Assessment report wrote, “This decision, which will reduce jobs in HPS [Home and Personal Services], underscores the fragility of high-wage, high-skill strategies. Although the unions will continue to work with HPS to improve work processes and redesign jobs, the partnership relationship has changed and the trust that had been developed has been undermined.” A report by consultants Boyle and Nelson to a 1994 U.S. government conference put it more bluntly: partnerships can’t make progress when corporate decisions result in financial reengineering and indiscriminate job shedding. Job redesign union co-chair Linda Armbruster Mulligan summed up her experience. “This was such a rewarding experience until you realized you spent all this energy for nothing. All that trust that developed after sharing your knowledge to come up with a proposal. It left me with disappointment, distrust, heartbroken, and betrayed.” The relationship between CWA and US West deteriorated, culminating in a 1998 strike over job standards, quality service, and health benefits.[68]

The labor-management job redesign projects at AT&T, Bell Atlantic, and US West took place during a transitional moment for these companies as they transformed their managerial and financial systems from those of monopoly service organizations subject to regulatory oversight to those of profit-maximizing companies responding to the

[68] Letter from Margaret Hilton, Office of Technology Assessment to George Kohl, CWA Research Director,, October 28, 1993, CWA Research Department; Memo from the author to M.E. Nichols, CWA executive vice president, May 20, 1994, CWA Research Department; Linda (Armbruster) Mulligan interview with author; CWA Press Release, “CWA Strikes US West to Preserve Job Standards, Quality Services, Health Security for Workers and Families,” August 16, 1998.

demands of financial capital. These former Bell companies faced real competitive challenges with their union cost structures and capital demands to upgrade and invest in the latest technology. For a brief period, some visionary managers at these companies reached out to CWA to work together to design high-wage high-skill high-quality work systems that would beat the competition. But the pressures of capital proved too strong as top-level corporate executives opted for financial reengineering over investments in high performance work systems.

The experience at these telecommunications companies was not unique in the industry. Industrial relations scholar Rosemary Batt studied experimentation with self-managed work teams in the 1990s at Bell South, the regional Bell company in the nine southeastern states. The net impact was to increase workers' sense of discretion, satisfaction, and job security, but it had the opposite effect on first-line managers. Online teamwork shifted power from supervisors to workers, and the supervisors rebelled. Upper level management abandoned a program that improved economic performance because front-line supervisory objected to the shift in power relations in the workplace.[69]

The labor-management and employee participation work restructuring programs in the late twentieth century took place at a transitional moment in U.S. capitalism, managerial strategy, and at the former Bell companies. During this brief period, a segment of corporate American opted to engage frontline workers, and in unionized

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[69] Rosemary Batt, "Who Benefits from Teams? Comparing Workers, Supervisors, and Managers," *Industrial Relations* 43 (January 2004), 183-212; Batt, "Performance and Welfare Effects of Work Restructuring." Despite the demise of the participation projects described in this chapter, CWA continued to work with management on joint committees design to improve working conditions in the call centers. At SBC Communications, a joint service rep task force recommendation was incorporated into a form memorandum of understanding that guaranteed no discipline for failure to meet adherence benchmarks. At Ameritech, CWA and call center managers convened monthly in a joint committee to address workers concerns in the call centers. At AT&T, a joint committees addressed subcontracting (see chapter five) and provided oversight over the commission plan (see chapter two). CWA Research Department.

settings, their unions in designing new work systems, banking that such participation schemes would facilitate the process of capturing workers' intimate knowledge while minimizing any disruption associated with workplace change. Many progressive unions, including CWA, seized this moment as a strategic opportunity to gain greater power to improve living standards, working conditions, and employment security for their members. Contrary to the fears of Victor Reuther, Parker, Slaughter, and others, for the most part workers and their unions were not "coopted" by management, but their hopes to turn participation programs into an expansion of collective bargaining in order to humanize work, stabilize employment, improve workers' living standards, and strengthen workers' collective power proved illusory as companies opted for financial engineering to increase shareholder value rather than invest in their operations and their workforce.[70]

Corporate leaders, including those at AT&T, Bell Atlantic, and US West, proved unwilling to make the investments in training, technology, and job security necessary to make labor-management participation programs work. As industrial relations scholar George Strauss noted in an important retrospective on what he termed the latest "fad" of labor-management participation programs, the financial turn in management, with its focus on immediate cost minimization, short-run profits, and the price of company stock, sealed the death knell for these programs.[71] With the corresponding decline in union power, management discovered that it could proceed unilaterally with restructuring initiatives that focused on financial reengineering and shedding employees.

[70] Batt, "The Financial Model of the Firm, the 'Future of Work,' and Employment Relations."

[71] George Strauss, "Worker Participation – Some Under-Considered Issues," 787, 800-801.

U.S. government policy provides few, if any, guardrails to prevent corporate leaders from reengineering the corporation to boost shareholder return at the expense of workers. In Germany and Scandinavia, co-determination statutes that mandate worker participation on corporate boards, worker/management works councils in the workplace, and sectoral bargaining that includes all firms in an industry sector strengthen union power and block a race to the bottom in labor standards. As Virginia Doellgast demonstrates in her comparative study of management practices in German and U.S. call centers at major telecommunications firms, German codetermination rights, exercised by strong and independent works councils, played a crucial role in supporting high-involvement employee systems, shifting the balance of power between labor and management, leading to solutions that incorporated worker as well as management goals.[72] Without such structural supports, U.S. firms that invest for the long-term in their workforce often find they are punished by Wall Street, pressure that few corporate executives can resist and that unions alone cannot overcome.

For the call center workers at AT&T and Bell Atlantic, financialization posed new threats to their employment security, compensation, and working conditions. With the declining cost and increasing capabilities of telecommunications networks, managers discovered that they could outsource call center functions to third party vendors, thereby reducing the cost of labor and union-negotiated workplace rules, while demanding CWA concessions in employment standards and working conditions in the call centers in order to keep the work in-house. The fight of call center workers and their union expanded to

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[72] Virginia Doellgast, *Disintegrating Democracy at Work: Labor Unions and the Future of Good Jobs in the Service Economy* (Ithaca NY: Cornell University Press, 2012), 15.

new terrain in campaigns against the outsourcing of their work to low-cost, non-union third party vendors.

Chapter 5. Fighting for Job Security: The Struggles against Outsourcing, 1998-2005

By the turn of the twentieth century, CWA customer service leaders and members faced a new challenge in their fight for good jobs – contesting the contracting out of work to third party vendors. In their quest to cut costs and maximize flexibility, AT&T and Bell Atlantic managers adopted outsourcing strategies in their call center operations. AT&T outsourced more than half of its core residential long-distance customer service operation. Bell Atlantic contracted with a non-union subsidiary to handle a new product line – internet sales – and to service high-value residential customers who purchased multiple services. Although CWA had long fought contracting out of technician construction work, the outsourcing of customer service work – the face of the company to customers – was a new phenomenon. CWA and its customer service members mobilized to block these outsourcing initiatives as a threat to employment security, collectively-bargained wages, benefits, working conditions, and union power.

In this chapter, I analyze the economic origins of decisions by AT&T and Bell Atlantic to contract out call center work, the strategies that CWA and its call center members deployed to resist their employers' outsourcing strategies, and the effectiveness of those strategies. Although both companies' outsourcing initiatives were a response to accelerated competitive forces and new opportunities resulting from passage of the market-opening Telecommunications Act of 1996, the driving force was the pressure from the owners of capital to boost shareholder value by slashing expenses and increasing market flexibility. CWA succeeded in beating back the Bell Atlantic outsourcing initiative, yet barely stemmed the tidal wave of contracting at AT&T. I argue that differences in product markets, financial condition, market competition, and union strength explain the different outcomes in the union campaigns to bring the contracted work back in-house.

Financialization and the Fissured Workplace

The AT&T and Bell Atlantic contracting strategy is one piece of a monumental transformation and degradation of employment relations in the U.S. economy taking place during this period, one that labor economist David Weil calls the "fissuring" of the workplace. The fissured workplace is one in which a company or public agency sheds activities and services that were previously performed in-house, and in so doing, reduces not only costs but also responsibilities connected to the employment relationship.[1] The two case studies I discuss in this chapter address central questions in U.S. labor history. Why did so many companies adopt outsourcing strategies as a core component of the financial turn in U.S. capitalism? What impact does the fissuring of employment relations have on the workforce? Under what conditions can workers and their unions fight back? What are the origins of the global call center industry? Under what conditions do companies opt to outsource customer contact to third party vendors? What are the challenges that call center workers face in fighting outsourcing, when their jobs can be moved with little more than the flick of a switch?

The fissuring of the workplace is now commonplace in U.S. sectors as diverse as manufacturing, health care, apparel, hotels, logistics, coal mining, food service, construction, computers, public service, broadcasting, wireless, and cable. In 2007, one-third of U.S. manufacturers' revenue and employment was produced at outsourced firms. The poster child for what economists call the "factoryless goods-producing firm" is

[1] David Weil, *The Fissured Workplace: Why Work Became So Bad For So Many and What Can Be Done to Improve It* (Cambridge: Harvard University Press, 2014).

Apple which produces almost all its computers, tablets, and cell phones through subcontractors. To illustrate the pervasiveness of the fissured workplace, Weil describes the ways in which Marriott Hotels, Time Warner Cable, Bank of America, Walmart, and Hershey Company provide core functions, respectively, of hotel cleaning, cable installation, janitorial services, logistics operations, and candy production, through a web of vendors, so-called independent contractors, and franchisees. "In an earlier era," Weil writes, "these and other large employers…would likely have directly employed the workers. Not so now."[2]

Scholars have identified the "fissuring" of employment relations as a major source of the job insecurity, declining living standards, and gaps in the social safety net that have turned what were once good jobs in this country into bad jobs. Fissuring drives a race to the bottom, as vendors compete with each other to win contracts based on lower labor and other costs. Responsibility for compliance with minimum wage and hour laws, health and safety standards, or even ensuring that payroll, unemployment, and workers' compensation are paid are shifted from the lead business with the economic resources and power over the relationship to contractors or franchisees who face pressures to skirt the law and depress compensation to keep expenses down. Contract and temporary workers, often misclassified as independent contractors, move from employer to

[2] Weil, *Fissured Workplace*, 2; Andrew B. Bernard and Teresa C. Fort, "Measuring the Multinational Economy: Factoryless Goods Producing Firms," *American Economic Review* 105:5 (2015): 518-523.

employer and frequently do not work long enough at one company to qualify for unemployment insurance or other protections.[3]

U.S. labor market institutions have proved remarkably weak in countering the drive by capital to boost shareholder value through fissured employment structures. U.S. labor and employment law are based on stable employment relationships, providing few guardrails to prevent companies from offloading employment responsibilities, avoiding regulations, and downgrading labor standards through contracting arrangements. Unlike German and Scandinavian countries' sectoral collective bargaining structures, U.S. labor law centers on employer-based union representation, an institutional structure that facilitates the fracturing of what were once internal labor markets into core and peripheral employment. With union representation sinking to 9.8 percent of the private sector labor force in 2000 (and 7 percent in 2021), most workers did not have a union to fight to protect good in-house jobs through bargaining and organizing strategies.[4]

Labor scholars have detailed the steep hurdles unions face organizing subcontracted sectors. They must unionize an overwhelming majority of the subcontractors to prevent the lead business from simply shifting work to non-union

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[3] Weil, *Fissured Workplace*, 7-27, 76-121; Arne Kalleberg, *Good Jobs/Bad Jobs: The Rise of Polarized and Precarious Employment Systems in the United States, 1970s to 2000s* (New York: Russell Sage Foundation, 2011); Katherine G. Abraham, and Susan K. Taylor, "Firms' Use of Outside Contractors: Theory and Evidence," *Journal of Labor Economics* 14:3 (July 1996): 394-424; Peter Cappelli et al., *Change at Work* (New York: Oxford University Press, 1997); Virginia Doellgast and Elissa Panini, "The impact of outsourcing on job quality for call center workers in the telecommunications industry and call centre industries," in *The outsourcing challenge: Organizing workers across fragmented production networks*, ed. Jan Drahokoupil (Brussels: European Trade Union Institute, 2015), 117-136. For an early description of the fissured workforce, see John J. Sweeney and Karen Nussbaum, *Solutions for the New Work Force: Policies for a New Social Contract* (Cabin John, MD: Seven Locks Press, 1989), 55-74.

[4] Barry T. Hirsch and David A. Macpherson, "Union Membership, Coverage, Density and Employment from the CPS," http://unionstats.gsu.edu/; U.S. Bureau of Labor Statistics, "Union Membership," Table 3, January 22, 2021.

subcontractors. Moreover, despite some notable exceptions such as the SEIU's Justice for Janitors campaigns, few unions have developed successful organizing strategies that leverage power over the lead business to establish and maintain labor standards on their contractors. The NLRB's shifting definition of "joint employer" complicates such organizing strategies.[5]

Given these organizing challenges, unions have largely focused on collective bargaining strategies to block outsourcing, negotiating contract provisions to limit when, what types, under what conditions, and the number of jobs that can be contracted out to third parties. In 1989, CWA negotiated an agreement with AT&T and the Regional Bell Operating Companies (RBOCs) prohibiting contracting out of work that would lead to lay-off or downgrade of bargaining unit employees.[6] Unions have also negotiated lower (second-tier) wages, benefits, or working conditions for designated work. As discussed in chapter two, CWA negotiated second-tier wages in order to gain jurisdiction over employees in AT&T's brand new call center operations.[7] While there is some scholarly

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[5] Jonathon P. Hiatt and Lee W. Jackson, "Union Survival Strategies for the Twenty-first Century," *Journal of Labor Research* 18:4 (Fall 1997): 487-501; Philip A. Miscimarra and Kenneth D. Schwartz, "Frozen in Time – The NLRB, Outsourcing, and Management Rights," *Journal of Labor Research* 18:4 (Fall 1997): 561-80; Stephen Lerner, Jill Hurst, and Glenn Adler, "Fighting and Winning in the Outsourced Economy: Justice for Janitors at the University of Miami," in *The Gloves Off Economy: Workplace Standards at the Bottom of the Labor Market,* eds. Annette Bernhardt, Heather Boushey, Laura Dresser, and Chris Tilley, (Champaign, IL: Labor and Employment Research Association, 2008). For an excellent discussion of the limitations of the NLRA framework for the modern fissured workplace, see Kate Andrias, "Constructing a New Labor Law for the Post-New Deal Era," in *The New Deal and Its Legacies*, eds Romain Huret, Nelson Lichtenstein, and Jean-Christian Vinel (Philadelphia: University of Pennsylvania Press, 2020). For a comparative study of union organizing in the fissured workplace in the U.S. and Norway, see Lucas Albert Franco, "Organizing the Fissured Workplace: The Fight to Cultivate Worker Power in an Era of Nonstandard Work," PhD diss., University of Minnesota, 2019. For a discussion of global unions' organizing in fissured workplaces, see Jan Drahokoupil, ed. *The Outsourcing challenge: organizing workers across fragmented production networks* (Brussels: European Trade Union Institute, 2015).

[6] Letter from Raymond Williams to CWA President Morton Bahr, May 27, 1989. The letter is printed in the 1998 CWA/AT&T Contract, May 10, 1998, 357.

[7] See chapter two, 113-119.

analysis of public sector unions' ability to leverage political power to thwart policymakers' decisions to contract out government work, the literature is sparse discussing private sector unions' contract campaigns to block or limit outsourcing their members work.[8] This chapter, therefore, makes a contribution to filling this gap.

Labor economists locate the beginning of the explosion of corporate subcontracting, franchising, third-party management, and outsourcing to the late 1980s and early 1990s as capital markets pressured companies to slash costs in order to increase value for investors. Many firms slimmed down to a very narrow set of what they considered their "core competencies," those that were the most profitable activities in the value chain. While advances in communications and information technology enabled this radical transformation of the employment relationship, it was changes in the nature of capital markets combined with weak labor market institutions and unions that allowed owners and shareholders to earn profits from financial engineering even as they frequently abandoned the actual production of goods and services through a web of outsourcing and franchising relationships.[9]

The fissured workplace represents the triumph of the financial over the managerial model of capitalism and the firm. In managerial capitalism, most famously

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[8] For a discussion of UAW 1997 contract negotiations over outsourcing, see Charles R. Perry, "Outsourcing and Union Power," *Journal of Labor Research* 18:4 (Fall 1997), 521-34. Scholars have documented union fights against capital mobility of manufacturing plants and multi-sourcing of supply chains as employer union-avoidance and labor cost saving strategies. These practices differ from fissuring in which core work functions are outsourced to a third-party vendor. For an early discussion of union struggles against capital mobility and multi-sourcing, see Barry Bluestone and Bennett Harrison, *The Deindustrialization of America* (New York: Basic Books, 1982), 164-179. For an analysis of capital mobility in the electronics industry, see Jefferson Cowie, *Capital Moves: RCA's Seventy Year Quest for Cheap Labor* (Ithaca NY: Cornell University Press, 1999).

[9] Weil, *Fissured Workplace*, 7-27; Kalleberg, *Good Jobs, Bad Jobs*, 27-39; Capelli et al, *Change at Work*, 32-40.

described by Alfred Chandler and practiced in the pre-divestiture monopoly Bell system, the purpose of the firm is to produce goods and services to generate profits and to reinvest retained earnings to improve productivity, profitability, and expand market share. Value is created, extracted, and distributed through the labor process; managers therefore rely on their workforce and share (to a greater or lesser degree) productivity growth with them. In the managerial system, the "visible hand" of managers coordinates the complex set of operations required for production and distribution of products and services within the firm.[10] As economist Ronald Coase explained in a famous 1937 essay, vertical integration of these diverse functions within the firm is more efficient than relying on market forces to allocate resources because such integration reduces substantial transaction costs.[11]

In contrast, the purpose of the firm in a financial model, as free-market economist Milton Friedman succinctly put it in his 1970 essay "The Social Responsibility of Business is to Increase Its Profits," is "to make as much money as possible" for the company's owners, which for public companies, is measured by the share price.[12] The financial model views the corporation as a collection of assets to be bought, sold,

[10] Alfred D. Chandler, Jr., *The Visible Hand: The Managerial Revolution in American Business* (Cambridge MA, Harvard University Press, 1977 generally and 195-206 (for discussion of AT&T organizational structure); Alfred D. Chandler, Jr. and Richard S. Tedlow, *The Coming of Managerial Capitalism: A Casebook on the History of American Economic Institutions* (Homewood, IL: Richard D. Irwin, Inc., 1985).

[11] Ronald Coase, "The Nature of the Firm," *Economica* 4 (1937): 386-405. Oliver Williamson built on this framework to develop a formal theory of transaction cost economics, adding the role of competitive forces in disciplining managers as they determine which functions are most efficiently handled within the firm and which can be performed through contractual relationships. Oliver Williamson, *The Economic Institutions of Capitalism* (New York: The Free Press, 1985), 273.

[12] Milton Friedman, "The Social Responsibility of Business is to Increase Profits," *New York Times Magazine*, September 13, 1970.

reengineered, and manipulated with the goal of increasing returns to shareholders. In the words of business scholar Shoshana Zuboff, "the logic of capitalism (has) shifted from the profitable production of goods and services to increasingly exotic forms of financial speculation."[13] Capital is mobile and seeks the highest return, selling off those assets that are mature and less profitable, disaggregating and outsourcing to domestic or offshore contractors with lower wages and labor standards those activities in the value chain that generate lower returns. Economic and management literature urges business leaders to focus on "core competencies" and to align the interests of top managers with shareholders through executive compensation tied to stock options. As a firm's financial success becomes less dependent on productive activity, managers increasingly view labor as another factor of production to be squeezed rather than a reciprocal relationship that could add value to the company. The logical extension of the financial turn is the outsourcing of larger and larger portions of the work producing goods and delivering services.[14]

The Telecommunications Act of 1996

The fight to block the AT&T and Bell Atlantic outsourcing initiatives that I describe in this chapter took place in the context of two major developments in the

[13] Zuboff, *The Age of Surveillance Capitalism* (New York: Public Affairs, 2019), 40-41.

