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It's Never Too Late

Office Workers at Bethlehem Steel

■ *Ruth Needleman*

Once jobs are contracted out, it's an uphill battle to bring them back into a bargaining unit—even if the union has strong contract language. If the jobs never did belong to the union and there is no favorable language, then many reasonable people would not even put up a fight. But the office and technical (O&T) workers at Bethlehem Steel's Burns Harbor Plant did, and so did their union, the United Steelworkers of America (USWA).

"Our approach," explained Sandra Sutton, USWA Local 9144 president, representing the O&T at Bethlehem, "was to make it an unbearable situation for management." The company had contracted out almost half the jobs during a union organizing drive, and four years later the union prevailed and got them back.

Their strategy worked, and the story is worth telling. It covers a 20-year period, involves a string of organizing drives, and a very significant victory against subcontracting.

The story begins in 1965 with the opening of Bethlehem's Burns Harbor Plant, the newest and most modern integrated mill in the nation, located on Lake Michigan in Indiana. The blue-collar workforce was union from the day the plate mill went into production. The office and technical workers were not.

• *Ruth Needleman, a Consulting Editor of* Labor Research Review, *is Coordinator of the Division of Labor Studies at Indiana University Northwest in Gary.*

Attempts to organize O&T at Bethlehem began in 1969, when the union made a respectable showing. Subsequent efforts, however, were derailed by Bethlehem's campaign to capture the minds and loyalties of its office help.

Linda Carpenter, who would become president of USWA Local 9180 representing the contracted workers, hired in the mill in 1970, just after the first drive. "All the clericals were told we were management or the next thing to management, part of the team. We were special," she remembered bitterly. "They always gave us all the benefits that the hourly had, plus more." In fact, following unionization efforts in 1969, 1971 and 1974, Bethlehem rewarded its loyal employees with pay raises, bonuses and ever sweeter benefit packages.

"The company would always gather us together in the main office during the campaign—we were paid to go to the meetings—and they would tell us all the wonderful things the company had done," Linda continued. "'We can't promise anything,' the'd say, 'because the NLRB says we can't, but we've always taken care of you.' Then as soon as the union was defeated, we got a big raise, a new bonus, better vacations and insurance." "It was a big joke in the mill," according to Sandy, who began work in 1969, "that the best way to get a pay raise was to start a union drive."

By 1981 some of the "specialness" had worn thin, particularly for the women who started to figure out that being part of management's team had not translated into promotional opportunities. "By 1981," Linda remarked, "I was interested in a union. We had worked very hard without success to get rid of the chauvinistic attitudes at the coke plant. Besides my job, I had to place my boss' phone calls, make coffee, make guests to the coke plant feel welcome and entertain them til my boss was ready. I was a single mother and still called a 'girl.' I'd had it."

Despite growing dissatisfaction, the organizing drive in 1981 suffered a crushing 2-to-1 defeat. But this time management's "reward" was different. Instead of pay raises, Bethlehem launched an austerity drive, combining layoffs with pay cuts and pay cuts with benefit cuts. Insulating itself from unfair labor practice charges after the drive, Bethlehem laid off both union supporters and opponents, high as well as low seniority workers, men as well as women. "It was pick and choose," according to Sandy. "They told us they were getting rid of the bad apples, that they would end up with a prime work force. If we wanted to be part of it, we had to help find ways to do away with jobs. To insure yourself a job, you were expected to go after somebody else's. A lot of us got caught in that trap."

What accounted for the company's change in behavior was, of course, the devastating economic condition of the steel industry, the dovetailing of the industrywide crisis with the defeat of the union. Between 1978 and 1985, the number of salaried non-exempt employees at the Burns Harbor Plant shriveled from 1500 to 550. The workload steadily rose. "We saw pay cut after benefit cut after pay cut," stressed Sandy. "Two within 30 days. They took a dollar across the board, then dental benefits, then vision."

At the same time, Bethlehem maneuvered to defuse anger by setting up two task forces. One was assigned the responsibility of drawing up a code of conduct; the other was asked to develop lines of communication. Both were distasteful substitutes for a union contract and grievance committee.

The Contracting Out

By March of 1985, a new union organizing drive was underway. A core committee labored to build a solid foundation and was on the brink of flooding the mill with cards when Bethlehem brought out the guillotine. Ironically, it was at a special meeting of the Communications Committee that Bethlehem announced its intention to contract out entry-level and "some other jobs" held by O&T personnel. Just one month before, plant manager Roger Penney had appeared before the Communications Committee to reassure them that "there were absolutely no plans to contract out any clerical work at Burns Harbor."