[14] Rosemary Batt, "The Financial Model of the Firm, the 'Future of Work'" in *The Routledge Companion to Employment Relations*, eds. Adrian Wilkinson et al (New York: Routledge, 2012); Weil, *The Fissured Workplace*, 43-75; Daniel T. Rodgers, *Age of Fracture* (Cambridge: Harvard University Press, 2011), 41-76; Greta Krippner, *Capitalizing on Crisis: The Political Origins of the Rise of Finance* (Cambridge MA: Harvard University Press, 2011); William Lazonick, "Profits without Prosperity," *Harvard Business Review* (September 2014): 3-11; Gerald Davis, *Managed by the Markets: How Finance Reshaped America* (New York: Oxford University Press, 2009); Kalleberg, *Good Jobs/Bad Jobs*; Eileen Appelbaum and Rosemary Batt, *Private Equity at Work: When Wall Street Manages Main Street* (New York: Russell Sage Foundation, 2014).

communications sector during this period that profoundly impacted the market structure, business strategies, union power, and therefore the ability of CWA to bring the contracted work back in-house. Congressional passage of the Telecommunications Act of 1996 heightened competitive pressures and unleashed new business opportunities for both companies, while the emergence of new internet and wireless telecommunications services offered areas for growth as well as substitution for long-distance voice telephony.

The 1996 Telecommunications Act, the first major overhaul of the 1934 Communications Act, in the words of its preamble, aimed "to promote competition and reduce regulation in order to secure lower prices and higher quality services for American consumers and encourage the rapid deployment of new telecommunications technologies."[15] With its emphasis on competition driving innovation and lower consumer prices, the 1996 Act was a quintessential reflection of congressional acceptance of neoliberal faith in the market to drive investment and consumer benefit.[16] The legislation opened all communications sectors to competition, ending the market segmentation of the original 1934 Communications Act and the lines-of-business restrictions of the 1984 AT&T divestiture decree. The legislation allowed AT&T to enter

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[15] Telecommunications Act of 1996, Pub. LA. No. 104-104, 110 Stat. 56 (1996).

[16] The Telecommunications Act of 1996 did recognize the potential for market failure serving low-income customers, high-cost rural areas, and schools and libraries by establishing universal service mechanisms of subsidies for voice service to low-income households, operating subsidies to rural telephone companies, and subsidies to schools, libraries, and rural health centers. These universal service mechanisms, however, did not provide a mechanism to ensure investment in next-generation digital networks, leading to the market failure that is still prevalent today. See U.S. Code Section 254 (universal service). In 2021, more than 21 million U.S. households, largely in rural areas, do not have access to high-speed internet and almost one-third of American consumers do not subscribe to broadband, largely because of the high cost. FCC, *2019 Broadband Deployment Report*, GN Docket No. 18-238, adopted May 8, 2019, Fig. 1, para. 33.

the local service market. It gave the Regional Bell Operating Companies (RBOCs), including Bell Atlantic, a path to enter into long-distance contingent on opening their local bottleneck markets to competition. The legislation allowed telephone and cable companies into the others' former monopoly markets. Then Representative Edward Markey (D-MA), one of the main drafters of the legislation, believed that competition, particularly between cable and telephone companies, would bring the benefits of the digital age to all Americans.[17] Ironically, the 1996 Act, designed to "reduce regulation," required extensive regulatory intervention to inject competition in the local telecommunications sector. The Act held out the carrot of RBOC entry into long-distance but only after state and federal regulators certified, on a state-by-state basis, that the RBOC met a twenty-one point market-opening checklist that included reconfiguring the network, developing automated ordering systems, and extensive rate-setting by state commissions.[18]

AT&T and Bell Atlantic (and other telecommunications companies) responded to the Act's regulatory restructuring with corporate reorganization, setting off a dizzying wave of mergers, acquisitions, and new business ventures. In 1997, Bell Atlantic merged with NYNEX, the regional Bell company in New York and New England; in 1999, Bell

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[17] Edmund Andrews, "Communications Reshaped: The Overhaul; Congress Votes to Reshape Communications Industry, Ending Four Year Struggle," *The New York Times,* February 2, 1996.

[18] The Telecommunications Act of 1996 envisioned initial competitive entry into local markets through long-distance and cable company resale of service delivered by leasing all or portions of the RBOCs networks. Therefore, the legislation offered the RBOCs the carrot of entry into long-distance markets only after they demonstrated to federal and state regulators that they had opened their networks to interconnection through extensive investment in new ordering and provisioning systems. In addition, FCC and state regulators set the prices at which the RBOCs were required to lease access to their networks. Initially, these resale rates were set low based on a forward-looking methodology that assumed the most efficient network costs rather than the historic costs the RBOCs had sunk into their networks. 47 U.S.C. Section 271 (special provisions concerning Bell Operating Companies).

Atlantic began its entry into long-distance service; in 2000, the company combined with GTE, the largest non-Bell telecommunications company, to form Verizon Communications; and in 2006 Verizon fully integrated local and long-distance service with its purchase of MCI. AT&T divested its computer and equipment lines of business in 1996; bought and then sold a cable company in 1999 and 2002, respectively; launched a local service business in 1998; spun off its wireless subsidiary in 2002; closed its local service operation due to regulatory changes in 2004; and agreed to acquisition by SBC Communications, a former regional Bell company, in 2005.[19] (See Appendix Table 6 page 317.)

During this same period, the development of the commercial internet and auction of additional wireless spectrum spurred AT&T, Bell Atlantic, and other telecommunications companies to make aggressive investment in and marketing of internet and wireless services. Bell Atlantic used cash flow from its dominant local voice service to invest in digital networks and wireless technologies, while AT&T regarded its declining consumer long-distance service as a source of cash to bolster earnings as it tried to reinvent itself as an all-distance voice, video, and wireless company.[20]

In this hyper-competitive yet uncertain environment, Bell Atlantic call center managers looked for strategies to handle the sale and servicing of new products and more complex services, while AT&T customer service leaders looked for ways to cut costs in a rapidly declining consumer long-distance business. Management at both companies

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[19] AT&T and Bell Atlantic SEC Form 10-K, various years.

[20] AT&T 2000 Annual Report, March 19, 2001 (“Three years ago it was clear that technology and regulation would transform the telecommunications industry. AT&T had to act. We needed to move beyond long distance. So we improved the margins of our core business and used the cash flow to fund our own transformation.”). Bell Atlantic SEC Form 10-K for the year ended December 31, 1993, 5 (“Most of the funds for these [broadband network platform] expenditures are generated internally”).

strove to meet demands from investors to boost shareholder value by keeping a firm rein on expenses, particularly labor costs. For the AT&T and Bell Atlantic customer care managers, outsourcing by contracting with third party vendors offered attractive solutions to these business challenges. Call center vendors paid lower wages and few, if any, benefits, which lowered the largest variable cost (labor) of their customer service operations. Moreover, the contractual relationship could be structured to expand and contract as demand changed, providing flexibility to respond to fluctuating and unpredictable call volumes. Finally, contractors' employees do not show up in the employment numbers reported on financial statements. The downside of the vendor relationship, however, was loss of control over the quality of service, particularly when provided by a low-wage, higher turnover workforce; the added expense of contract management; the risk of poorly written contracts; and dependence on the outside vendor for knowledge of the costs and best practices of running the business.

Unlike most U.S. workers, call center employees at AT&T and Bell Atlantic did have a union to organize a fight against the fissuring of their jobs through outsourcing strategies. The long struggle of the majority female CWA customer service leaders and members to elevate their issues on the union agenda finally paid off as top union leaders made their battle against outsourcing a high priority. In the AT&T bargaining unit, the 10,000 CWA-represented call center workers comprised about one-fourth of all union employees at the company, where union density had fallen to 27 percent in 1999. Union density at Bell Atlantic remained high throughout this period. The 1998 Bell Atlantic merger with NYNEX, with its militant union-represented workforce, doubled the number of union-represented workers at the merged Bell Atlantic to almost 100,000, with union density at 69 percent.[21]

Losing the Battle against Outsourcing at AT&T

By the end of the twentieth century, the AT&T consumer business was in a struggle for survival, as market share and revenues in its core consumer business – the saturated long-distance voice market -- tumbled and the company struggled to enter the local telephony and consumer internet businesses. In 1999, the AT&T consumer line of business brought in $21.7 billion; five years later in 2004, consumer revenue plummeted to $7.9 billion, a 275 percent decline.[22] The sharp drop was due to a combination of factors, including substitution from wireless and e-mail, declining long-distance rates, and most important, RBOC entry into long-distance service, beginning in New York in late 1999 and expanding to every state by the end of 2003. The RBOCs found it relatively inexpensive to offer long-distance service and quickly expanded into this market.[23] In 2000, one year after Bell Atlantic entered long-distance service in New York, a full 20 percent of customers had signed up for its long-distance service, and by 2004 almost half were long-distance subscribers.[24]

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[21] AT&T SEC Form 10-K for the year ended December. 31, 2000; Bell Atlantic SEC Form 10-K for the year ended December 31, 2000.

[22] AT&T SEC Form 10-K for the years ended December 31, 2001 and December 31, 2004.

[23] The companies had relationships with almost every household and business in their local territories and, particularly after RBOC consolidation, could provide a significant portion of long-distance service on their own network at minimal additional cost. This was especially true in the Bell Atlantic region that included the large cities in the northeastern and mid-Atlantic United States.

[24] Verizon SEC Form 10K for the years ended December 31, 2000 and December 31, 2004.

In contrast, the economics did *not* work for AT&T entry into local service. It was too expensive to build local networks reaching every customer location across the country. Therefore, AT&T (and the other long-distance companies MCI and Sprint) provided local service through a resale strategy, leasing network access from the local RBOCs. Even though state and federal regulators initially established favorable regulated leasing rates, AT&T (and the other long-distance companies) were never able to capture a significant portion of the local service market. In 2004, when AT&T chose to abandon its venture into local service, the company had captured only 4.2 million subscribers to its local/long distance service bundle and only 1.2 million DSL internet customers.[25] In summary, in terms of the local/long-distance market, the Telecommunications Act proved a boon to the RBOCs once they were allowed into long-distance service (in the 1999-2002 period), but a bust for the long-distance companies that could not break into the local market.

Facing these financial challenges in its consumer line of business, AT&T adopted a fissuring strategy by outsourcing a portion of its long-distance customer service operation beginning in 1999. The frontline customer service representatives in the AT&T consumer call centers, with the job title of account representative, began to see more and more notations in customer records of calls handled by outside contractors, and local union leaders saw employment decline in the consumer call centers with corresponding drop in the number of union members in their locals. The account representatives noticed that a company called Convergys was a lead vendor. Convergys' roots go back to the

[25] AT&T SEC 2005 Form 10-K for the year ended December 31, 2004. It was only in the mid- to late-2000s that wireless and cable succeeded in challenging the Bell companies' dominance in voice service, while cable emerged as the dominant provider of broadband Internet service.

period right after divestiture, when AT&T set up a call center in Jacksonville, Florida to answer shareholders' stock ownership inquiries. Within a few years, those calls declined, and AT&T turned the call center into a telemarketing subsidiary named TransTech (also called AT&T Solutions) that contracted in work from other firms with primary staffing through temporary agencies.[26] In 1998, AT&T sold TransTech to the telemarketing firm Convergys.[27] The purchase agreement required AT&T to buy $300 million in annual customer care services from Convergys over the next eight years (through 2006), giving Convergys the right of first refusal over any other vendor. Therefore, as AT&T consumer managers looked to save costs, outsourcing to Convergys filled a significant portion of the company's $300 million subcontracting obligation.

Because AT&T's consumer customer service operation operated on a national call distribution system, any union effort to reduce the company's outsourcing of its members' jobs had to be addressed by the national union. Therefore, as CWA members in the call centers pressured local union leaders to do something to protect their jobs, local leaders elevated the issue to Ralph Maly, CWA vice president with responsibility for the nationwide AT&T bargaining unit. Maly had limited options for fighting the outsourcing, since the AT&T contract only banned contracting out work if the practice

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[26] In 1995, CWA supported TransTech employees seeking union representation for the 700 workers employed directly by the company (another 4,300 workers in the TransTech call center were employed by temporary agencies.) AT&T waged an anti-union campaign and CWA lost the election. CWA Memo from Morton Bahr, President and James Irvine, CWA Vice President, to All C&T Local Presidents re Special Alert for Stewards Mobilization, February 2, 1995, CWA Organizing Department Archives.

[27] Convergys was formed in 1998 from the merger of AT&T's TransTech and two other telemarketing firms, Mattrixx Marketing and Cincinnati Bell Information Services. By 2001, Convergys reported forty-seven call centers and 46,000 employees. Convergys SEC Form 10-K for the years ended December 31, 1998 and December 31, 2001.

caused actual lay-offs or turned full-time into part-time work.[28] Because of high turnover in the call centers, AT&T reduced the number of employees through attrition and did not hire new employees to backfill the vacated positions; the contract language therefore was not applicable.

Maly reached out to William Stake, Vice President of AT&T Sales and Customer Care, with demands to stop the contracting out of CWA members' call center work. Stake was a thirty-year veteran at AT&T who had years of experience working with the union, most recently as the manager in charge of the successful labor-management Workplace of the Future business customer care transformation project.[29] Stake proposed, and the union accepted, creating a union-management Consumer Sales and Service Center (CSSC) Subcontracting Committee to explore mechanisms to "maintain and grow bargaining unit work while maintaining the competitiveness of AT&T Consumer."[30] As Stake later explained, "we were headed in the wrong direction, there was too much emphasis on cost reduction and we were losing sight of the customer. I was trying to balance these two things: we want to preserve the experience for the high-value customer, and the low-value customers are going to have to suffer in order to bring down the unit cost in total." Stake acknowledged that the business unit may have gone too far in subcontracting out so much of the consumer call center operation.[31]

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[28] Bahr/Williams Letter.

[29] See chapter four, 206-218.

[30] CWA CSSC Proposals, "CWA Proposals to Maintain and Grow Bargaining Unit Work while Maintaining the Competitiveness of AT&T Consumer," December 5, 2001, AT&T Contracting 2000 folder, CWA Research Department.

[31] William Stake interview with author, August. 21, 2014.

Stake and CWA Vice-President Maly chaired the CSSC Subcontracting Committee. Committee members included union leaders from the consumer call centers and managers who worked in Stake's consumer care operation.[32] AT&T provided the committee with detailed information and analysis regarding call volumes, cost, quality, and employment at the in-house and outsourced call centers, as well as funding for the union to hire its own financial expert, Randy Barber.[33] The committee functioned over a four-year period, from its initial meeting in 2001 until 2005, when SBC Communications purchased AT&T (and renamed the merged company AT&T).

At the first committee meeting in August 2001, AT&T presented a detailed report on CSSC subcontracting. At that time, CWA represented 5,259 call center employees working in eleven consumer centers across the country, down from 7,554 employees two years earlier, a loss of almost 2,152 in-house positions.[34] CSSC subcontracting had grown substantially over this two-year period, from 830 full-time equivalent (FTE) employees to

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[32] Union committee members were Colleen Dowling (Local 6450, Lee's Summit, MO), Annie Rogers (Local 7050, Mesa, AZ), Billie Gavin (Local 6150, Dallas TX), Clarence King (Local 6143, San Antonio, TX.), Martin Quintanilla (Local 6733, El Paso, TX), Gary Allen (Local 1051, Fairhaven, MA), and Lois Grimes and Jerry Klimm, CWA staff representatives. The author and financial consultant Randy Barber provided research support to the union. Company members included Steve Leonard, Joe Scuderi, and Joan Gallagher.

[33] Randy Barber was an early advocate of union leveraging of their pension funds as a source of power. Jeremy Rifkin and Randy Barber, *The North Will Rise Again: Pensions, Politics, and Power in the 1980s* (Boston: Beacon Press, 1978.) See discussion of early proponents of labor union pension activism in Sanford M. Jacoby, *Labor in the Age of Finance: Pensions, Politics, and Corporations from Deindustrialization to Dodd-Frank* (Princeton NJ: Princeton University Press, 2021).

[34] The headcount figures in the AT&T internal consumer centers are from "Headcount: Internal v External 1999-2001 spreadsheet," AT&T Contracting 2000 folder, CWA Research Department. In footnote 16 above, I cite a figure of 10,350 union employees at AT&T consumer in the year 2000. AT&T consumer included operators, telemarketing centers, and other union-represented employees in addition to the CSSC call center employees. The eight consumer call centers handling calls regarding domestic service were located in Lee's Summit, MO., Dallas, TX., Mesa, AZ., Sacramento CA., Kansas City, KS., Fairhaven, MA., Charleston WV, and Pittsburgh, PA; the three call centers handling calls for international service were in New York City, NY, San Antonio, TX, and El Paso, TX.

4,204 employees in 2001. If AT&T had kept the work in-house, union employment in the CSSCs would have grown, not contracted, by about two-thousand positions. A full 65 percent of long distance call volumes were handled by fifteen U.S. based vendor call centers. The AT&T in-house centers took all of the more complex calls regarding the emerging local service business, but since the long-distance call volume dwarfed local service, the outsourced call centers handled a full 50 percent of all calls to the AT&T consumer business.[35]

AT&T explained to the committee that the main metric the business used for cost comparison was a cost per call calculation, determined by taking the total expense allocated to a call center divided by the number of calls handled by that center. According to this metric, the cost per call at the internal (in-house) sites exceeded the external (vendor) sites by as much as 34 percent. AT&T predicted that the gap would widen to about 40 percent by the end of the year as the company renegotiated its vendor contracts.[36] AT&T highlighted high absentee rates averaging about 14 percent among in-house call center employees, with a trajectory to cost the in-house channel $16.1 million in expense in 2001. In contrast, vendors did not have absentee expenses, since their employees were not entitled to sick pay, and could be fired at will, with no union contract to protect them.

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[35] The vendor call centers were all located in the United States and were operated by Convergys (seven centers), Aegis (three centers), Precision Response Corporation, and TCIM. CWA analysis, "Headcount: Internal v External, 1999-2001," September 27, 2001; CWA analysis, "Call Volume, By Type and Channel, Jan. 1999-Jan. 2004, March 22, 2004," AT&T Contracting 2000 folder, CWA Research Department.

[36] CWA Analysis, "Impact of On-Line/Off-Line and Cost/Quality Adjustments on Unit Cost Differential between Internal and External Sites," November 8, 2001, AT&T Contracting 2000 folder, CWA Research Department.

Union committee members challenged AT&T's cost per call calculation with two major objections. First, they argued that the comparisons were not apples to apples because the in-house call centers handled more offline paper work than the external centers, thereby increasing the cost per call in the in-house centers. Second, the union believed that in-house employees provided better quality service which could be quantified and thereby narrow the cost differential with the external centers. AT&T conducted further analysis into these issues. The company calculated the annualized costs to the business of the lower vendor service performance at $44 million.[37]

But even with the $44 million quality adjustment, outsourcing delivered a significant savings to the business during this period of declining call volumes and revenue. While the union representatives felt some vindication that the analysis provided solid documentation of the in-house quality difference, this was not enough to convince AT&T to bring the low-value long-distance calls back in-house. CWA asked its consultant to conduct further analysis, adjusting the unit cost differential for the higher rates of offline paperwork performed at the internal centers.[38] AT&T provided CWA consultant Barber with detailed site specific data to use in his analysis. Barber's analysis found that employees at internal centers spent 17 percent more of their work hours doing off line paperwork than employees in external centers. Adjusting the unit cost differential for both higher internal site quality and more time spent offline, Barber calculated a 17 to

[37] Four factors explain the higher service quality in the in-house centers: in-house employees had higher rates of first call resolution (e.g. service representatives resolved the customers' problem on the first call), higher rates of bridge to sale (e.g. turning a service call into a sale), higher rates of recovery of unpaid bills, and lower rates of inappropriate transfers.

[38] The company booked the time that in-house representatives spent on follow-up paperwork as an expense in the numerators of the "cost per call" calculation, thereby boosting the "cost per call" ratio.

20 percent cost per call differential between internal and external centers.[39] This certainly closed the cost gap somewhat, but not enough.[40]

To close the remaining unit cost gap, CWA presented a detailed proposal to AT&T designed to achieve the mission of the CSSC Subcontracting Committee "to maintain and grow bargaining unit work while maintaining the competitiveness of AT&T Consumer." The union was on the defensive, essentially negotiating from a position of weakness. The proposal indicates how far the union was willing to go in order to protect jobs, offering concessions that would have been unacceptable in a more stable period. CWA offered to accept a lower-wage, temporary job classification to handle customers with low monthly charges ($10-$25/month), but only if the company agreed to set a baseline of permanent employees at the current headcount level and move the temporary employees to the higher-wage permanent position as headcount dropped through attrition.[41] CWA also suggested adopting a team-based incentive pay that would reward sales and good attendance. To further address the absenteeism issue, the union proposed a range of wellness policies. In addition, CWA recommended creating a union/company committee to redesign the customer service job along cross-functional lines, giving all representatives time offline for stress relief and variety, which the union suggested would

[39] CWA Analysis, "Impact of On-Line/Off-Line and Cost/Quality Adjustment on Unit Cost Differential between Internal and External Sites," November 8, 2001, AT&T Contracting 2000 folder, CWA Research Department.

[40] The in-house centers did not always operate at full capacity. Barber calculated that increasing the call volume to full capacity in the internal centers by 10 percent (making more efficient use of sunk resources) would further reduce the unit cost by half, bringing the internal v external gap to 8.5 to 10 percent. CWA, "Union Proposals to Maintain and Grow Bargaining Unit Work While Maintaining the Competitiveness of AT&T Consumer," December 5, 2001, AT&T Contracting 2000 folder, CWA Research Department.

[41] A full 34 million of AT&T's 45 million (76 percent) consumer long-distance customers spent less than $25 on their monthly bill. "AT&T Long Distance Customers and Revenues Bands spreadsheet," November 8, 2001, AT&T Contracting 2000 folder, CWA Research Department.

help reduce absenteeism. Finally, CWA urged reduction in management and overhead costs and proposed accounting changes to further reduce the cost gap.[42]

AT&T's Stake rejected the union's insourcing proposal because it did not, in his view, provide the savings that he needed to remain cost competitive. "We are still very far apart on closing the expense gap that exists between the internal and external sites," he wrote to CWA's Maly. He rejected the suggestion that increased internal center call volumes or the second-tier wage proposal could reduce the cost differential, which he expected would widen in 2002 due to renegotiated vendor contracts. Because the union proposals did not close the unit cost gap, Stake explained that he could not "justify bringing work into the internal centers." However, the AT&T vice president responded positively to the other three union suggestions, and agreed to create subcommittees to address absence/wellness policies, job redesign, and incentive pay proposals. "But please understand," Stake warned, "that until we can quantify the benefits these initiatives might bring to the business, we cannot include them in our unit cost gap analysis."[43]

Over the next three years, union/management subcommittees worked together to develop and analyze the results of various pilot initiatives in job redesign, wellness policies, and incentive pay. The subcommittees worked diligently to design pilot projects and to evaluate the impact on sales, quality, absence, and unit cost. While the pilots showed some improvements, and the frontline account representatives especially liked the job redesign, the results were not sufficient to overcome AT&T management's laser

[42] "AT&T Long Distance Customers and Revenues Bands spreadsheet;" "Union Proposals."

[43] Letter from William A. Stake, Vice President – Sales & Customer Care, AT&T Consumer to Ralph Maly, CWA Vice President, December 13, 2001, AT&T Subcontracting 2000 files, CWA Research Department.

focus on cost as call volumes continued to drop at a rapid clip. The results of the trials did not convince AT&T to insource more work.[44]

Closing the unit cost gap became even more challenging after December 2002, when Convergys convinced AT&T to route calls to Convergys call centers in New Delhi and Bangalore India where labor costs were significantly lower than at the domestic outsourced centers. The cost savings were significant, and within three years, 42 percent of AT&T calls were being offshored to call centers in India, Canada, Mexico, the Philippines, and Panama.[45]

The transition from domestic to offshore outsourcing marks an important moment in the evolution of the call center industry, in general, and the customer service operation by telecommunications companies. The process was driven by the call center vendor Convergys in its search for cheap labor to gain competitive advantage over other call center companies located within the United States borders. Other vendors followed giving birth to what is today a global call center industry. The nature of the industry both facilitates and poses unique challenges in offshoring. On the one hand, in contrast to factory production, there are few sunk capital costs associated with opening a call center, giving call center vendors great flexibility in location decisions. On the other hand, customer contact work requires language skills and cultural understandings, challenges

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[44] The job redesign subcommittee trialed a cross-functional team in the Dallas TX and El Paso TX call centers in 2003. Account representatives spent a portion of every day on the phone and a portion offline doing follow-up paperwork. There were small performance improvements, but AT&T did not continue the pilot. The wellness committee trialed a four-day work week that led to some reduction in absenteeism. The sales incentive committee piloted an incentive pay initiative that paid account represemtatives a bonus for every sale in addition to the base wage. See various subcommittee reports, AT&T Contracting 2000 folder, CWA Research Department.

[45] "May-Current Offered spreadsheet," February 3, 2005, AT&T Subcontracting 2000 folder, CWA Research Department.

that can frustrate customers and that continue to plague offshore call centers. In those early days of global offshoring, AT&T was willing to subject its low-revenue customers to these potential frustrations because the cost advantages were so appealing.[46]

AT&T call volumes continued to plummet. In just three and one-half years, from summer 2001 to January 2005, long-distance monthly call volumes dropped from 4.1 million to just 721,000, a decline of 3.4 million calls per month. Local service calls took a nosedive in early 2005 after the Federal Communications Commission (FCC) issued a ruling that raised the wholesale rate for the resale platform, effectively killing the local resale market.[47] AT&T monthly local service calls fell from 1.3 million in June 2001 to 721,000 over this same period. In sum, AT&T consumer call volumes declined during this period by 300 percent, from 5.4 million to 1.5 million calls per month. By 2005, AT&T had closed several internal call centers, including the Mesa, Arizona mega-center that once employed several thousand account representatives, and reduced the internal CSSC workforce by more than two-thirds.

In the end, CWA could not convince AT&T that the company could fulfill the CSSC's mission to "grow bargaining unit jobs" during a period in which the company failed "to maintain the competitiveness of AT&T Consumer." AT&T maintained a roughly 50/50 ratio in its distribution of calls to internal and external call centers

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[46] I discuss CWA strategies to build solidarity with call center workers in the Philippines, Dominican Republic, and other offshore locations in the conclusion. There is significant literature on the global call center industry. A good discussion of the challenges global call center outsourcing poses for U.S. and German unions is Virginia Doellgast, *Disintegrating Democracy at Work: Labor Unions and the Future of Good Jobs in the Service Economy* (Ithaca: Cornell University Press, 2012), 122-179; See also Batt et al., "The Globalization of Service Work: Comparative International Perspectives on Call Centers," *Industrial and Labor Relations Review* 62:4 (2009): 453-488.

[47] FCC, *Unbundled Access to Network Elements Order on Remand*, WC Docket No. 04-313, December 15, 2004 (adopted).

throughout this period. The union could claim a partial, though still bittersweet victory; as call volumes declined, AT&T reduced the number of calls sent to vendors in order to maintain the 50/50 internal/external ratio.[48]

In the years after passage of the 1996 Telecommunications Act, AT&T management failed to adapt a winning corporate strategy to take advantage of new growth opportunities. AT&T management squandered resources on a failed venture into the cable business, buying and then selling its cable division to Comcast three years later. AT&T sold off its wireless business, the fastest growing sector of the communications industry. In the end, AT&T saw no path to success, and in January 1, 2005, SBC Communications, one of the former regional Bell companies with a CWA-represented workforce, agreed to acquire AT&T for $16 billion. November 18, 2005 signaled the end of an era for what was once considered "the biggest company on earth."[49] CWA local union leaders took to wearing a T-shirt with the slogan "AT&T: We built it, management destroyed it."[50]

Blocking Outsourcing at Bell Atlantic

In contrast to the experience at AT&T, CWA largely succeeded in blocking Bell Atlantic's initial foray into fissuring its call center work through outsourcing. Beginning in fall 1997, Bell Atlantic consultants (the service representative title adopted by Bell

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[48] "AT&T, Current Offered Spreadsheet" (for February 2005 data) and CWA spreadsheet, "Call Volume, by Type and Channel, Jan. 1999-Jan 2004," March 22, 2004 (for June 2001 data); CWA Headcount spreadsheet, nd, AT&T Subcontracting 2000, CWA Research Department. Between 1999, AT&T consumer revenue nosedived from $21.7 billion to $7.9 billion. AT&T SEC Form 10K for the years ended December 31, 2000 and December 31, 2005.

[49] The reference comes from Sonny Kleinfeld, *The Biggest Company on Earth: A Profile of AT&T* (New York: Holt, Rinehart and Winston, 1981).

[50] T-shirt in author's possession.

Atlantic a few years earlier) notified CWA local leaders that they observed notations in customer records that third-party vendors were performing some of the work of CWA-represented employees. Sandy Kmetyk, whom we met in chapter one and who was now president of the statewide customer service local 13500 in Pennsylvania, and Victoria Kinzer, secretary-treasurer of the local, identified several contractors who were selling toll (long-distance) service, responding to toll inquiries, and performing disconnect functions, at wages as low as $6 per hour with few benefits. The union leaders were especially concerned about an entity called Bell Atlantic Plus that they reported was selling wireless, paging, internet, second lines, and vertical features such as caller ID.[51] Upon further research, the union learned that Bell Atlantic had created Bell Atlantic Plus as a non-union Bell Atlantic subsidiary with a large call center in Hampton, Virginia that opened in the summer of 1997 with more than 700 employees, with plans to grow by another 200 workers. According to a Bell Atlantic press release, the center was designed to provide one-stop shopping to customers to meet all their telecommunications needs, including wireless, internet, and (upon state approval) long-distance service. Bell Atlantic explained that it opened the center in direct response to the market-opening 1996 Telecommunications Act. "Bell Atlantic Plus is a direct outcome of the Telecommunications Act of 1996 which opened the local market to competition," Bell Atlantic Plus marketing vice president Mary Ellen Payne stated in a press release

[51] Memo from Victoria Kinzer and Sandra Kmetyk to Kris Raab, CWA Research Economist, October 31, 1997, CWA Research Department files. Other telemarketing vendors identified in the memo include Intermedia Telemarketing, Telespectrum, Faneuil, and Equitel. Telespectrum was a leading telemarketing vendor, with 6,100 employees in thirty-one call centers in eleven states. Faneuil Group had 900 employees in four states and Canada. Inter-Media had 1,500 employees in nine call centers in Pennsylvania and South Carolina. CWA spreadsheet, "Top Inbound Call Center Companies (1998)," compiled from data in *Call Center Solutions*, CWA Research Department.

announcing the opening of the call center. "Freedom to choose brings with it enormous complexities for the busy consumers…By integrating our services, we intend to make telecommunications shopping simple and easy."[52]

CWA union leaders and activists were incensed by the creation of Bell Atlantic Plus, particularly in light of the company's rejection a few years earlier of the job redesign proposal (discussed in chapter four) that would have paved the way for the one-stop shopping that Bell Atlantic now planned to locate in a non-union subsidiary.[53] In the fall of 1997, several hundred CWA activists from around the country who had come to Williamsburg, Virginia for the annual CWA customer service conference rallied outside the Bell Atlantic Plus call center in nearby Hampton, Virginia to let company executives know that the fight to shut the subsidiary down and bring that work in-house was a top union priority.[54]

As CWA prepared for 1998 contract negotiations with Bell Atlantic, the first since passage of the 1996 Telecommunications Act and merger with NYNEX, the union made gaining union representation over Bell Atlantic's growing wireless, internet, and long-distance lines of business a top priority. CWA leaders understood that this was a critical moment to fight for union jurisdiction over the new lines of business.[55] While 80 percent of Bell Atlantic revenue came from local service in 1998, the union was well

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[52] Bell Atlantic News Release, "New Bell Atlantic Company Brings 'Megacenter,' 700 New Jobs to Virginia; One-Stop Shopping for Anything from Cellular to Internet Access," March 27, 1997 reproduced in CWA Manual, "Bargaining for Our Future: 1998 Bell Atlantic Mobilization," Spring 1998, 3-6 to 3-7.

[53] See chapter four, 218-225.

[54] Author's personal recollection as an observer at the rally; Carol Summerlyn interview with author, May 12, 2021.

[55] For a discussion of the CWA campaign to win organizing rights at Southwestern Bell Mobility Systems see chapter three, 178-190

aware that this would shift in the future as wireless and digital technologies eclipsed voice telephony. This was the moment for the 100,000 union members at the new Bell Atlantic to join together to mobilize in a contract fight to "bargain for the future," the name CWA leaders gave to its 1998 contract campaign. The CWA education mobilization manual for the campaign explained that "Bell Atlantic is pursuing a strategy of union-containment – isolating the union to representing workers in the traditional 'Plain Old Telephone Service' (POTS) segment of the business, while new fast-growing services such as wireless and Internet will remain non-union…If Bell Atlantic's strategy of union containment succeeds, CWA will represent an ever-shrinking percentage of Bell Atlantic's workforce, and the union's power to negotiate good contracts will weaken, making it harder and harder to protect our standard of living."[56]

The CWA education and mobilization manual included projections for wireless and internet growth, and also highlighted the threat that Bell Atlantic Plus posed to the future of the customer service side of the union. This represented a significant development, reflecting the growing importance and political power of the customer service members within the union. CWA had long opposed contracting out technician work; now it added opposition to outsourcing call center jobs. The manual told the story of the closing of a Bell Atlantic accounting center in suburban Philadelphia. Even though there were several Bell Atlantic subsidiary work locations nearby, the displaced union members were not allowed to transfer to them. "Had those subsidiaries been organized," the manual recounted, "workers would not have been faced with painful choices, like the

[56] CWA, "Bargaining for Our Future: 1998 Bell Atlantic Mobilization," CWA Research Department.

single parent with 28 years' seniority who had to uproot her family and follow her job or else lose her eligibility for full pension benefits."[57]

In the summer of 1998, CWA leaders received even more troubling news about Bell Atlantic Plus from Melissa Morin, president of local 1400 in New England and a long-time national leader of the CWA customer service annual conference. Morin reported that Bell Atlantic was now transferring the accounts of customers who purchased any service from a Bell Atlantic Plus service representative, such as wireless, internet, long-distance, or a vertical feature such as caller ID, to be handled by Bell Atlantic Plus. CWA-represented consultants in the Bell Atlantic call centers would no longer handle these accounts, even for traditional voice telephony services, long sole jurisdiction of union-represented consultants. This development meant that Bell Atlantic was moving its highest value customers, those who purchased multiple bundled services from the company, to Bell Atlantic Plus.[58] This posed a major threat to the CWA-represented workforce in the call centers.

In 1998 contract negotiations, CWA President Morton Bahr made the fight to block the outsourcing of work to Bell Atlantic Plus a top priority. In a July 1998 letter to Donald J. Sacco, Bell Atlantic executive vice president for human resources, Bahr wrote that the Bell Atlantic Plus issue "must be resolved if a contract of any duration is to be reached peacefully." He made a forceful critique of the Bell Atlantic strategy which he summarized as a plan "to take about 10 percent of the best customers and move them to

[57] CWA, "Bargaining for Our Future: 1998 Bell Atlantic Mobilization."

[58] Author's notes on conversation with Melissa Morin about Bell Atlantic Plus, June 6, 1998, CWA Research Department.

Bell Atlantic Plus." First, he stated, "there is just no way that we will ever consent to moving our work to another subsidiary with lower wages and benefits." And second, he argued, "it is just bad business strategy. When the company makes mistakes we lose jobs…[T]here is an industry consensus that a bundled bill is very valuable…But placing your best customers at the mercy of high turnover, low paid workers doesn't make much sense. It would make more sense to serve these premier customers with your best, most experienced employees." Bahr cited evidence from a CWA survey that showed that not a single other RBOC had adopted this strategy. "US West already tried this," he wrote. "They now have the work performed in the core company and estimate they have a 35 percent overall savings."[59]

As the contract expiration deadline approached on August 8, the parties were still far apart, and CWA members from New England to Virginia went on strike. The walk-out lasted only two days, leading to a significant CWA victory not only on wages and benefits, but also, in the words of the CWA press release announcing the end of the short strike, "extending union representation over jobs on the information highway." In a bargaining report on the settlement, CWA leaders noted that the "crown jewel" of the contract was the provision that ensured CWA members would perform all work related to internet, DSL, video services, alarm monitoring, and long distance. Bell Atlantic agreed to transfer all Bell Atlantic Plus accounts to CWA-represented call centers by March 30, 1999. In addition, the company agreed that CWA-represented employees would sell and

[59] Letter from Morton Bahr, CWA President, to Donald J. Sacco, Bell Atlantic Executive Vice President for Human Resources, July 15, 1998, Dina Beaumont files, CWA Research Department.

service all bundled items that include services, such as voice telephony, that had historically been serviced or sold by CWA-represented employees.[60]

The 1998 CWA and IBEW mobilization of its tens of thousands of members in support of the contract campaign and the two-day strike came at a time when Bell Atlantic was eager to avoid an extended labor confrontation. Having recently announced its $65 billion merger with GTE Communications, the largest non-Bell telecommunications company, Bell Atlantic was focused on regulatory approval in twenty-seven states, the FCC, and the Department of Justice. In this context, the company was willing to concede to the union's demands for jurisdiction over all services delivered over its wireline network.

There was one gaping hole in the 1998 "jobs of the future" agreement. The company refused to extend neutrality/card check recognition to Bell Atlantic Mobile, the company's fastest growing subsidiary. (Under a neutrality/card check agreement, the company agrees to remain neutral in any organizing campaign and to recognize the union when a designated percentage of employees sign cards certified by a neutral third party in support of union representation.) There is some controversy regarding this omission. According to CWA President Bahr, Ivan Seidenberg, then Bell Atlantic vice chairman and heir apparent to replace Chairman Raymond Smith, asked Bahr to wait until the 2000 contract negotiations at which time as CEO he would agree to card check and corporate neutrality in any Bell Atlantic Mobile organizing campaign. According to Bahr, "we

[60] CWA Press Release, "CWA Ends Strike at Bell Atlantic With Settlement Extending Union Recognition Over Jobs on the Information Highway," August 11, 1998; CWA Bell-Atlantic South Regional Report #30, August 11, 1998; CWA/Bell Atlantic Memorandum of Agreement, August 11, 1998, 1998 Common Issues Bell Atlantic Memorandum of Agreement Notebook, CWA District 2 Office.

reached a verbal agreement."[61] Winning organizing rights at Bell Atlantic (renamed Verizon) wireless would become a major strike issue in the next round of bargaining two years later.

The market-opening Telecommunications Act of 1996 intensified competitive pressures in the telecommunications industry, driving call center managers at both AT&T and Bell Atlantic to adopt "fissuring" policies to cut costs, gain flexibility, and avoid adding to their employment headcount. The 1996 Act proved a death sentence for AT&T and other long-distance companies, as the barriers to entry into local markets proved too steep to replace the precipitous drop in long-distance service. CWA simply could not prevent AT&T's race to the lowest-cost solution as the company struggled, ultimately unsuccessfully, to survive. The union's twenty-year battle to save good jobs at AT&T ended in November 2005 when SBC bought what was once the iconic AT&T.