The ultimate insult, as Linda described it, was a "Dear John" speech to which they were subjected: "'We appreciate all of your loyalities,' the head of Human Resources told us, 'and we would appreciate your staying on with us.' They explained that the outside contractor would be offering jobs to all of us, and they hoped we would help smooth out the transition by staying on."

While the Communications Committee was in session, management corralled other of Bethlehem's "special team players" into closed meetings to inform them the game was over. Emotional outbursts erupted and spread from office to office. Anger. Hurt. Bitterness. By the next afternoon a majority of O&T workers had signed union cards, and the cards had been delivered to the NLRB office in Chicago. The following month unfair labor practice charges were filed by the USWA against Bethlehem for discrimination and failure to bargain. Clearly the company's decision to contract out jobs was tainted with anti-union animus. There had been no secret the campaign was under way. The NLRB, however, dismissed the charges.

In June 1985 Bethlehem announced which jobs would be eliminated (160), which would be contracted out (138), and which would remain part of Bethlehem Steel. The selection process seemed anything but arbitrary. Most of the jobs eliminated or contracted out were held by women.

In all, more than 80% of the 160 jobs cut had belonged to women, while two-thirds of the workers remaining as Bethlehem employees were men. Clearly, it was not "jobs" but "people" who were subcontracted, since not all entry-level jobs were included. In fact, there were jobs that were worked by a Bethlehem employee on one shift and by a subcontracted employee on another. Of the 138 positions put up on the subcontractor's auction block, all but three were filled by former Bethlehem workers. As the company had hoped, this group—too scared or too poor to go elsewhere—had remained "loyal."

Even among the women workers who retained jobs, there seemed to be a method to Bethlehem's selection process. "They didn't contract out my job," remarked Sandy. "At one point my supervisor even said to me, 'You'd stay, wouldn't you, if they contract out your job?' I said, no way do I pay the company back money to keep doing the same work. But he said, 'you couldn't get anything equivalent out there, right?' I can move, I replied, no problem." Sandy is single, without dependents. Linda, whose job *was* subcontracted, is a single mother, head of household.

Now instead of working for Bethlehem, the targetted group took severance pay and went to work for Star Personnel, a small temporary employment agency that incorporated the day it obtained the Bethlehem contract. Prior to that time, Star never had a permanent employee and had never set foot in a steel mill.

The average seniority for this group of contract laborers had been 15 years. It included the first female clerical hired at Burns Harbor, a women with 25 years of service. Overnight these workers lost as much as 42% of their wages, all their benefits and all their seniority. "There was absolutely nothing different in my job," Linda explained, "same supervisors, same desk, same phone. What was different was my attitude, my paycheck and my self-esteem, and ultimately my home life."

Star Personnel employees experienced drastic life changes: family breakups went hand in hand with financial bankruptcy. People lost their homes and marriages, and children lost their chance at a college education. The message Bethlehem sent to these workers as part of the notice of subcontracting was as devastating as the job loss itself: you, like your job, are less valuable than others. Unfortunately, some who remained believed that

Bethlehem had kept them because they were worth more.

The contracting out of O&T jobs at Bethlehem was done in such a way as to maximize distrust, competition, demoralization, and hopelessness. It was union-busting at its ugliest.

Unionism in Two Locals

But the story was far from over. Defiant workers set into motion a multifaceted strategy: to organize the O&T people, to defy and battle Bethlehem management at every turn, and to persuade the union membership and leadership that winning back the Star jobs had to be a number one priority.

The union drive among the remaining Bethlehem employees succeeded, and USWA Local 9144 was formed in January 1986. Local 9144, however, had only 214 members—a far cry from the 1500 O&T workers back in 1978.

To the surprise of many—not just Bethlehem management—the terrorized, predominantly female group of contract workers at Star Personnel stood right back up and also unionized. It was a great act of courage, not so much because they feared the loss of their jobs—they had already lost the job worth saving—but rather because they had been stripped of their self-confidence and self-respect, which are much harder to restore. Josephine Brooks, organizer for USWA District 31, praised the persistence of the core committee at Star in overcoming the depression and sense of hopelessness that threatened to paralyze the drive. In March 1986, Star employees voted better than 2-to-1 for the union, and USWA Local 9180 was formed.