In contrast, CWA succeeded in blocking Bell Atlantic's foray into call center outsourcing and winning jurisdiction over all but wireless lines of business before competition eroded the union's substantial membership strength in what was still the company's core business, local telephony. Yet, the fight for job security at what would become Verizon Communications after the GTE merger would continue as the merged company's focus on maximizing shareholder value continued to press call center workers to do more with less. CWA customer service members and the local leaders who represented them were prepared to make stress relief a top priority in the 2000 round of

[61] Morton Bahr email communication to author, December 4, 2016.

bargaining, and discovered a sympathetic public would support them even as they walked off the job to win good working conditions in the call centers.

Chapter 6. Striking for Stress Relief against Verizon, 2000

On August 6, 2000, 87,000 workers from Maine to Virginia walked off the job in an eighteen-day strike by CWA and IBEW against Verizon Communications, the new company formed from the recent merger of Bell Atlantic and GTE. Dubbed by *The New York Times* as a strike over "the new economy," CWA and IBEW members walked the picket lines, not over economic disputes, but over three key issues: stress relief in the call centers; organizing rights at Verizon Wireless, the fastest growing segment of the company; and employment security. The reporter took notice of an "old economy" telephone workforce taking a stand for issues he considered characteristic of the "new economy," namely high technology jobs in the emerging wireless sector, stress in the automated call centers, and employment security in an age of global capital mobility. When the strike settled, the unions claimed victory on all three fronts with a card check/neutrality agreement covering organizing at Verizon Wireless; strict contractual limits on transfer of work from the east coast to lower-cost locations in the national Verizon footprint; and most relevant to this study, a stress relief package that the union and its customer service members hailed as a high point in their struggle to win humane conditions and job security in the call centers.[1]

While labor historians have largely ignored this "giant victory for labor," as one commentator described the strike outcome, in their discussion of the demise of work stoppages since the 1980s, the successful strike of 87,000 Verizon workers in nine states

[1] Simon Romero, "Labor Accord Hits New Economy," *The New York Times*, August 22, 2000, C1; CWA PowerPoint, "Verizon 2000 Bargaining: A Giant Victory for Labor," presumably fall 2000, CWA Research Department Archives Box 9124104 (hereafter CWA Verizon 2000 PowerPoint); 2000 Common Issues Memorandum of Understanding between Verizon and Communications Workers of America, Commercial Stress Relief Package, August 13, 2000, Bell Atlantic 2000 bargaining folder, CWA Research Department.

and Washington, D.C. in the year 2000 stands as a significant achievement.[2] Building and maintaining solidarity among two different unions (CWA and IBEW) that were negotiating contracts for seven different regional bargaining units organized into seventy-one different locals posed particular challenges.[3] Why were the CWA and IBEW workers and their union in the year 2000 able to wage a victorious work stoppage against the tenth largest corporation in the United States, one with $65 billion in annual revenue?[4] Did the structure of the telecommunications industry and Verizon's place within it make the company particularly vulnerable to a work stoppage? What role did worker and union agency play in pulling off this successful strike? In this chapter, I argue that both the structure of the telecommunications industry in which Verizon operated in the year 2000 and the high level of union internal education, mobilization, and organization – solidifying militancy and unity among the diverse labor force – were critical to the success of the work stoppage.

This chapter also focuses on a set of questions that highlight the major theme of this dissertation: under what conditions were call center workers and their union able to

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[2] Aaron Brenner, Benjamin Day, and Immanuel Ness (eds.), *The Encyclopedia of Strikes in American History* (Armonk, N.Y.: M.E. Sharpe, 2009) does not include the CWA/IBEW strike against Verizon in 2000 in its strike timeline, nor does it include other CWA strikes (New York Telephone in 1971, AT&T in 1983 and 1986, NYNEX in 1989, Southern New England Telephone in 1998, US West and Bell Atlantic in 1998). Jeremy Brecher's *Strike! Revised and Expanded* (Oakland, CA: PM Press, 2004) also ignores CWA strikes.

[3] The seven bargaining units included the CWA contracts with 1) Verizon North (formerly Bell Atlantic North in New York and New England), 2) Verizon Mid-Atlantic (formerly Bell Atlantic South in New Jersey, Pennsylvania, Delaware, Maryland, Virginia, West Virginia, and Washington DC), 3) and 4) two small CWA construction units, 5) a CWA unit of about one hundred workers at Verizon Wireless in New York City, and 6) an IBEW units in New Jersey (covering technicians) and 7) an IBEW unit in New England (covering technicians, operators, and a small group of service representatives). CWA Verizon 2000 PowerPoint.

[4] Fortune 500 online archive https://archive.fortune.com/magazines/fortune/fortune500_archive/full/2001/.

turn resistance to the stressful conditions at work into lasting change? Striking for stress relief is the ultimate form of collective worker resistance. Customer service workers, many of whom were single mothers, and others who had little economic cushion, sacrificed their weekly paycheck in order to alleviate the arduous conditions in their workplaces. How did this majority female workforce build unity across multiple work locations and with the predominantly male technicians who dominated the union in order to elevate and keep their issues on the strike agenda, and why did their employer capitulate to most (though not all) of their demands in order to end the strike? I argue that three factors were critical. First, with the introduction of competition into the local communications market in the wake of passage of the Telecommunications Act of 1996, the customer service representatives occupied a strategic position critical to the success of the business. Second, the customer service workers, after many years of networking, organizing, and running for local union offices, had amassed substantial power and influence within their union. Third, the service representative issues – single mothers being forced to work last-minute mandatory overtime with no one to pick up their children from day care and workers who could not take the time needed to respond to customers' needs – tapped into the general public's anger over poor customer service and frustrations in finding work and family balance. All this came together in the 2000 strike.

Yet, while the stress relief agreement went farther than any previous settlement in protecting workers from the worst managerial abuses in the call centers, it left in place the basic work organization and technology systems that allowed the company to control work processes and the pace of work. Thus, this pathbreaking stress relief package tells us not only the power of collective worker resistance to the degradation and dehumanization of their work lives, but also the boundaries of collective worker power over job control and working conditions in the technology-driven twentieth century call center environment within the context of the neoliberal U.S. political economy.

Scholars have documented a precipitous decline in union strike activity since the early 1980s. Labor work stoppages are down from an annual average of 303 large strikes involving 1.5 million workers with 25.5 million lost days of work in the 1947-1979 period to an average of 50 strikes per year involving 325,000 workers losing 7.3 million work days in the 1980-2006 period.[5] Jeremy Brecher, who chronicles U.S. strike activity, concluded in 2003 that "[m]ost large U.S. strikes in the past 20 years have failed, even when conducted with…militant tactics and broader social vision."[6] This decline in strike activity and efficacy, according to labor historian Joseph McCartin, represents a "crisis of collective action," one that has largely been ignored by scholars in their analysis of the decline in union density. For McCartin, workers' inability or unwillingness to engage in work stoppages both reflects and contributes to the erosion of worker power over the past four decades. He argues that there is a reciprocal relationship between the decline in union organizing victories and the near demise of strike activity. Workers join unions to better their conditions at work. But as workers and their unions found it increasingly

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[5] Jeremy Brecher, Review of *The Encyclopedia of Strikes in American History* in *Labor: Studies in Working-Class History* 8:1 (spring 2011): 131-132. The statistics come from the U.S. Bureau of Labor Statistics database on major work stoppages. The data have some analytical problems. From 1947-1981, the BLS recorded strikes of all sizes. After 1981, it recorded only "major work stoppages" involving more than 1,000 workers for at least 24 hours. A careful analysis by L.J. Perry and Patrick J. Wilson concluded that trends in small strikes tended to correspond to those in larger strikes and that one can assume that the overall pattern of decline in the number of strikes is valid. See L.J. Perry and Patrick J. Wilson, "Trends in Work Stoppages: A Global Perspective," Working Paper No. 47, Policy Integration Department, Statistical Analysis Unit (Geneva: International Labor Organization, 2004) http://papers.ssrn.com/sol3/papers.cfm?abstract_id=908483.

[6] Jeremy Brecher, "American Exceptionalism and the 'Death of the Strike'," *New Labour Forum* 12:3 (fall 2003): 98-102.

difficult to gain leverage and to win demands through the strike weapon, unorganized workers were less willing to endure employer threats, retaliation, and potential job loss to organize unions and win contracts. Strengthening worker power, McCartin argues, requires more than the labor law reform promoted by most workers' rights advocates; it also requires political action to reverse what he calls the "solvents of solidarity" that have undermined organized workers' ability to exercise their power on the picket lines.[7]

McCartin locates the "solvents of solidarity" in the structural conditions of the neoliberal economy that have weakened worker power. These include wage stagnation that increased the economic burden of a work stoppage; deregulation policies that increased workers' insecurity; the expansion of globalization and free trade that put U.S. workers in competition with foreign companies and facilitated movement of work abroad; the disruption of internal labor markets through subcontracting that subverted the employment relationship; and the increased use of striker replacement after the 1981 air traffic controllers' strike.[8] But as I discuss below, market conditions of the telecommunications industry in which Verizon operated in the year 2000, and the level of union power within the company, differed in a number of important ways from the "solvents of solidarity" described by McCartin. CWA and IBEW leaders' strategic

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[7] Joseph A. McCartin, "Solvents of Solidarity: Political Economy, Collective Action, and the Crisis of Organized Labor, 1968-2005," in *Rethinking U.S. Labor History: Essays on the Working-Class Experience 1756-2009,* eds. Donna T. Haverty-Stacke and Daniel J. Walkowitz (New York: Continuum, 2010), 217-239.

[8] McCartin, "Solvents of Solidarity," 231-233. For a similar analysis, see Brecher, "American Exceptionalism." For an an alternate explanation (arguing that weak labor laws leave striking workers vulnerable) see Joe Burns, *Reviving the Strike: How Working People Can Regain Power and Transform America* (Brooklyn, N.Y: Ig Publishing, 2011) and critique by Joseph A. McCartin, "Context Matters More: A Response to Joe Burns," *Labor Studies Journal* 37:4 (2013): 349-352.

analysis of the company's business, vulnerabilities, and level of union power and worker solidarity all proved crucial to the unions' victory.

Mobilizing and Organizing to Win the Strike

CWA leaders recognized that union power was at a crucial turning point at Bell Atlantic (soon to be renamed Verizon) in the year 2000. Bell Atlantic was a profitable company with a strategic vision to grow in wireless, internet, and long-distance markets. Having doubled in size four years earlier with the Bell Atlantic/NYNEX merger, the union represented virtually the entire occupational workforce on the wireline side of the business with 69 percent union density. But CWA represented only about one hundred of the 8,000 wireless workers.[9] The company aggressively resisted all organizing attempts at Verizon Wireless. CWA leaders understood that unless Verizon wireless workers won organizing rights, union power at the company would decline as wireless eclipsed the wireline segment of the business. This was the message that the union communicated to its members in virtually every piece of education material.[10] Winning organizing rights at Verizon Wireless was unfinished business from negotiations two years earlier when CWA President Morton Bahr believed he had a verbal commitment from CEO-designate

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[9] Union density at Bell Atlantic dropped to 53 percent a year later in 2001 after the merger with GTE which included more non-union segments and as wireless employment continued to grow. Verizon SEC Form 10-K for the year ended December 31, 2020.

[10] "The union will lose power and leverage if management is successful in its attempt to seal us in the slow growth basic telephone sector and keep us out of high growth/high revenue services such as wireless…We must organize wireless at Bell Atlantic…to maintain our power and the ability to protect our jobs, wages, benefits and working conditions. The union must win CARD CHECK AND NEUTRALITY in order to have a decent chance of organizing wireless workers at Bell Atlantic because current labor laws are stacked against workers." CWA, *Bargaining for Our Future: 2000 Bell Atlantic Mobilization Manual*, Washington, DC, spring 2000, 2000 Bell Atlantic bargaining folder, CWA Research Department.

Ivan Seidenberg for the 2000 round of bargaining.[11] CWA strategists knew that union power at the company was at its height in the year 2000. This was the year to take a resolute stand.

In 2000, Verizon still dominated the provision of local telephone service in its geographic footprint, earning more than 67 percent ($43.3 billion) of its revenue and 60 percent ($10 billion) of operating profits from the wireline segment of its business.[12] The telecommunications sector was a vibrant domestic industry not subject to the global competitive threat that McCartin identified as one of the key "solvents of solidarity." Verizon had not yet begun offshoring call center jobs.[13] Most important, in August 2000, the same month the unions walked off the job, Bell Atlantic and GTE consummated their merger, taking the name Verizon Communications to become the largest telecommunications company in the United States providing local, long-distance, internet, and wireless service. The unions struck the company just as Verizon initiated a branding campaign to win and retain customers. Verizon did not want the bad publicity associated with a strike. The unions took advantage of this strategic moment – timing was all important.

But timing and market conditions were not everything. Winning a successful strike and sustaining unity between two unions involving multiple bargaining units with workers in hundreds of work locations employed in diverse occupations with varied

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[11] In 1998 bargaining, CWA President Morton Bahr reached verbal agreement with Ivan Seidenberg to hold off for two years on the union demand that Verizon Wireless would remain neutral and agree to union representation if a majority of employees signed cards certified by a neutral third party in support of a union, organizing rights known as card check/neutrality. Email from Morton Bahr to author, December 4, 2016. See chapter five, 265-266.

[12] Verizon SEC form 10-K for the year ended December 31, 2000.

[13] For a discussion of AT&T offshoring of call center jobs, see chapter five, 248-259.

priorities requires a keen strategic assessment of union power, ability to win public and political support, identification of deeply felt worker issues, a militant union culture, extensive preparation, member education, an effective mobilization and communications structure, skilled negotiators, strong and creative leadership, a keen sense of timing, and a measure of good luck and fortune. CWA and IBEW pulled all this together in 2000.

The unions built solidarity through a comprehensive program of education, communication, and mobilization, organized through a carefully developed structure of local workplace leaders. Early on, CWA and IBEW agreed to joint bargaining, blocking the ability of the company to play one union off against the other. One year in advance of contract expiration, the unions began preparation of a coordinated education campaign and a systematic program to re-build a mobilization and communication structure in every workplace. The education program was delivered by 1,500 trained union activists and focused on the national union's top priority to win organizing rights at Verizon Wireless. In addition, the union bargaining agenda included issues that deeply impacted every member, including demands to reduce excessive mandatory overtime, protect job security, and obtain stress relief in the call centers. The unions tapped into their militant traditions of "no contract, no work," and drew upon the powerful memories of members in New York who had walked off the job for seventeen weeks in 1989 and for seven and one-half months in 1971.[14] In the historically less militant Bell Atlantic-South bargaining unit which included right-to-work Virginia, workers and the union had developed a more combative posture with a work-to-rule campaign in 1995 and a two-day strike in 1998.

[14] For a discussion of the 1971 strike see Aaron Brenner, "Rank-and-File Struggles at the Telephone Company," in *Rebel Rank and File: Labor Militancy and Revolt from Below During the Long 1970s*, Robert Brenner, and Cal Winslow eds. (New York: Verso, 2010), 247-279; Robert Master interview with author, May 19, 2021 and correspondence with author, June 4, 2021.

In the months before contract expiration, union members engaged in an escalating series of actions to demonstrate their unity in support of their bargaining teams. When the contract expired on August 5 with no agreement, the months of preparation and building of internal structures paid off. Almost every worker walked and stayed off the job throughout the strike. CWA and IBEW maintained unity with picket duty (newspaper accounts cite as many as 14,500 on 300 picket lines at any one time), more than fifty "children's rallies" ("I'm walking a picket line with my mama"), and an additional twenty-five rallies on missed pay-days ranging in size from fifty in small locals to more than 12,000 at Verizon headquarters in New York City. The unions reached out to political and community leaders; to cite one of many examples, Senator Chuck Schumer spoke at the New York City rally. Activists formed "flying squadrons" to follow managers who were sent out on repair and installation calls. "Mobile picketing is going strong. Only 25 percent of Verizon's trucks are even out on the streets," one upstate New York local reported. A Brooklyn local recounted following 80 percent of the 75 trucks the company sent out, while totally shutting down six of the sixteen garages in the borough. A Verizon spokesman told *Newsday* that mobile picketing was "preventing [managers] from doing their work;" the article reported that customers were calling the local union to report scab locations. Union leaders and activists stayed on message with the press, and nearly daily media coverage quoted workers explaining that "wireless needs to be unionized so we can keep the jobs" and "my family doesn't want to get uprooted any more than yours does."[15]

[15] CWA Verizon 2000 PowerPoint; CWA Strike Bulletin Issues #3, #6, and #7, August 10, 15, and 16, 2000, Mobilization notebook, 2000 Verizon East bargaining, CWA Research Department Archives, Box 9124104.

Picketing service representatives told reporters about the pressures they faced on the job. "There's no downtime," Patti Egan, a customer representative in New York City said. "The customer disconnects and the next call's right there. Try living like that, taking calls every two seconds." She explained that she had to finish the paperwork from one call even as she took an order on a new call. Sometimes, she said, she couldn't finish the paperwork. This added to the stress since serving the customer was "the inner part of the rep." Service representatives linked the stress of the job with the need to win organizing rights at Verizon Wireless. "Forget about the stress of my job with things like random monitoring of my calls by a supervisor or forced overtime," Stephanie Harris, a service representative in suburban New York City, said. "I'm worried that I won't have a job in five years because wireless will be dominant and plain old telephone service will be very small."[16]

Local union leaders and staff reported daily on strike activity and sent pictures of picket duty and rallies to the national union, which were redistributed to union members in a daily strike bulletin and on a strike website. From Richmond, Virginia came the report: "The Children's Rally today was a great success! Approximately 300 to 350 red-dressed members along with their children chanted, sang songs, and picketed for about 1 hour." The Brooklyn, New York locals reported a "huge rally with 1,650 adults, 110 kids, two clowns, and a 30-foot rat. A crowd of about forty kids stood with clenched fists, shouting at managers looking out the window, and leading the chant 'We want our

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[16] CWA Verizon 2000 PowerPoint; CWA Radio Spot on Stress and Forced Overtime, presumably between August 6-23, 2000, Bell Atlantic 2000 bargaining folder, CWA Research Department; Mary Williams Walsh, "When 'May I Help You' Is a Labor Issue," *The New York Times,* August 12, 2000, C1; "Verizon and Unions Fail to Agree on Contract," *The New York Times,* August 6, 2000, 22; Deborah Solomon and Yochi J. Dreazen, "Verizon Hit By Strikes, But Talks Progress," *The Wall Street Journal,* August 7, 2000, A3.

mommies' and daddies' jobs back'." The West Virginia locals sent in a copy of an ad in the local paper that a state representative placed in support of the strike. Another West Virginia local proudly exclaimed that "our flying squadron went out today" and sent managers away from a big job that brings in $25,000 per month in revenue." The Virginia Beach, Virginia local reported that "Yesterday's RALLY FOR RESPECT…was electrifying. Over 300 members formed an ever-growing picket line." A rally in Boston's City Hall Plaza created "a sea of red…and black…of striking IBEW and CWA and community supporters from all over New England in a crowd of 3,000." Local unions of Teamsters, Teachers, Steelworkers, Paperworkers, Painters, Carpenters, Longshoremen, and state and local labor federations joined rallies and picket lines. Locals competed for bragging rights on their rallies, picket lines, and mobile squadrons, reinforcing a sense of pride, accountability, and solidarity. The events were widely covered in the press.[17]

Strike activity engages every member and creates opportunities for creativity and building leadership. Barbara Wago, a union steward from the customer service local 13500 in Pennsylvania, sent President Bahr an exuberant email describing her first time speaking in public at a local payday rally in Harrisburg, Pennsylvania. "I have never before today given a public address," she wrote. "I had so much adrenaline flowing…because I believe what I was saying. I told the press, news media & approximately 200 union members that we are here today in 100% support of our

[17] CWA, Bell Atlantic/Verizon Strike Bulletin Issues 5, 7 and 8, August 13, 16, and 18, 2000. Mobilization notebook, 2000 Verizon East bargaining, Box 9124104, CWA Research Department Archives.

negotiating team. That today is our last paycheck until we have respect…job security, the right to organize…a fair contract. Our stress levels reach all-time highs."[18]

The union walk-out could not shut down the fully automated Verizon communications network; customers continued to make phone calls and transfer data throughout the strike. The replacement workers, many of whom were managers given emergency training to climb poles or access customer account databases in the call centers, struggled to do the jobs of the front line workers. While the strike exacted an economic toll on Verizon's business – there was a reported backlog of at least 280,000 repair and installation orders by the end of the strike – the workers and their unions won the strike through their unity in moving public and political opinion which convinced the company to concede to the unions' top demands.[19]

During the strike, CWA President Morton Bahr stepped in to negotiate with Verizon Executive Vice President for Human Relations Donald J. Sacco to resolve issues regarding organizing rights at Verizon and union jurisdiction over internet work. After a series of exchanges, Bahr successfully inked an agreement that would require Verizon to remain neutral in any organizing campaign at Verizon Wireless and to recognize the union upon neutral third-party certification that 55 percent in a designated Verizon Wireless bargaining unit had signed union authorization cards (called a card check/neutrality agreement). The regional Verizon-North and Verizon-Mid-Atlantic

[18] Barbara Wago, steward Local 13500, email to CWA President Morton Bahr, August 12, 2000. CWA Bell Atlantic/Verizon Strike Bulletin, Settlement Issue, presumably late August 2000, Mobilization notebook, 2000 Verizon East bargaining, CWA Research Department Archives, Box 9124104.

[19] Wendy Tanaka, "Area Phone Workers Seek a Better Deal, Verizon Employees in Pa., N.J. and States South Stay on Strike, Citing Overtime and Other Issues," *The Philadelphia Inquirer*, August 22, 2000, A01.

bargaining tables reached agreement on August 20 and August 23, respectively, with victory on all their major issues. The union won jurisdiction over internet work and limitations on mandatory overtime. Verizon agreed that it would not move more than 0.7 percent of jobs annually in any occupational group beyond state boundaries, a major guarantee of job security for all workers and especially for call center workers whose work could be moved with the flick of a switch. This protection effectively prevented AT&T-style consolidation of call centers and contracting out of sales and service jobs, preserving the small to medium-sized call centers and local jobs throughout the Verizon east coast footprint.[20] The three-year agreement included a 12 percent wage increase, many other economic improvements, and virtually no givebacks.[21]

Most relevant to this study, the settlement included the commercial stress relief package that was the top priority for the call center segment of the union. How they mobilized for victory, what they achieved, and what they failed to win is the subject of the remainder of the chapter.

Building Power for a Stress Relief Package

By the year 2000, working conditions in the Bell Atlantic call centers had reached the breaking point. Serious understaffing at a time of growing customer demand drove managers to intensify speed-up, raise sales quotas, increase supervisory monitoring of

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[20] For a discussion of AT&T call center consolidation see chapter two, 111-112; for a discussion of AT&T outsourcing see chapter five, 248-259.

[21] Common Issues Memorandum of Understanding between CWA and Verizon Delaware., Verizon Maryland, Verizon New Jersey, Verizon Pennsylvania, Verizon Services Corp., Verizon Virginia, Verizon Washington D.C., and Verizon West Virginia, August 23, 2000. Bell Atlantic 2000 bargaining folder, CWA Research Department; CWA District One Final Regional Bargaining Report, Verizon Communications, August 22, 2000; CWA Bell Atlantic/Verizon Strike Bulletin, Settlement Issue, presumably late August 2000. Mobilization notebook, 2000 Verizon East bargaining, CWA Research Department Archives, Box 9124104.

worker performance, impose many hours of mandatory overtime that interfered with child care and family time, and block workers' ability to transfer into non-sales jobs. Workers were angry and demanded change.[22] The challenge for the union activists and leaders was to turn this anger into organized collective action that would result in contractually-enforceable improvements.

After many years of networking, organizing, and running for local union offices, the customer service segment of the union had amassed substantial power and influence within CWA.[23] There were about 17,000 call center workers across the Verizon east coast footprint, representing about 25 percent of the union-represented labor force.[24] Union activists in the call centers were now powerful leaders of large customer service locals in Pennsylvania, New Jersey, New England, and metro New York, and in many of the amalgamated locals in the other states. Some were appointed to staff positions and were

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[22] "Service Rep Issues for Bell Atlantic Bargaining," memo summarizing author's interviews with CWA local leaders representing customer service workers, presumably January 2020. Verizon 2000 bargaining, Service Rep issues folder, CWA Research Department. The local leaders, with interview dates in parentheses, were Sandy Kmetyk, Local 13500 in Pennsylvania (October 25, 1999), Linda Kramer, Local 1023 in New Jersey (October 5, 1999), Barbara Mulvey, Local 2106 in Salisbury, MD. (January 7, 2000), Kenny Rucker, Local 2222 in Northern Virginia (September 24, 1999), Melissa Morin Local 1400 in New England (January 7, 2000), and Keith Edwards, Local 1105 in New York metro area (October 13, 1999).

[23] CWA represented almost all of the customer service employees at Verizon. The IBEW represented technicians in New Jersey and technicians, operators, and a small unit of service representatives serving business customers in New England.

[24] Bell Atlantic Data Requests Notebook, Tab 4, data as of April 26, 2000, Verizon-East Bargaining, CWA Research Department archives, Box 9124104.

top assistants to their regional vice-presidents.[25] Moreover, they had a fierce advocate at the very top of the union in Dina Beaumont, who was executive assistant to President Morton Bahr.[26] Beaumont took responsibility in 2000 to coordinate negotiations over customer service issues, making sure that the unions would not resolve the strike until the call center leaders were satisfied.[27]

The leaders of the local unions representing customer service workers, with assistance from the CWA research department, began preparing many months in advance of bargaining to identify problems and develop a common agenda. CWA research department staff interviewed customer service leaders and in January 2000, the CWA research department director distributed a memo on “Service Rep Issues for Bell Atlantic Bargaining” to the three district vice presidents responsible for Verizon bargaining, the bargaining team chairs, regional mobilization coordinators, and Dina Beaumont.[28] While

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[25] Sandy Kmetyk, whom we met in chapter one when she got her first job with Pennsylvania Bell in 1967, was now president of the statewide Pennsylvania customer service local and was a strong leader among the network of customer service local officers. Linda Kramer and Patti Chronic were presidents of locals 1022 and 1023 representing consultants and operators in New Jersey. Melissa Morin was president of local 1400 representing service representatives in New England. Barbara Fox Shiller (nee Lephardt) was top assistant to the vice president in district 2. Jim Byrne was staff representative in district 13. Keith Edwards was president of local 1105 in New York City metro area. These call center leaders had worked hard over the years to educate their regional vice presidents (all former technicians) about the customer service issues and to develop relationships with the largely male technician workforce that still dominated the union. Kmetyk and the other local leaders of call center workers had developed strong connections with each other at CWA conventions, district meetings, and the annual customer service conference.

[26] Beaumont, whom we first met in chapter two, was a former operator and skilled negotiator who understood call center issues and stayed in close contact with the local leaders of the customer service locals who worked with her to understand the problems and craft solutions.

[27] Sandy Kmetyk interview with author, January 21, 2013 and February 1, 2012; Carol Summerlyn interview with author, May 12, 2021; Victoria Kintzer telephone interview with author, May 10, 2021.

[28] “Service Rep Issues for Bell Atlantic Bargaining.” Before the August 2000 Bell Atlantic/GTE merger, the employer was Bell Atlantic. After that date, the employer was Verizon. The union sometimes referred to the negotiations and bargaining units that year as Bell Atlantic units, other times as Verizon units.

the bargaining list would be refined over the next months, the memo details the major problems the call center workers and their leaders identified.

First, there was serious understaffing. After years of downsizing, there were simply not enough staff in the call centers to meet customer demand for second lines for dial-up internet and local/long-distance service bundles. Understaffing in the call centers created a vicious cycle in which managers intensified speed-up, mandatory overtime, sales quotas and monitoring – all of which led to even more demanding conditions in the call centers, which in turn led to more turnover and low morale among those who remained. Even when authorized to hire more consultants, the company could not train and retain enough new employees for the complex customer service work to replace those that were leaving due to normal or early-retirement incentives, transfers to less stressful positions within the company, or simply quitting due to the conditions in the centers. In one large New Jersey customer service local, for example, the number of consultants was down 25 percent (from 1300 to 970) compared to two years earlier; in Pennsylvania headcount in the collections department was down from 900 to 300.[29] According to data provided by the company to CWA, job tenure had dropped precipitously in the call centers. In the two largest customer service locals in New Jersey and Pennsylvania, almost one-quarter of consultants had been on the job less than one year. This was not due to a recent increase in new hires but rather to high turnover rates. By the year 2000, the job had become so challenging and stressful that only 19 percent of new hires in the Verizon Mid-Atlantic region and only 31 percent in Verizon North were

[29]Bell Atlantic Data Requests Notebook, Tab 4, data as of April 26, 2000.

still on the payroll after one year.[30] As Melissa Morin, president of CWA local 1400 in New England and one of the leaders of the CWA customer service network, wrote in a CWA message distributed at a Verizon shareholder meeting in March 2000, "A truly good service rep takes four to five years to develop. But they're treated so badly that they're bailing out, and the customers are suffering. Right now, it's happening in the residential consumer offices. When it builds on the business side, Bell Atlantic is going to start losing their high-value customers. They'll be losing millions and millions of dollars."[31]

Second, with fewer consultants trying to serve growing demand, managers imposed mandatory overtime, often at short notice, in order to get the work done. This amounted to as many as two hours on busy Mondays to one-half hour to two hours on other days. Consultants with children had to scramble to cover child care, particularly when there was little advance notice. Others had to miss school and family time on mandatory Saturday work days. "Verizon makes us work at least 10-15 hours of overtime each and every week," Cleo Young, a consultant from New York, announced in a CWA radio spot. "I want to spend more time with my four-month-old son and my husband, but Verizon forces us to choose between our jobs and our families."[32]

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[30] Contrast these high turnover statistics to those in 1992 when fewer than 8 percent of customer service workers in the Pennsylvania and New Jersey customer service locals had less than one year job tenure. Bell Atlantic response to CWA June 5, 2000 information request dated June 20, 2000, "June 2000 Early Commercial Marketing Talks Notebook," CWA District 1 Trenton office,; Service Rep Issues for Bell Atlantic Bargaining (for the year 2000); Bell Atlantic Associate Count by NCS, Data as of 3/28/1992. Bell Atlantic 1992 Notebook Response to Data Request, Box 635892, CWA Research Department Archives.

[31] CWA Report to Shareholders at Bell Atlantic, distributed at Bell Atlantic shareholders meeting, May 2000, 2000 Verizon East bargaining, Box 9124104, CWA Research Department Archives.

[32] CWA Radio Spot on Stress and Forced Overtime, presumably sometime between August 6 and August 24, 2000. 2000 Verizon-East Bargaining, Box 9124104, CWA Research Department Archives; Service Rep Issues for Bell Atlantic Bargaining, Bell Atlantic 2000 bargaining, Service Rep Issues folder, CWA Research Department.

Third, there was no “closed key” time off the phones to do follow-up work. In prior years, consultants typically received a small amount of time on their schedule to stop receiving incoming calls so they could follow up on unresolved customer issues. They cherished this “close key” time, as they called it, not only because it provided a welcome break from the constant customer contacts but also because they felt an obligation to meet their commitments to customers. Not being able to meet their commitments added to the stress at work. Due to staffing shortages, Verizon eliminated any close key time, even in Pennsylvania where the union had negotiated fifteen minutes close time on Tuesday through Friday, subject to the needs of the business. Verizon now determined that needs of the business required eliminating close key time in Pennsylvania as well as in all the call centers.

Fourth, to keep consultants in the call centers, Verizon did not allow consultants who were not meeting their sales objectives to bid to transfer to open positions in non-sales jobs. The company also increased the period of time that a consultant had to work in the call center before submitting a transfer request from twenty-four to thirty-six months. Because the vast majority of consultants were not making their sales objectives (17 percent in New England, 37 percent in Virginia), these policies effectively closed down transfers out of the call centers. The perverse consequence was that consultants who were not good sales people were frozen in sales jobs (unless they quit).[33]

The call center leaders continued to refine their agenda at a CWA tri-district bargaining council meeting in March 2000. The union typically convened a bargaining council several months before contract negotiations were scheduled to begin. Hundreds

[33] Service Rep Issues for Bell Atlantic Bargaining.

of local leaders, including significant representation from the customer service locals, were in attendance to set bargaining priorities and to prepare the member education and mobilization campaign. The national union distributed a background briefing paper prepared by the CWA research department entitled "Justice on the Job: Working Conditions in the Customer Service Occupations." The intended audience included the union members and leaders from all occupational groups at the meeting, their members back home, and Verizon negotiators whom the union knew from past experience would be keeping a close eye on union preparations for bargaining. The paper articulated the union's vision for the call centers. "Understaffing and stressful working conditions make it difficult to provide good service, which adds to the stress. They key to success in this competitive era is quality service, which derives from the skill, expertise, and morale of the workforce. Management by stress undermines employees' ability to provide high quality service, with serious implications for employee well-being and Bell Atlantic's bottom line…Bell Atlantic must invest in customer service and recognize the full value that each residential and small business customer represents." The paper identified four ambitious priority areas for bargaining on customer service issues: first, a demand to increase staffing levels; second, an end to secret monitoring, adherence, average work times, unrealistic sales quotas, and a guarantee of closed key time every day; third, relaxation of force freezes and time-in-title requirements to transfer; and fourth, protections against mandatory overtime. At this March meeting, the delegates adopted a formal bargaining resolution that included the call center workers' priorities, further cementing the entire union's commitment to relief in the call centers.[34]

Recognizing the complexity involved in negotiating solutions to address working conditions and understaffing concerns in the call centers, Verizon and the unions agreed to begin discussions on these issues in early June before the opening of formal negotiations.[35] CWA leaders from all the large customer service locals across the Bell Atlantic footprint as well as staff who were former service representatives convened on June 1 to prepare the union agenda for the discussions. They developed a sixteen point proposal outlining what "our members need to relieve stress," indicating their unified support for concrete solutions for their members. In addition to items identified in the Service Rep issues papers and memos, the list added several additional items related to job security, including the return of subcontracted work and guarantees that all future sales and service work would be given to bargaining unit employees.[36]

The company/union joint meetings began on June 5 and continued for ten days in June, reconvening for two days in mid-July after formal bargaining began. After mutual

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[34] CWA, 2000 Bargaining Briefing Paper, "Justice on the Job: Working Conditions in the Customer Service Occupations," presumably March 2000; 2000 CWA Bargaining Council Resolution – Bell Atlantic: Setting the Pace for the New Millennium, presumably March 15, 2000. Both documents in Dina Beaumont papers, 2000 Bell Atlantic Service Rep Bargaining, tri-district meeting folder; "CWA Mobilizing for Summer Talks with Bell Atlantic," *CWA News*, April 2000.

[35] Participants included CWA representatives Keith Edwards (Local 1105, NY), Paula Lopez (Local 1105 NY), Melissa Morin (Local 1400, New England), Sandy Kmetyk (Local13500, PA), Carol Summerlyn (District 2 staff, former service representative), Pat Scoville (Local 2202, Virginia Beach, VA), Barbara Mulvey (Local 2106, Salisbury, MD), Linda Kramer (Local 1023, NJ), Patti Chronic (Local 1022, NJ.), DJ Bryant (Local 13001, DE), Jim Byrne (District 13 staff), Pat Niven (District 1 staff), Ed Baxter (District 1 staff). IBEW representatives included Joan Haigh, Margie Scholle, Mary Jo Arcuri. Company representatives included labor relations staff Jackie Latheram, Bill Drucker, Debbie Dartanell, Ruthie Burton, and Sandy Bousman.

[36] Union proposal for the Company to relieve stress, presumably June 1, 2000, Early Commercial Marketing Talks Notebook, CWA District 1 Trenton, NJ office.

agreement that the churn rate in the call centers was unacceptable, Verizon and the unions reached agreement on only one issue – limitations on monitoring. The company made a commitment to incorporate the language that had been negotiated in New Jersey into all the regional agreements. This agreement required advance notification of monitoring and placed limits on the number of monitoring sessions based on the consultant's performance. In reaching early settlement on monitoring language, the company and CWA drew on earlier pilot projects trialed five years earlier during the Mega Team project and on language negotiated by the powerful customer service locals in their New Jersey contract.[37]

But the company and union could not reach agreement on other issues. Verizon proposed adding a commission sales plan, moving to a large team call sharing system that would distribute incoming calls across a wider geography, and extending the standard work week from 37.5 to forty hours. The union rejected all these proposals. "Everything you have brought is retrogression," CWA district 13 staff representative Jim Byrne told the company representatives. On the last day of the meetings, union chair Pat Niven told her counterparts that the company's proposals did not address the stress problems. The meetings adjourned on July 16, three weeks before contract expiration. Union participants informed their regional vice presidents and Dina Beaumont about the lack of progress.[38]

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[37] Kmetyk interview with author; Memo from author to Dina Beaumont re Service Rep Issues Committee, presumably late June 2000, Bell Atlantic 2000 folder, CWA Research Department.

[38] Business Office Issues Meeting Notes, CWA District Trenton N.J. office, June 2000 Commercial Marketing Talks notebook, June 5, 2000 – July 16, 2000; Memo from author to Dina Beaumont re Service Rep Issues Committee; Memo from Linda Kramer and Patricia Chronic to Lawrence Mancino, CWA District 1 Vice President, re Commercial/Marketing Sub-Committee, July 18, 2000, Dina Beaumont papers, Bell Atlantic Service Rep Bargaining Folder..

The bargaining teams continued negotiations over the stress relief package. On August 1, 2000, the Mid-Atlantic bargaining unit made a formal presentation to the company negotiators with the opening line that "[t]he abuse and stress that Verizon has placed on our consultants/service reps…has been abominable, and our Union can no longer allow these terrible working conditions to continue." The union presented the company negotiators with a list of sixteen issues to be addressed.[39] When the contract expired on August 5, the union and the company were still far apart on these issues.

The next day, on August 6, when CWA and IBEW called the strike, the call center workers joined the work stoppage and the union structure went into over-drive coordinating strike activity. "Once we were on strike, we had picket captains in addition to the mobilization coordinators," Victoria Kintzer, secretary-treasurer of the statewide Pennsylvania local recalled. "We were on the picket lines in front of the business offices. The picket captains would set up the picket duty schedule, make sure people were there, keep up morale on the picket line. If we had any scabs (among the unit of 3,000 consultants), it would have been a handful. We stayed in close touch with the technician local, so if we had problems (with scabs), they would help us." Other union leaders recall few consultants who crossed the picket lines, even in right-to-work Virginia.[40]

The customer service workers mobilized to make sure that the union would not settle the strike without agreement on their concerns. "Dear Mr. Bahr," Deana Smith wrote in an email on the fifth day of the strike, "I'm sure you know that our strike vote

[39] The list included mandatory overtime, close time and delay between calls, transfer rights, sales, training, internet work, Bell Atlantic Plus, wages, flex-time, monitoring, adherence, and appraisals. CWA, Commercial Marketing Issues, August 2, 2000; Stress Presentation, August 1, 2000.

[40] Kintzer interview with author; Summerlyn interview with author.