Now all O&T workers were in the Steelworkers union, but inside the mill the Star employees were still second-class citizens. They took orders from Bethlehem supervisors, but could not file grievances against Bethlehem; they had to file grievances with Star and negotiate with Star, an agency with no authority in the mill. This situation, designed to instill powerlessness and despair, became a vehicle to carry forward their battle for reinstatement. Star employees registered bitter complaints daily with their supervisors and denied them the cooperation which had so much characterized their work performance for decades. The supervisors had never wanted the contracting out to begin with and now were reaching the end of their rope; instead of loyalty, defiance; instead of no union, two unions. The supervisors became indirect but tactically important allies.

The district leadership of the Steelworkers also obtained a first-hand education from the Star situation. Every grievance was an

exercise in futility. "It was like trying to pierce the corporate veil," explained international staff rep Sharon Stiller. "Star always had an escape; they said their hands were tied. It was like punching jello. You couldn't get a grievance settled dealing with Star. There was no contractual relationship to Bethlehem Steel so that you could never get at the people making decisions." "There was absolutely no way we could protect our members when they were with Star," stressed USWA District Director Jack Parton. "Bethlehem controlled all of it and could run Star off with another bid from a temporary agency."

What's more, the union walked a tightrope, defending the contracted-out workers of Local 9180 while backing the efforts of Local 9144 to eliminate the contractors. From the standpoint of Local 9144, Star was a contractor doing work that should have been part of their bargaining unit, as both Sandy, president of the local, and Dennis Phillips, 9144 grievance chair, emphasized. "Those were our dear friends out there, but Star was nothing but a contractor with all the dirty connotations that go along with that. And we fought any and all subcontracting of our work. We knew we had to get those jobs back."

The odds of retrieving those jobs did not favor the union, and there were many who considered the leaders of both locals as modern-day Don Quixotes. "Absolutely every place we went that had anything to do with Steelworkers," Sandy recounted with great satisfaction, "we told the story of Star Personnel. 'Oh no,' people would say. 'There's Sandy or Linda. Now we're going to hear about Star again.'" And every time Dennis Phillips met with management over a grievance, he pressed and argued over Star. "There wasn't a third-step meeting with Labor Relations where the Star issue was not brought up," according to Dennis. "That's once or twice every month for almost three years." And, every time Bethlehem tried to get a 9144 employee to cover for an absent Star worker, or vice versa, Dennis filed a grievance—50 of them in less than three years.

Every move management made to subcontract additional work was challenged. At one point in the cold mill, work almost ground to a halt; 150 trucks were loaded one day but only 15 the next, due to a dispute over the use of temporaries. "Our people wouldn't even tell temporary replacements where the bathroom was, let alone train them," Dennis explained.

Probably no conversation took place between an officer of the USWA and Bethlehem management without recriminations for the Star situation and demands to give those workers back their rights and seniority at Bethlehem. At its first negotiations, Local

9144 had tried to insert language to retrieve the jobs but had failed. Bethlehem insisted it was a mute point. By the time the next contract came around, however, the local leadership had won over the district leadership, which had convinced the national leadership that the Star issue could not be dropped. District Director Parton had carried their campaign of persuasion up to the union's International Executive Board and into companywide negotiations. "As an institution," he argued, "we cannot walk away from these workers. If you want a settlement," Bethlehem was told, "part of that settlement has to be this issue. This is an issue we'll withhold our labor over." Bethlehem got the message.

In the 1989 negotiations Bethlehem was forced to back down. Of the 138 contracted workers, just over 80 were still on the job when they became Bethlehem employees again. All are now represented in one union local, USWA 9144, under one union contract. There are still some Star Personnel workers at Burns Harbor, and the battle continues over temporary workers hired after the jobs were contracted out. The local also has to battle over the reclassification of former Star jobs, which pay less than the jobs that never left Bethlehem, though much more than Star was paying. The former Star employees also have to pay back the severance pay they received in 1985, and their plant seniority begins in 1989 for purposes of vacation preference, job bids and layoffs. But the union was able to reestablish the workers' past years of service toward *company* seniority, plus two of the past four years when they were Star workers. And, of course, all Bethlehem O&T workers now have the same benefits, pension rights and grievance protection as prescribed in the steel contract.

Looking back, many of the key players would have done some things differently. "I think there really was discrimination in how they selected the people to contract out," Sandy said. Dennis agreed, and Linda had said the same thing. The idea of a Title VII Civil Rights suit had come up as a possibility a number of times.

"I would do more in-house education on the meaning of contracting out and the meaning of solidarity," added Sandy. "Contracting out is one of the main forces used to break unions and lower living standards. We need to provide a broader perspective for our membership."

No one knows better what contracting out can do than the O&T people at Bethlehem. They learned the hard way. But there is also more unity, determination and optimism today in the struggle against subcontracting at Bethlehem than ever before, and for good reason. ■