(in our office) was 95%...[t]he stress of the job is beyond belief. I know more people on Prozac than not in the pittsburgh [sic] rssc (residential sales and service center). Please do something to alleviate the stress." Kim Rogers, consultant and union steward in a residential center in Ardmore, Pennsylvania echoed these sentiments in her email to President Bahr. "I am sending this E-mail to make sure that both myself and the other consultants are not forgotten during bargaining. Our office had a strike authorization vote of 100%...We work long hours and are subject to constant monitoring by humans and computers, and very rarely are we able to receive the scheduled close time…We need some relief and are hoping the bargaining committee will be the ones to help us get it." President Bahr responded to these emails: "Please tell your colleagues that all of us here in bargaining are standing strong to resolve the commercial marketing issues…we are as strong as we were on the first day of the strike."[41]

CWA press releases, radio spots, and flyers highlighted the stressful conditions in the call centers and the work/family dilemmas resulting from mandatory overtime. A CWA flyer distributed to the public to explain "why we're on strike" featured "the elimination of needless job stress and harsh working conditions" in the call centers. A CWA press release explained that "Too Much Stress Means Workers Suffer - And So Does Customer Service." CWA ran radio ads in ten markets featuring two consultants talking about forced overtime and stressful working conditions. "My job is helping customers and solving problems, but the pressure at work makes it awfully hard,"

[41] Deana Smith and Kim Rogers emails to and reply from CWA President Morton Bahr, August 11, 2000. Bell Atlantic 2000 Bargaining folder, CWA Research Department.

consultant Marilyn Erwin from Maryland told listeners. “This strike is all about dignity and respect. We’re taking a stand for ourselves, our families, and our customers.”[42]

The press picked up on the call center issues. *The New York Times* ran a major story headlined “When ‘May I Help You’ Is a Labor Issue” that detailed the difficult working conditions in the call centers. In the article, the reporter noted that “novel though it is for stress to be an issue in a strike…many Americans can understand complaints about work spilling over into family time” and the toll that emotional labor takes on one’s health. The reporter explained to her readers how the automated monitoring systems followed the service representative’s every move. “Nearby the supervisor’s stations, a computer screen shows every workstation on a color-coded grid. The squares change color depending on whether the employees are signed on, signed off, keeping a customer on hold, and so on. A supervisor can see at a glance if a representative is taking too long and go investigate.” Dawn Barbour, consultant from Madison, New Jersey, explained that she must follow a Verizon script in conversations with customers, regardless of the context, which makes her feel like “an idiot.” Mike Karas told a Pittsburgh reporter that monthly sales quotas had increased from $8,000 five years ago to $60,000 with a company requirement to make a sales attempt on every call, no matter the circumstances. “There are times when you don’t have a second between calls. It’s one right after another,” he said. The *Pittsburgh Post-Gazette* featured an article about life in the call centers headlined “Are Service Reps Facing Last Call for Joy on the Job?” and *The*

[42] CWA Radio Spot on Stress and Forced Overtime; CWA Press Release, “Too Much Stress Means Workers Suffer – And So Does Customer Service,” August 30, 2000, Bell Atlantic 2000 bargaining folder, CWA Research Department;

Washington Post asked "Home Life on Hold? Verizon Strikers Say Call Centers Take Toll."[43]

Dina Beaumont at CWA headquarters continued to keep in close touch with the call center leaders and bargaining teams during this process, maintaining unity, assisting in identifying the key demands, and crafting bargaining solutions. "I want to thank you for working so closely with President Bahr, our bargaining team, and local officers of Districts 1, 2, and 13," Linda Kramer, president of local 1023 in New Jersey wrote to Beaumont during the strike. "The insight and coordination of all involved, I know, will bring us success in this round of negotiations." Kramer went on to praise the important benchmarks established at the meetings of the call center leaders prior to bargaining which "brought all the Commercial/Marketing representatives together in a spirit of true unity that we did not have in the past."[44]

On August 20, the Verizon North bargaining unit reached agreement on the unions' key demands and three days later, on August 23, the Verizon Mid-Atlantic unit resolved a number of local issues and inked a tentative agreement. (The agreement was tentative pending approval by all members of the bargaining unit. Members overwhelmingly approved both settlements.) Examining the final August 23 stress relief package as compared to the company's offers before and during the strike reveals

[43] CWA Press Release, "Too Much Stress Means Workers Suffer; CWA flyer, "Don't Let Verizon Hang Up on Good Jobs," 2000 Verizon-East Bargaining, Mobilization Notebook, CWA Research Department Archives, Box 9124104; Mary Williams Walsh, "When 'May I Help You' Is a Labor Issue';" Diana Nelson Jones, "Are Service Reps Facing Last Call for Joy on the Job?," *Pittsburgh Post-Gazette*, August 24, 2000; Sarah Schafer, "Home Life on Hold? Verizon Strikers Say Call Centers Take Toll," *Washington Post*, August 18, 2000; Jim McKay, "Phone Strike Causing Hang-Ups," *Pittsburgh Post-Gazette*, August 8, 2000.

[44] Memo from Linda Kramer, President, CWA local 1023 to Dina Beaumont, Executive Assistant to the President, August 16, 2000, Bell Atlantic 2000 bargaining folder, CWA Research Department.

significant concessions by Verizon. The company dropped its demands for a sales commission compensation plan and call sharing across state boundaries, a move that the union believed could have opened the door to call center consolidation and job cuts at smaller call centers. Verizon agreed to a number of provisions that reduced the intensity and pace of work for the consultants and effectively required the company to adopt policies to hire, train, and retain more consultants. These included a guarantee of thirty minutes daily (except busy Mondays) of close key time, limits on mandatory overtime, and more liberal transfer rights from sales positions. In addition, the members won important employment security protections, bringing back contracted disconnect work, and a commitment to train all consultants to sell and service high-speed internet, making union-represented in-house call centers the primary channel for this work. Verizon had resisted this latter provision, caving only when it became clear that this was necessary to settle the strike. The settlement agreement also included the informal agreement reached in the pre-bargaining discussions, requiring advanced notice and limits on the number of annual monitoring sessions (20 for highly rated consultants, 30 for those meeting all requirements, and 40 for those needing improvement). Finally, the consultants won a 4 percent wage increase above the general 12.5 percent increase.[45] Union leaders reveled in their achievements. "We did one hell of a job and we were so proud of what we won, " Victoria Kintzer, union leader from the Pennsylvania local recalls. "The members

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[45] A comparison of company proposals on July 26 (before the strike), August 17 (during the strike), and August 23 (final settlement) to the Verizon Mid-Atlantic bargaining unit indicates company concessions on closed time, contracting out of work, transfers, mandatory overtime, transfer of work, and union jurisdiction over internet sales.. In addition, the company dropped demands for a commission sales compensation plan and large team call sharing that the union believed would have opened the door to office consolidation and job loss in smaller centers. Verizon Mid-Atlantic bargaining minutes, CWA District 2 office.

appreciated the union," Carol Summerlyn, staff representative and former consultant in Virginia remembers. "They understood that the union bargained some relief for them."[46]

The 2000 strike for stress relief represented the pinnacle of years of organizing, networking, strategizing, and building power by the call center workers, activists, and union leaders. This all came together in the year 2000. The onerous working conditions in the call centers created a vicious circle of high stress leading to high turnover leading to intensification of the stress inducing more turnover. Verizon managers recognized that they had to make improvements, and the union and members pushed forward with an agenda for change. They built unity among themselves and with their union brothers and had a fierce advocate at the top of the union structure. They drew on lessons learned over the years, contract provisions negotiated in one contract, and experiments piloted during the Mega Teams five years earlier. They contributed to, and benefited from, the militancy of their union (mostly male) brothers. They won support from the public. The year-long union-wide education and mobilization preparation and the workplace structures paid off when 87,000 workers from both unions walked off the job for organizing rights, jobs of the future, and stress relief in the call centers. The timing was right: union power was still strong in the dominant wireline business and the newly merged company did not want a strike to tarnish its image with the public.

The 2000 settlement was both a major achievement that gave the call center workers greater control over the pace, process, and security of their jobs and at the same time a revelation of the boundaries beyond which their employer would not go in ceding

[46] Kintzer interview with author.

authority in the call centers. The union call center leaders and activists had a vision of a good job in the call center. They wanted the autonomy to sell and service the customer based on their skills and knowledge, buttressed by computer systems that provided the information they needed. They wanted an end to supervisory surveillance, computer tracking of their adherence to the daily schedule, sales quotas, mandatory overtime, and the serious understaffing that drove ever more intensive speed-up in the call centers. To be sure, the union leaders and members were justly proud of the provisions that they won in the stress relief package that curbed the most abusive speed-up, surveillance, mandatory overtime, and contracting of the members' work. But the stress relief package was silent on fundamental issues regarding work organization and control over the deployment of the automatic call distribution software that was so fundamental to employer control over their work. Absent broader public policies that provided workers collective power over technology deployment, the call center workers and their union leaders at Verizon had too high a wall to climb to gain real control over the manner in which their employer programmed the automated systems.

Conclusion

The struggle of call center workers and CWA for good, secure jobs took place in an environment shaped by neoliberal policies, the financial turn in capitalism, the digital revolution, and the decline of unions. These dynamics stacked the battle against the workers. Public policy favored non-union new entrant companies with lighter regulatory oversight. Weak U.S. labor laws failed to protect workers seeking to organize. Employment-based bargaining structures limited union power. Financial deregulation gave unfettered freedom to owners of capital. Automated systems facilitated global outsourcing of call center jobs.

The call center workers and CWA activists that we met in these pages contested employer power on terrain sowed and bounded by larger economic and political forces that transformed the companies and industry in which they worked from the monopoly days of the regulated Bell system to the finance-driven companies at the turn of the century. Policymakers, grounded in neoliberal faith in competition and market forces driving innovation and consumer welfare, overturned public service regulatory systems first with the 1984 Bell system divestiture and later with the market-opening Telecommunications Act of 1996. Workers were the sacrificial lambs as the Bell progeny reengineered their companies, slashing 200,000 jobs in the first decade after divestiture. In the call centers, managers deployed the new digital technologies to speed up the work pace, intensify surveillance, and script the interactions between service representatives and their customers. The financial turn in management and capitalist relations intensified the cost-cutting pressures to maximize shareholder value by outsourcing call center jobs. The CWA-represented call center workers responded to the loss of control and degradation at work by becoming a workforce of resistance, turning to their union to fight for good working conditions, secure jobs, and compensation commensurate with their skill levels and emotional labor.

In the face of these tremendous odds, the majority female union-represented call center workers won important victories. They built power within their union. They negotiated meaningful constraints on the worst uses and abuses of automated technology, giving them some measure of control over the manner and pace in which they did their jobs and limiting to some degree electronic surveillance of their every movement at work. They won a degree of recognition for the value their skills, knowledge, and emotional labor created, with periodic wage increases that exceeded the general wage increase negotiated for all workers in their bargaining units. They won union jurisdiction over jobs of the future in internet sales and service. They mobilized to win neutrality and card check recognition that enabled AT&T wireless workers to join CWA free from fear and intimidation. They went on strike to win a stress relief package at Verizon. They built solidarity despite the walls that divided them in their isolated cubicles.

This study ends in the year 2000 with the heady strike victory at Verizon in which the workers and their union won neutrality and card check recognition at Verizon Wireless and a stress relief package in the call centers. The card check/neutrality agreement proved to be as worthless as the paper on which it was written. Verizon refused to comply with the agreement and violated it with impunity. Without employer neutrality, few Verizon Wireless workers were willing to risk threats and intimidation to seek union representation under the inadequate protection of the National Labor

Relations Act.[1] Verizon is now the nation's largest wireless company with 94 million customers and $84 billion in revenue, yet only about 175 Verizon Wireless employees have union representation.[2] As a result, union density at Verizon has declined to 22 percent.[3] While the CWA bargaining units at Verizon have remained strong, negotiating good contracts and winning a successful six-week strike in 2016, they are an increasingly small island within a larger sea of 90,000 non-union employees.[4] With the decline in the wireline business and as a result of outsourcing strategies, CWA today represents only about 1,500 call center workers at Verizon.[5]

As for AT&T, the study ends as CWA call center leaders were fighting a losing battle against the outsourcing of their work as the once mighty corporation prepared itself for sale to SBC. Union power had waned at AT&T, as the company lost market share to non-union companies and, aided and abetted by weak labor laws, succeeded in keeping the union out of its new lines of business. After SBC bought AT&T, the merged company

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[1] Robert Master interview with author, May 19, 2021; George Kohl interview with author, January 12, 2021. For recent examples of anti-union behavior at Verizon Wireless, see Michael Sainato, "How Verizon is Trying to Bust Its Workers' Union," *The Progressive*, September 26, 2018; Sarah Jaffe, "Brooklyn Workers Vote to Save Their Union," *Dissent*, August 30, 2018; Mike Dano, "Verizon Offers Anti-Union Scripts to Managers, Leaked Documents Show," *Light Reading*, January 17, 2019; Jeff Baron, "Man says his firing from Verizon was racially and retaliatory motivated," *Lancaster Eagle Gazette*, July 20, 2019.

[2] CWA represents Verizon Wireless technicians in New York City, who organized in 1989, and a handful of retail stores in New York City. Tim Dubnau, CWA District One Organizing Coordinator, email to author, June 30, 2021.

[3] In 2020, Verizon's wireline service had just over six million customers and $12 billion in revenue. Verizon SEC Form 10-K for the year ended December 31, 2000.

[4] The 2016 strike included union demands to limit outsourcing in the call centers. CWA won limitations on outsourcing in exchange for an agreement to allow the company to distribute calls across a larger east coast footprint. (Prior to this, the union agreement negotiated twenty years earlier, prohibited sending more than about one percent of calls beyond a smaller geographic area.) Noam Sheiber, "Verizon Strike to End as Both Sides Claim Victory," *The New York Times*, May 31, 2016, B1.

[5] CWA membership database as of January 2021, Dan Reynolds, CWA assistant research director, email to author.

(taking the AT&T name) became the second largest private sector union company in the nation (behind UPS) with more than 100,000 union members. In contrast to Verizon, AT&T respected the card check/neutrality agreements first negotiated with SBC and subsequently extended to the companies it acquired.[6] However, today the AT&T call center jobs are under enormous pressure as the company expands upon the global outsourcing whose origins I trace in this study.[7] In the past decade, AT&T closed forty-four in-house union centers, eliminated more than 16,000 call center jobs, and sent the work to third party vendors in domestic and foreign locations in the Philippines, India, Jamaica, Costa Rica, Dominican Republic, El Salvador, Columbia, and Canada. Base wage rates for contractors in the Philippines, Dominican Republic, and El Salvador range from $1.60 to $3.41 an hour, no match for the union rates that range from $25 to $40 an hour.[8] As a result of AT&T outsourcing and promotion of self-service strategies, the number of CWA-represented customer service employees at AT&T is about 21,000.[9]

Before the break-up of the Bell system monopoly, unions represented 63 percent of the workforce. As the company grew, so did the union. The opposite is true today. Telecommunications is a dynamic industry, but growth is in the predominantly non-union wireless and broadband sectors. The non-union companies (Comcast, Spectrum, Verizon

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[6] For a discussion of the successful CWA campaign to win card check/neutrality at Southwestern Bell Mobile Systems, see chapter three, 178-190.

[7] See chapter five, 248-259.

[8] CWA, *AT&T 2018 Jobs Report* (Washington DC: CWA, April 2018); Wage rates from CWA/AT&T wireline contracts in District 3 (Southeast) and District 9 (California/Nevada) and CWA/AT&T Mobility "orange" contract.

[9] CWA membership database as of January 2021.

Wireless, T-Mobile) have fought aggressively to remain union-free.[10] Today, union density in telecommunications hovers at about 16 percent.[11] (See Appendix Figure 13 page 315.) Union wages, benefits, and working conditions no longer set the standard for workers in the industry. Rather, non-union companies and global outsourcers exert downward pressure on union standards and employment security. The result is stagnant wages for telecommunications workers despite dramatic increases in productivity. Median telecommunications workers' wages barely changed over the thirty-year period since divestiture, despite a 214 percent increase in productivity over the same period.[12] Whether intended or not, neoliberal policymakers' promotion of competitive markets in a period of employers' aggressive anti-union animus is a direct cause.

In recent years, CWA has recognized that it must adopt a global solidarity strategy and join with unions and worker centers seeking to organize to raise wages and

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The l[10] See chapter three for discussion of Sprint anti-union behavior, 165-177. The leading broadband providers (Comcast, Spectrum, and Cox) are non-union. Two of the big three wireless companies (Verizon and T-Mobile) are non-union. For T-Mobile violations of labor law, see CWA, "Stop the Systematic Abuse at T-Mobile," 2015;. T-Mobile Workers United website http://tmobileworkersunited.org/about-us/; CWA, "Judge Orders T-Mobile to Disband Illegal Workplace Organization," April 4, 2017. For Comcast, see American Rights at Work, *No Bargain: Comcast and the Future of Workers' Rights in Telecommunications* (Washington DC: American Rights, 2004); CWA, "CWA Case Study in Union Busting Show Weaknesses in Labor Law," November 1, 2003 https://cwa-union.org/news/entry/case_study_in_union_busting_comcast_abuses_show_weakness_in_labor_law. For a general discussion of employer anti-union activity in the 1970s, see Lane Windham, Windham, *Knocking on Labor's Door: Union Organizing in the 1970s and the Roots of a New Economic Divide* (Chapel Hill: The University of North Carolina Press, 2017).

[11] Barry T. Hirsch and David A. Macpherson, "Union Membership, Earnings, and Coverage from the CPS," http://unionstats.gsu.edu/; U.S. Bureau of Labor Statistics, Union affiliation of employed wage and salary workers by occupation and industry, Table 3 (2019-2020).

[12] The median telecommunications workers' hourly wage was $26.51 in the 1983-1986 period and $27.59 in the 2016-2019 period in constant (inflation-adjusted) dollars. The median telecommunications worker is calculated at the 50th percentile of all telecommunications workers. John Schmitt and Jori Kandra, *Decades of slow wage growth for telecommunication workers* (Washington DC: Economic Policy Institute, 2020), Table 5; Jori Kanda email correspondence with author, June 22, 2021. Author's calculation of productivity change, 1987-2019 from Bureau of Labor Statistics, U.S. Labor Productivity database for NAICS code 5173 (wired and wireless telecom).

improve working conditions in the Philippines, Dominican Republic, and Mexico. When CWA members went on strike against Verizon in 2016, Filipino workers who were taking the re-routed Verizon calls reached out to CWA. Later, CWA helped these workers fight management's anti-union policies. Similarly, when an AT&T contractor in the Dominican Republic fired workers who were organizing a union, CWA pressed AT&T to make its contractor live up to AT&T's workers' rights policy.[13]

Neoliberal free market policies have drastically shifted the balance of power away from working people and towards owners of capital, not only in the telecommunications sector but throughout our economy and polity. The evidence is dramatic. Workers' wages have stagnated over the past four decades. Income inequality, as measured by the Gini coefficient, is now the highest it has been since the Census Bureau began tracking income distribution. The twenty wealthiest Americans own more wealth than half of the U.S. population combined. With union representation in the private sector at 7 percent, there is simply no countervailing force to counteract concentrated wealth and corporate power.[14]

Major breakthroughs for working people require a fundamental strengthening of our nation's labor laws and firm governmental oversight of corporate economic activity in order to shift the capital/labor balance. When Congress passed the National Labor

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[13] "CWA Investigates AT&T Offshoring Operation in the Dominican Republic," May 4, 2017 https://cwa-union.org/news/cwa-investigates-att-offshoring-operation-in-dominican-republic ; "CWA Members Protest AT&T Contractor Alorica," April 25, 2019 https://cwa-union.org/news/cwa-members-protest-att-contractor-alorica ; "Following Tragic Fire in the Philippines, CWA Calls on AT&T, T-Mobile, and Verizon to Ensure Safety of Workers in Offshored Call Centers," January 25, 2018 https://cwa-union.org/news/following-tragic-philippines-fire-cwa-calls-on-att-t-mobile-and-verizon-ensure-safety-of; "CWA Stands with International Call Center Workers," September 27, 2018 https://cwa-union.org/news/cwa-stands-international-call-center-workers

[14] Sharon Block and Benjamin Sachs, *Clean Slate for Worker Power: Building a Just Economy and Democracy* (Cambridge MA: Harvard Law School Labor and Worklife Program, 2019), 10, https://www.cleanslateworkerpower.org/; Kate Andrias, "Constructing a New Labor Law for the Post-New Deal Era," in *The New Deal and Its Legacies*, eds. Romain Huret, Nelson Lichtenstein, Jean-Christian Vinel (Philadelphia: University of Pennsylvania Press, 2020).

Relations Act (NLRA) in 1935, it recognized the "inequality of bargaining power" between individual workers and employers.[15] The NLRA was designed to provide working people a collective voice through union representation to serve as a countervailing source of power to the wealth and influence of corporations. But the NLRA, designed for the industrial era of relatively stable employment, leaves many gaps in today's political economy. As we saw in the discussion of the Sprint workers' organizing campaign, the NLRA does not protect workers' right to organize free from employer intimidation, harassment, and threat of job loss and facility closings.[16] As we saw in the ferocity with which non-union employers fought to stay non-union and with which union employers worked to keep the union out of its new subsidiaries, as well as the challenges CWA faced blocking global outsourcing at AT&T, the U.S. system of decentralized, enterprise-based bargaining leaves too many workers without the protection of collective bargaining; creates incentives for employers to fight unionization

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[15] NLRA, 29 U.S.C. §§ 151.

[16] See chapter three discussion of CWA organizing at Sprint, 165-177. There is a large scholarly literature supplemented by case study accounts from union organizers that document the failure of labor law to protect organizing workers from the increasingly aggressive and often illegal management activities designed to block unionization, beginning in the 1970s and accelerating in subsequent decades. A good place to start is Richard B. Freeman and James l. Medoff, *What Do Unions Do?* (New York: Basic Books, 1984), 221-245 and Freeman's update of this classic work in "What Do Unions Do: The 2004 M-Brane Stringtwister Edition" in *What Do Unions Do? A Twenty-Year Perspective*, eds. James T. Bennett and Bruce E. Kaufman (New Brunswick NJ: Transaction Publishers, 2007), 627-629. See also Paul Weiler, *Governing the Workplace: The Future of Labor and Employment Law* (Cambridge MA: Harvard University Press, 1990), 112, 238-239 and n. 18. For an excellent overview of employer resistance to union campaigns in the 1970s, see Anna Lane Windham, *Knocking on Labor's Door*. For an explanation of why employers became more aggressive in fighting unions beginning in the 1970s, see Robert Flanagan, "Has Management Strangled U.S. Unions?" in *What Do Unions Do? A Twenty-Year Perspective*, 459-491. For management accounts of employer tactics to defeat union organizing efforts, see Martin Jay Levitt with Terry Conrow, *Confessions of a Union Buster* (New York: Crown Publishers, 1993) and Alfred T. Demaria, *How Management Wins Union Organizing Campaigns* (New York: Executive Enterprises Publications,1980). For an overview of the impact of facility closing on union organizing, see Kate Bronfenbrenner, "Final Report: The Effects of Plant Closing or Threat of Plant Closing on the Right of Workers to Organize," Submitted to the Labor Secretariat of the North American Commission for Labor Cooperation, September 30, 1996.

to avoid competitive disadvantage with non-union firms; and cannot address the problems posed by the fissured workplace.[17] Finally, under the NLRA, the subjects of collective bargaining are too limited and provide workers' representatives no voice over key financial and managerial decisions.[18]

To restore a modicum of power for working people to contend for an equitable share of the great wealth that they create, a first critical step is the reform of our nation's labor statutes. Labor and its allies have seen numerous defeats in the quest for stronger labor protections. Senate filibusters killed moderate labor law reform in 1978 during the Carter Administration and the more expansive Employee Free Choice Act in 2010 during the Obama Administration.[19] In 2021, Congress is considering the labor-backed Protecting the Right to Organize Act (the PRO Act) which would amend the NLRA by strengthening penalties for labor law violations, ban anti-union mandatory meetings convened by employers, prohibit striker replacement, allow secondary boycotts, strengthen union election and enforcement procedures, allow unions to collect fees from

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[17] For discussion of non-union employer anti-union animus and CWA employers' strategy to keep the union out of new subsidiaries, see chapter three. For discussion of the fight against AT&T outsourcing, see chapter five, 248-259.

[18] I discuss the limitations on union participation in key decisions regarding work organization and technology throughout the dissertation, and especially regarding "management rights" in chapter two, labor-management programs in chapter four, the problems of the fissured workplace in chapter five, and boundaries of collective action in chapter six. On the need to update the NLRA for today's economy, see *Clean Slate for Worker Power,* 9-15;Andrias, "Constructing a New Labor Law."

[19] The Labor Law Reform Act of 1977 and 1978 would have made minor changes in the NLRA to speed up elections and increase penalties for labor law violations. The bill passed the House of Representatives in 1977 on a 257-63 vote but died the next year after a Senate filibuster. See Windham, *Knocking on Labor's Door*, 76-81. The Employee Free Choice Act would have established a card check system for union recognition, required mandatory first contract arbitration, and increased penalties on labor law violators, among other provisions. The bill passed the House of Representatives in 2007 by a 241-85 vote. The bill lost a Senate cloture vote 51-48 in 2007 and died in the Senate in 2010. See Melvyn Dubofsky and Joseph A. McCartin, *Labor in America: A History*, 9th edition (Hoboken NJ: Willy, 2017), 401-402.

non-union members in current so-called "right-to-work" states, among other provisions.[20] Passing the PRO Act would be a first step to address weaknesses in current labor law, but more is needed.

As this study demonstrates, strengthening the NLRA framework is necessary but not sufficient to give working people the institutional support they need to have real power over their working lives. Fortunately, we have a road map for the fundamental changes we need. In 2019, a group of labor lawyers, academics, worker advocates, and union leaders under the direction of former National Labor Relations Board member Sharon Block and Harvard law professor Benjamin Sachs issued the *Clean Slate for Worker Power* report which, as the name implies, proposes a "*new* labor law that is capable of empowering *all* workers to demand a truly equitable American democracy and a genuinely equitable American economy." To address the limitations of U.S. enterprise-based bargaining, the *Clean Slate* recommends a system of sectoral bargaining that would require negotiations between union(s) and employer organizations representing an entire economic sector of the economy. To expand workers' voice over key management financial and business decisions, *Clean Slate* recommends statutory provisions that would establish works councils upon workers' request; expansion of the range of mandatory subjects of bargaining to include managerial and entrepreneurial decision; and 40 percent worker-chosen representatives on corporate boards.[21]

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[20] The Protecting the Right to Organize Act (PRO Act) passed the House of Representatives on March 9, 2021 on a 225-206 vote and as of this writing is stalled in the Senate.

[21] The report includes additional recommendations to expand labor law coverage to all workers, strengthen penalties for labor law violations, allow non-exclusive bargaining rights, ban striker replacements and right-to-work laws, among many other provisions. Block and Sachs, *Clean Slate for Worker Power,* 2-8.

Notably, there was sectoral bargaining in the telecommunications industry during the monopoly era between 1974 and 1983 when CWA negotiated a national contract with AT&T that set the pattern for CWA contracts with the Bell Operating Companies. This was the golden era in labor relations in the telecommunications industry, culminating the year before divestiture when CWA negotiated what it called "codetermination" contractual provisions that gave the union a seat at the table regarding technology and work organization. But with the traumatic disruptions in the post-divestiture era, these technology change committees deteriorated into technology displacement committees, negotiating how to implement downsizing and lay-offs rather than how to deploy technology to enhance worker skill, job performance, and satisfaction at work.[22] CWA has endorsed sectoral bargaining, which would significantly reduce downward pressures on labor costs from non-union companies and could serve to reduce employer opposition to union organizing.[23] As this study demonstrates, absent labor market institutions that support union participation in key decisions regarding work organization, technology, and finances, employers are not willing to concede power in these areas. The call center workers we met in these pages contested for this terrain through their union. But as they discovered, the terrain was filled with numerous roadblocks and pitfalls erected by their employers, with few guardrails to support them in their journey.

The challenge for CWA and for the union movement today requires building a broad-based political movement with the strength to challenge the neoliberal hegemony

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[22] For a discussion of the 1983 co-determination contract provisions, see chapter one, 88-91; George Kohl telephone interview with author, January 12, 2021.

[23] CWA Resolution # 77A-19-05, "Workers' Rights and Labor Law Reform," 77th CWA Convention Resolutions, 2019, https://cwa-union.org/77th-cwa-convention-resolutions.

of the corporate class in order to strengthen the countervailing institutions that empower working people on the job and in the larger society. The roots of the inequities in our society and economy lie in the neoliberal economic, trade, and labor policies that have given companies unfettered freedom to move jobs at will, depressing labor standards at home and abroad. The solutions to protect workers in this environment require a new social contract in which government policies constrain the destructive power of financial capital.

Appendix

Figure 1.

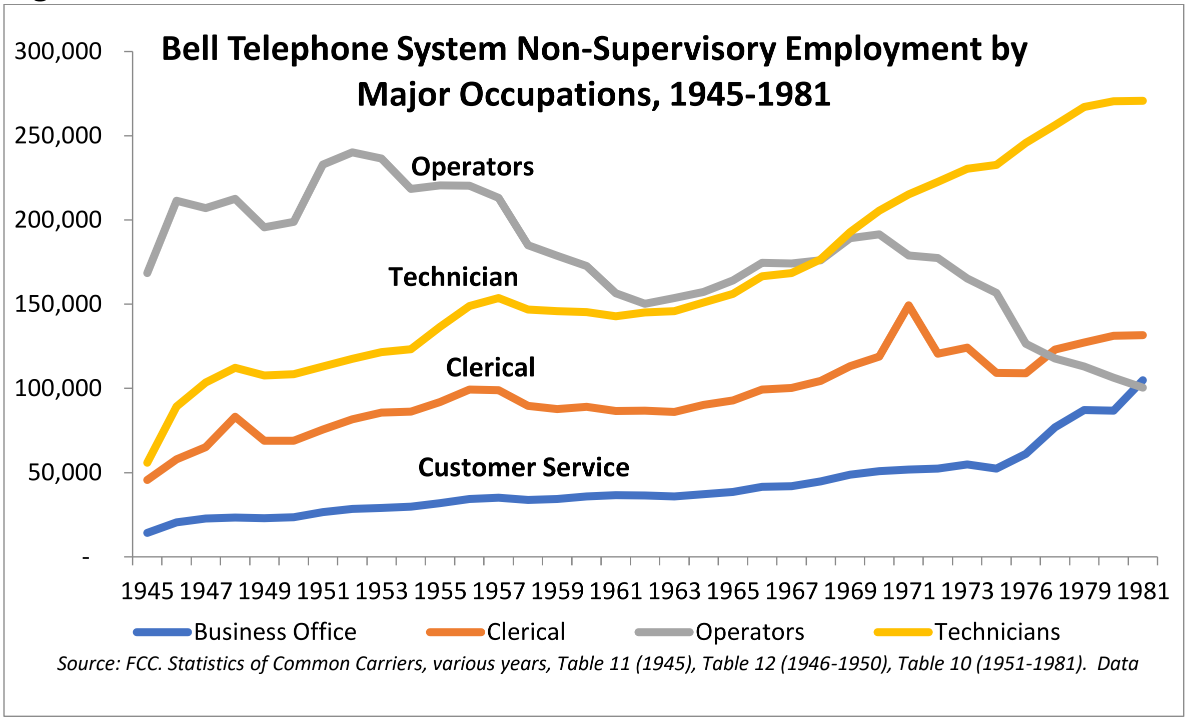
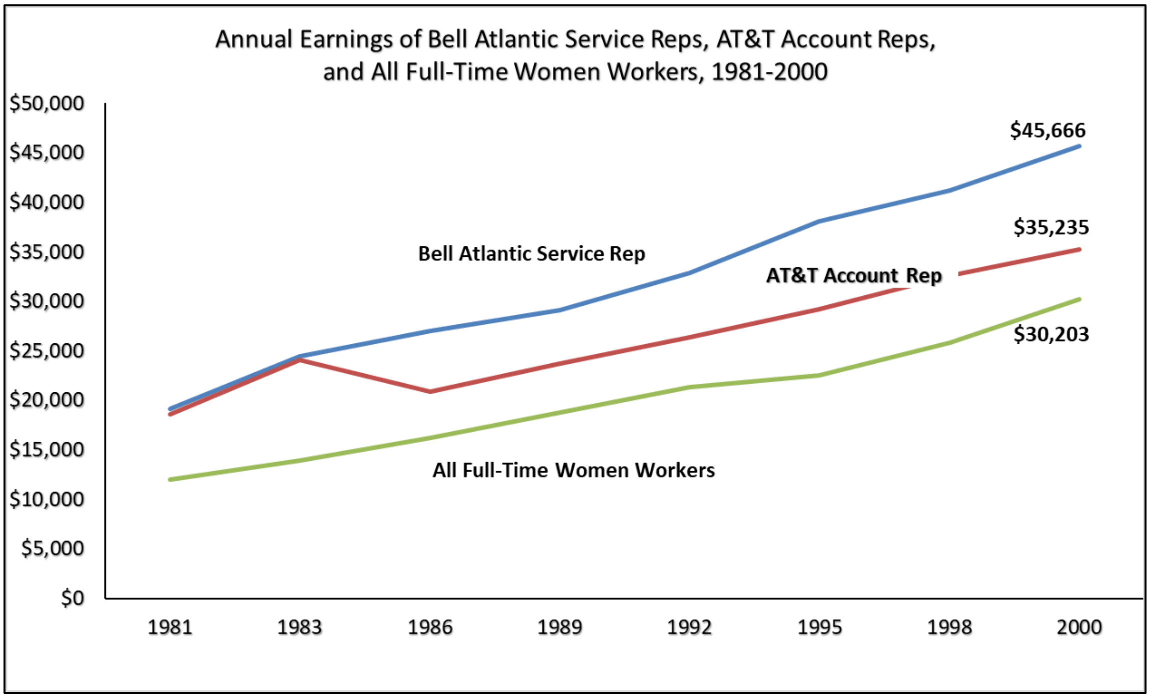


Table 1.

Bell Telephone Non-Supervisory Employment by Gender 1967 and 1981						
	1967			1981		
	Male	Female	% Female	Male	Female	% Female
Operators	41	174,150	100%	9,051	90,036	91%
Business Office	10,683	31,279	75%	27,603	77,289	74%
Technicians	167,593	821	0%	208,973	58,910	22%
All Non-Supervisory Employees	200,341	337,385	63%	285,516	390,869	58%
All Bell Telephone Employees	290,639	377,520	57%	400,240	462,963	54%
Source: FCC. Statistics of Common Carriers, various years, Table 11 (1945), Table 12 (1946-1950), Table 10 (1951-1981). Data for 1971-1981, extrapolated from all carrier data, discounted by 5 percent (the amount of non-Bell employment in prior years).						

Figure 4.



Source: CWA Contracts with AT&T, C&P Telephone and Bell Atlantic South; Current Population Survey, Median wage for female workers, Table P-53.

Figure 5.

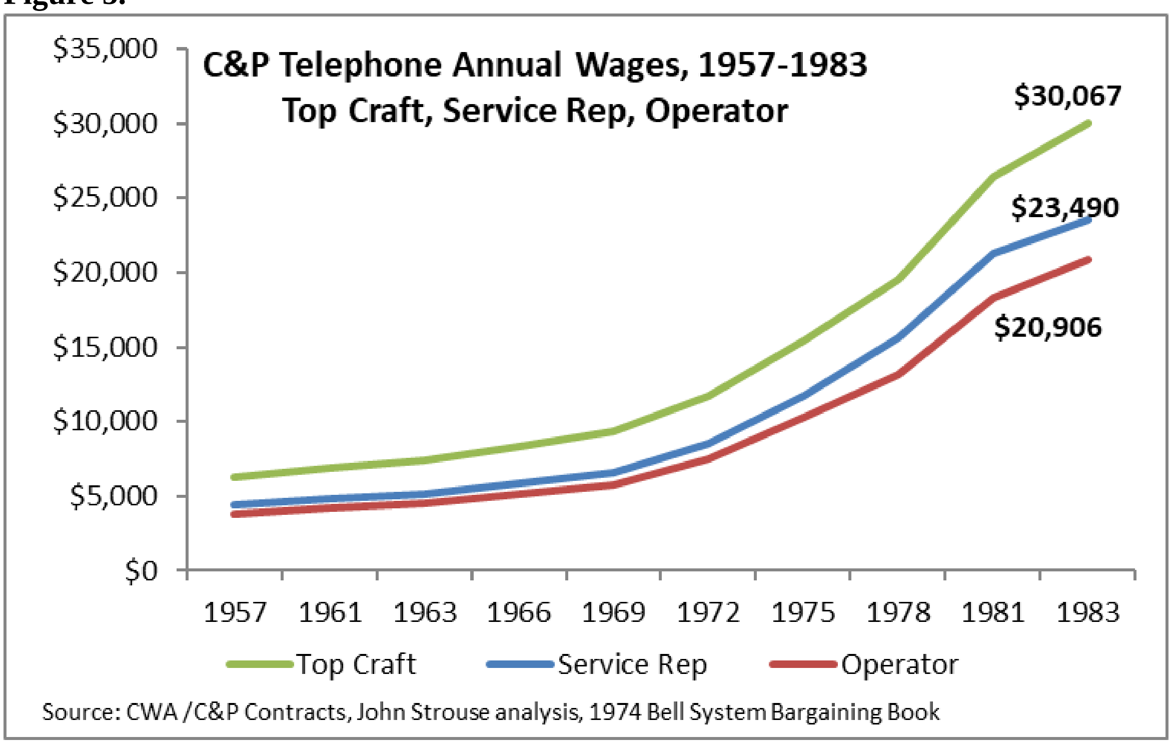


Table 2.
AT&T Financial Performance, 1984-2004

	Revenue ($billions)	Operating Income ($billions)	Net Income ($billions)	Operating Income/ Revenue	Return on Common Equity
1984	60,326	2,825	1,712	4.7%	9.8%
1985	63,159	3,562	1,856	5.6%	10.1%
1986	61,975	978	434	1.6%	0.3%
1987	60,726	4,164	2,374	6.9%	14.4%
1988	62,067	(2,381)	(1,527)	-3.8%	-11.3%
1989	61,604	4,931	2,820	8.0%	22.2%
1990	63,228	5,622	3,666	8.9%	19.7%
1991	64,455	1,570	171	2.4%	3.1%
1992	66,647	6,628	3,442	10.0%	21.1%
1993	69,351	6,568	(5,906)	9.5%	-29.0%
1994	75,094	8,030	4,710	10.7%	29.5%
1995	79,609	1,215	139	1.5%	0.7%
1996	52,184	8,810	5,908	16.9%	28.0%
1997	51,319	6,968	4,638	13.3%	21.5%
1998	53,223	7,487	6,398	14.1%	25.3%
1999	62,391	10,859	3,428	17.4%	15.2%
2000	65,981	4,277	4,669	6.5%	27.3%
2001	52,550	3,754	(4,131)	7.1%	22.1%
2002	37,827	4,361	963	11.5%	22.3%
2003	34,529	3,657	1,863	10.6%	16.4%
2004	30,537	-10,088	-6,469	-33.0%	12.6%

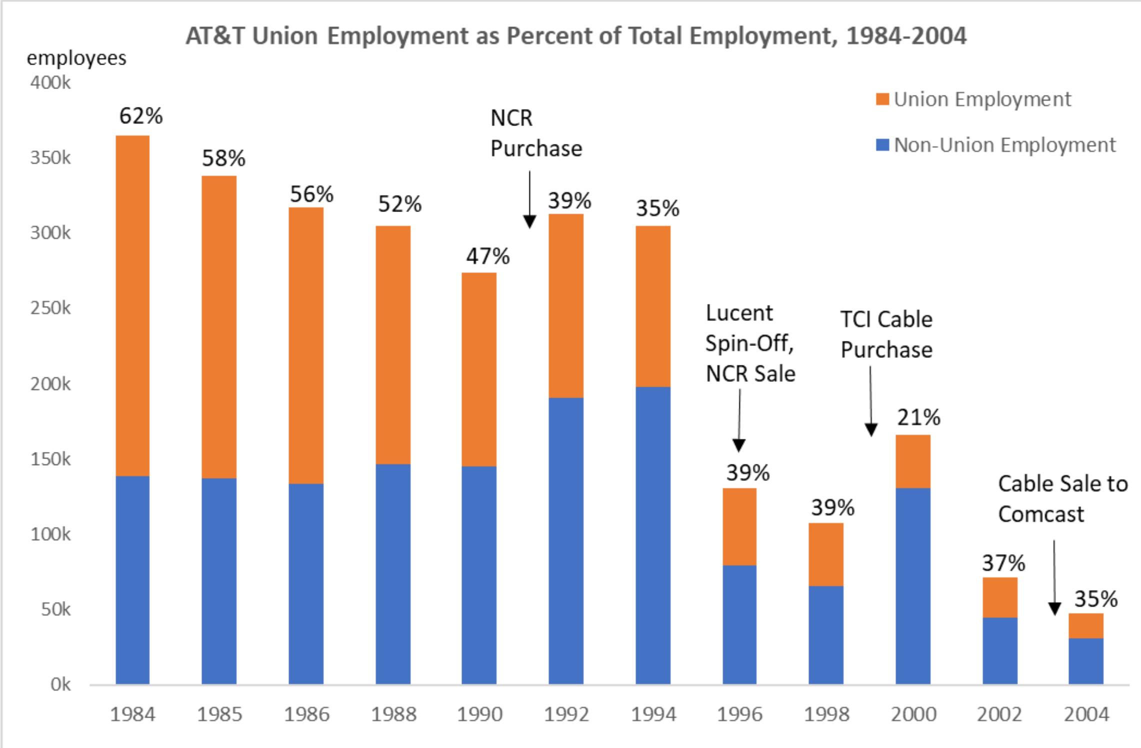
Source: AT&T SEC Form 10K, 1984-2004

Table 3.
Bell Atlantic Financial Performance, 1984-2004

	Revenue ($ billions)	Operating Income ($ billions)	Net Income ($ billions)	Operating Income/ Revenue	Return on Common Equity	Access Lines (000s)
1984	8,096	2,107	973.1	26%	13.3%	14,677
1985	9,131	2,325	$1,093	25%	14.1%	15,090
1986	10,054	2,476	$1,167	25%	14.3%	15,509
1987	10,747	2,383	1,240	22%	14.4%	16,056
1988	10,880	2,446	1,317	22%	14.5%	16,541
1989	11,595	2,008	1,024	17%	N/A	17,056
1990	12,547	2,614	1,231	21%	14.4%	17,484
1991	12,552	2,525	-324	20%	-4.4%	17,750
1992	12,718	2,506	1,341	20%	17.4%	18,181
1993	12,990	2,798	1,403	22%	17.3%	18,645
1994	13,791	2,805	-755	20%	14.4%	19,168
1995	13,081	2,937	1,882	22%	25.7%	20,566
1996	30,194	5,342	2,455	18%	19.1%	N/A
1997	31,566	6,627	4,202	21%	41.0%	41,600
1999	33,174	8,495	4,202	26%	41.2%	43,000
2000	64,707	16,758	11,797	26%	35.4%	64,900
2001	67,190	11,532	389	17%	1.7%	132,100
2002	67,625	14,997	4,079	22%	14.1%	128,137
2003	67,468	7,407	3,077	11%	10.5%	123,012
2004	71,283	13,117	7,831	18%	16.6%	116,861

Source: Bell Atlantic SEC Form 10-K, 1984-2005

Figure 7.



Source: AT&T SEC Form 10-K, 1984-2004

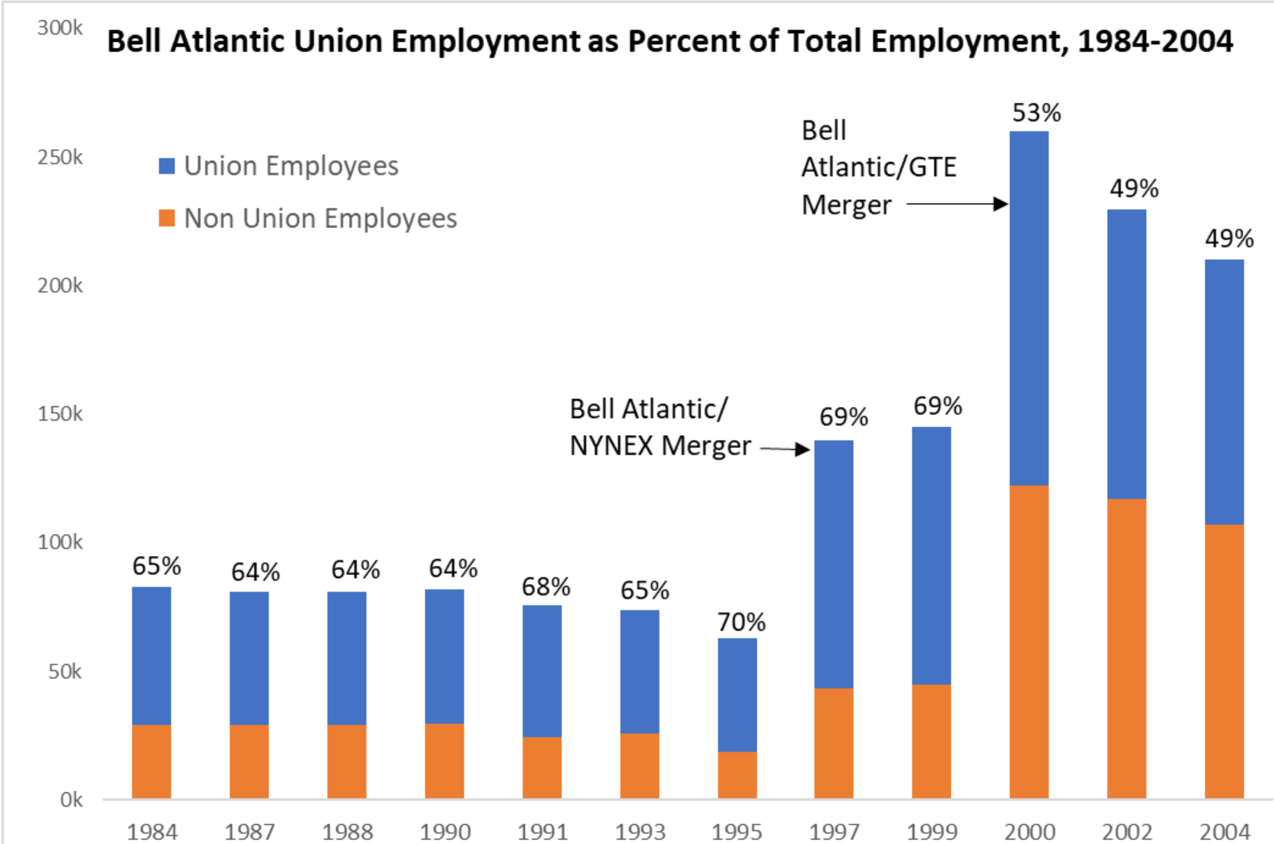
Table 4.
AT&T Total Employment, Union Employment, Union Density, 1984-2004

	Total Employment	Union Employment	Union Density
1984	365,000	226,300	62%
1985	338,000	201,110	60%
1986	317,000	183,860	58%
1987	303,000	169,680	56%
1988	304,500	158,340	52%
1989	283,500	147,420	52%
1990	274,000	128,780	47%
1991	317,100	123,669	39%
1992	312,700	121,953	39%
1993	308,700	108,045	35%
1994	304,500	106,575	35%
1995	300,000	76,000	25%
1996	130,400	50,840	39%
1997	128,000	58,560	46%
1998	107,800	42,000	39%
1999	148,000	39,990	27%
2000	166,000	35,424	21%
2001	117,800	31,806	27%
2002	71,000	26,270	37%
2003	61,600	22,176	36%
2004	47,600	16,660	35%
Source: AT&T SEC Form 10-K various years			

AT&T Major Transactions

1992 NCR acquisition
1994 McCaw wireless
1996 Lucent spin-off and NCR sales
1999 TCI (cable) acquisition
2000 MediaOne (cable) acquisition
2001 AT&T tracking stock
2002 AT&T broadband sale
2005 SBC acquisition of AT&T

Figure 8.



Source: Bell Atlantic and Verizon SEC Form 10-K, 1984-2005

Table 5.
Bell Atlantic Total Employment, Union Employment, Union Density, 1984-2004

	Union Employment	Total Employment	Union Density
1984	53,820	82,800	65%
1985	N/A	N/A	N/A
1986	N/A	80,141	N/A
1987	51,808	80,950	64%
1988	51,840	81,000	64%
1989	N/A	80,000	
1990	52,224	81,600	64%
1991	51,476	75,700	68%
1992	47,124	71,400	66%
1993	47,840	73,600	65%
1994	46,995	72,300	65%
1995	43,820	62,600	70%
1996	98,700	141,000	70%
1997	96,600	140,000	69%
1999	100,050	145,000	69%
2000	137,800	260,000	53%
2001	N/A	N/A	N/A
2002	112,455	229,500	49%
2003	103,581	203,100	51%
2004	102,900	210,000	49%

Source: Bell Atlantic Form 10-K, various years
(Prior to 1995, employment includes cellular and computer business, 7,500 employees)

Bell Atlantic Major Acquisitions
1996 Bell Atlantic/NYNEX Merger
2000 Bell Atlantic/GTE Merger to form Verizon
2005 MCI Acquisition

Figure 9.

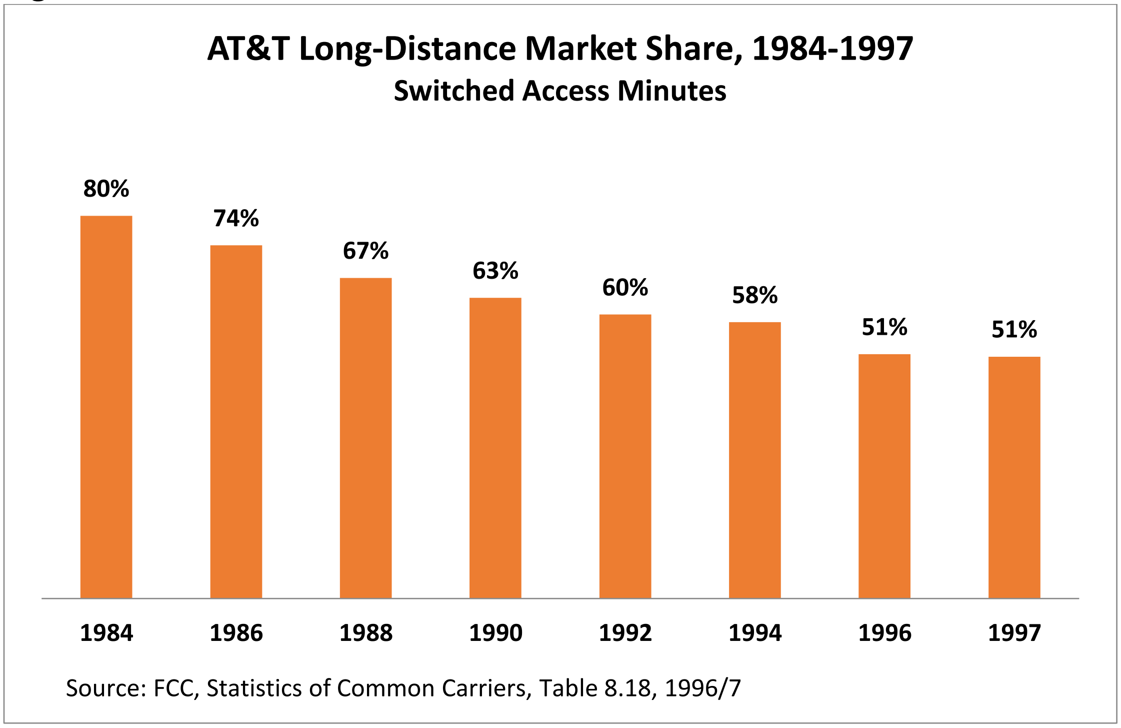


Figure 13.

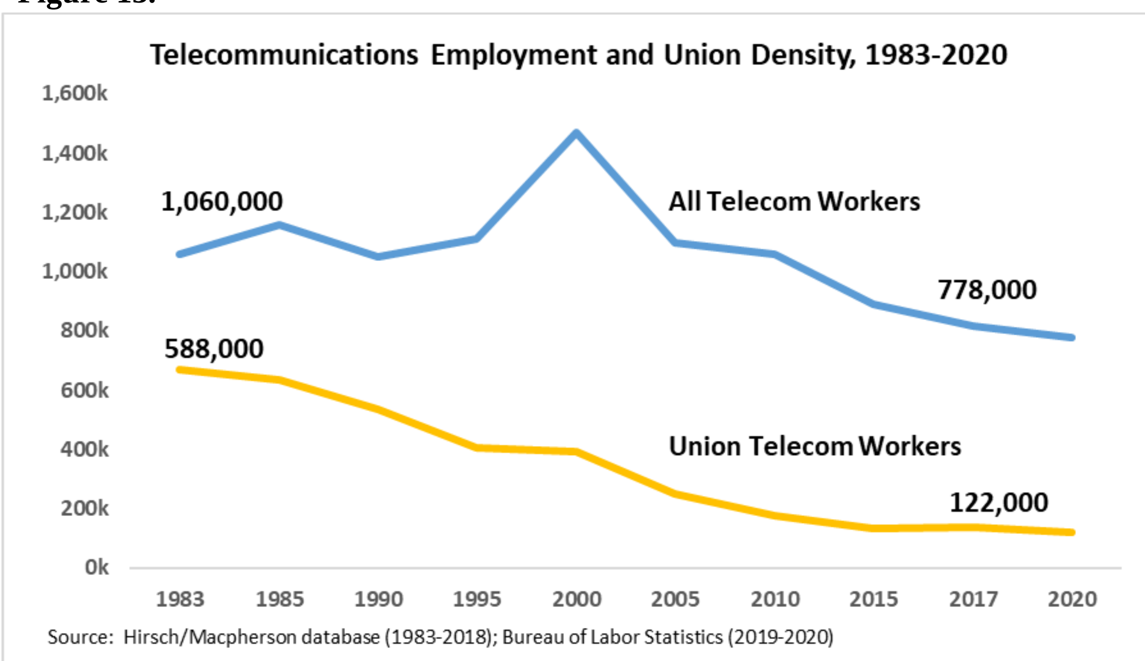
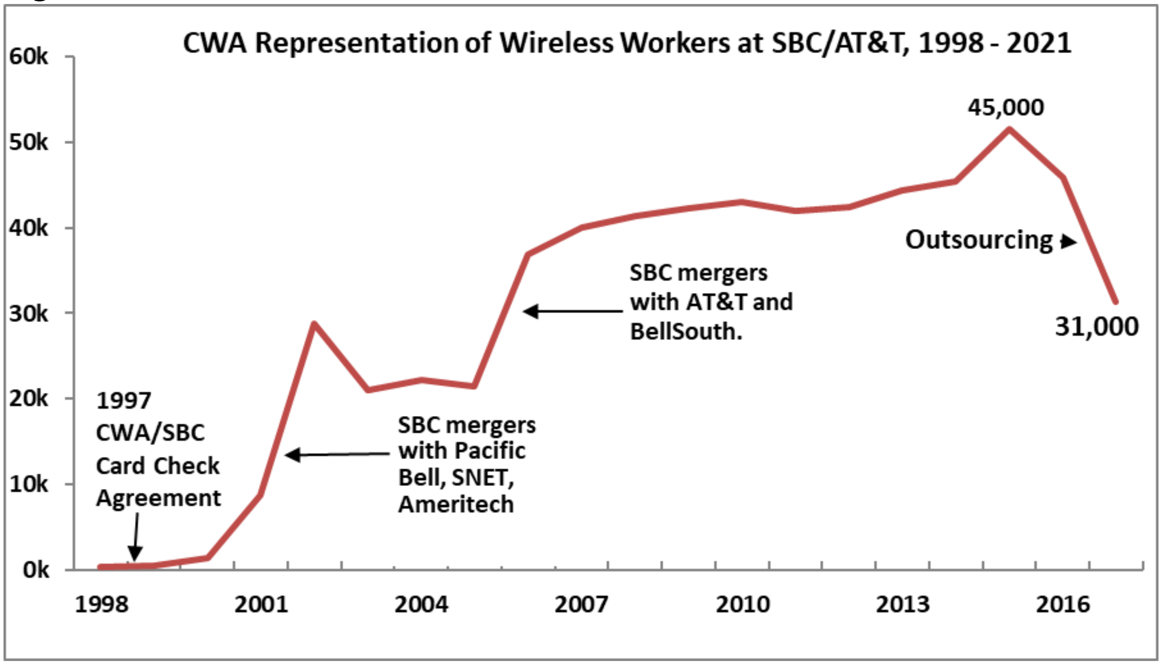


Figure 14.



Source: CWA Membership data

Table 6.
Timeline of Telecommunications Industry and CWA Milestones

1934	Communications Act of 1934
1947	CWA founded from Federation of National Telephone Workers
1953	CWA strike against BellSouth
1968	FCC approves Carterfone attachment to the Bell network, opening up competition in the equipment market
1968	CWA strike against the Bell system
1971	CWA strike against the Bell system
1969	FCC grants MCI application for Chicago-St. Louis microwave service, beginning competition in long-distance service
1971	FCC Ozark Plan increases cross subsidies from long-distance to local service
1971	EEOC Affirmative Action Consent Decree with AT&T
1981-1984	FCC grants two cellular licenses per region, one to local RBOCs
1982	AT&T consent decree with U.S. Department of Justice to divest local telephone service to seven Regional Bell Operating Companies (RBOCs). AT&T retains Western Electric (later renamed Lucent Technologies) and Bell Labs
1983	CWA strike against Bell system
1984	Divestiture takes effect
1989	CWA strike against NYNEX
1991	AT&T purchases NCR computer company
1993	FCC auctions PCS broadband wireless licenses
1994	AT&T purchases McCaw wireless to become largest U.S. wireless provider

Table 6. (continued)
Timeline of Telecommunications Industry and CWA Milestones

1996	Telecommunications Act of 1996 opens local and long-distance voice, video, data markets to competition
1997	Bell Atlantic/NYNEX merger SBC/Pacific Telesis merger
1996	AT&T spins off Lucent Technologies
1998	AT&T purchases TCI cable company AT&T purchases Teleport, facilities-based local company
1998	CWA strike against Bell Atlantic
1999	SBC/Ameritech merger Bell Atlantic approved to provide long-distance service in New York state
2000	Bell Atlantic/GTE merger to form Verizon
2000	CWA strike against Bell Atlantic
2001	AT&T spins off wireless business
2002	AT&T sells cable business to Comcast
2004	FCC *UNE Remand* decision ends below-cost local service resale pricing AT&T exits local service business
2005	SBC purchases AT&T (takes AT&T name)
2006	Verizon purchases MCI

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