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## An Inside Game in Wisconsin: IBEW 1791 vs. Marathon Electric

### Abstract

[Excerpt] By the mid-1980s, allegations of union busting had become as common in the upper Midwest's labor environment as management claims that competition was forcing it to seek concessions.

Regardless of management's true intent, local unions from Milwaukee to Minneapolis often lost ground, either in contract talks or in keeping their members interested and supportive. They lost because they continued to fight the old way, while management was using a barrage of new weapons from corporate restructurings and plant modernizations to clever legal maneuvers. But a battle fought in central Wisconsin turned the tables on management there in 1987, when 590 members of Local 1791 of the International Brotherhood of Electrical Workers (IBEW) mastered the use of previously unheard of workplace strategies.

The new labor tactic saved Local 1791 and its members' jobs. It eventually led management to reverse its stand from harsh concessions to a healthy pay and benefit increase, and it sent a significant sign to management that labor had learned to fight back the modern way.

### Keywords

International Brotherhood of Electrical Workers, IBEW, union busting, Marathon Electric, strategy



LOCAL  
1791

"UNITED"

# An Inside Game in Wisconsin

## IBEW 1791 vs. Marathon Electric

■ *Dale Kurschner*

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- Dale Kurschner is a staff writer for CityBusiness in Minneapolis, Minnesota. During IBEW 1791's battle with Marathon Electric, Kurschner covered the story as a reporter for the Wausau Daily Herald.

## **Demands for Concessions**

To most of the 590 shop workers at the Marathon Electric Manufacturing Corp. headquarters plant in Wausau, Wisconsin, a request by management for concessions in September 1987 almost seemed justifiable. Growing competition from the global marketplace had given this manufacturer of generators and small electric motors little choice but to seek a 20%, \$3-an-hour cut in labor costs, management told the workers. And they were told there was a real threat of their jobs moving to the South, where the company could get cheaper labor.

In justifying their request, Marathon Electric executives pointed to the loss of one of their largest customers a year earlier. They also pointed to a wage study the company participated in with 13 of its competitors. The results indicated Marathon Electric employees were overpaid compared with national averages.

Both points, some employees thought, were reasons why they should help the management they had been good "team members" with only a few months earlier.

But leaders of IBEW Local 1791 saw the contract offer as the first distinct sign that the company's ultimate goal was to bust the union. Things had been looking that way for a while, and the local had been preparing to counter if need be with a new weapon—inside strategies.

A three-year internal public relations campaign by Marathon Electric's management had significantly weakened the strength of Local 1791 by early 1987. Almost daily, shop supervisors had given union members briefings on and explanations for Marathon Electric's status. Their words focused on "team work" between management and individual workers, not through their union. And workers were told they were "the best in the industry."

At the same time, work had gradually been moved from Wausau to Marathon Electric plants in Lima and Bowling Green, Ohio, and in West Plains and Lebanon, Missouri. Shop employment levels had dropped from more than 1,000 seven years earlier.

Dave Wadinski, Local 1791's president from 1983 to 1988, said he wasn't sure of management's intentions before negotiations started on a new three-year contract in July 1987. All he was sure of was that membership interest was waning and management was definitely after something.

"I didn't really see signs that they were going to bust the union, but I used that concern as a foundation to get support back from the members," Wadinski later admitted. But his theory quickly

became reality once formal bargaining sessions began. "The first real sign was when we met in bargaining and they offered us a \$3-an-hour cut in wages," he said.

"We didn't think the first contract offer was really serious," said Randy Olmsted, an officer with Local 1791 who became president in 1988. "When we got into August, they wouldn't move and that's when we started getting nervous."

From that point forward, the local's leadership told its members that they should focus on one thing: saving their union.

"We thought they would not bargain fairly, [that they'd] force us out on the street or on strike, fill the place with scabs and then we would be out for good," Wadinski said.

Convincing the local's membership was another story, however. Marathon Electric's management had done a good job of convincing many union members to trust it. And getting full unity among the local's members was necessary before workplace strategies could work.

"That was the hard part," Wadinski said. "Some of the workers believed what management was telling them. We could see interest in the union was fading."

### **Organizing the Membership**

Local 1791's way of countering that was through a well managed, aggressive group of 22 union stewards and officers who spent time each day going over information with individual or small groups of shop workers. The goal was to clarify what Local 1791 considered to be misleading information, and to show management for what it was.

"The employer started a program that if you didn't miss a day of work in a year, you'd get something for it," Wadinski said. "People were thinking that was great, but for people who hadn't missed work for seven years, they'd get a calculator."

"We turned it around and said to the employer and to the workers that it was an insult, and instead, they should give those workers a \$500 bonus," he said. "People started giving back the calculators."

While the issue may seem small, it was significant for Local 1791 in that it helped the local's leaders gain back ties to its members. There were other initial skirmishes that were fought before war broke out between labor and management.

Ingrained in the minds of Marathon Electric's employees was the very probable scenario of their jobs being eliminated. Management had voiced the possibility of moving the Wausau plant's

work South, where Marathon Electric had done all of its expanding during the 1980s.

But Wadinski and fellow union officers saw the idea as a trap for Local 1791's members. If the workers believed saving their jobs was the most important goal, they could lean toward concessions more easily. Local 1791 instead worked at convincing the workers that if Marathon Electric would move down South, "we at least wouldn't go broke on them moving," Wadinski said.

Having spent weeks preparing members of Local 1791 for potential union-busting tactics by management, the shop workers were ready for the battle that started with the expiration of their three-year contract on September 1, 1987.

The union's leaders were also ready, according to Randy Olmsted. "The biggest key was our enthusiasm," he said. "We had an eight-man negotiating committee and we were really wrapped up in what we were doing."

Local 1791's negotiating team brought three contract offers to the membership in September. The first two were voted down by more than 90% of the workers, and the third was the version management would later implement after declaring an impasse.

"We made copies of every proposal and had every steward take it out to the people and tell them about it. That way, we found out how they felt about it [before the union voted]," Wadinski said.

Between August and mid-November, Local 1791 had made four proposals, the last two of which would have given Marathon Electric \$1.2 million and \$3.2 million in concessions over three years. The last union proposal also called for converting the shop's piece work jobs to day work jobs, doing away with the incentive pay that 70 percent of the shop workers were used to getting.

Marathon Electric's management refused to even discuss the proposals. It also refused to open its books to the union so that the negotiating committee could justify Marathon Electric's concession requests to Local 1791's members.

Four months after negotiations over a new three-year contract had begun, Marathon Electric declared an impasse and implemented its last contract offer on November 12, 1987. The move cut wages by 14%, or an average of \$1.14 an hour. Cuts in benefits reduced average pay by about \$3 an hour.

Management's actions had unfolded as the union leadership had predicted, and Local 1791's members were visibly frustrated and disappointed. It became even more evident that union busting was the goal.

## The Fightback

Informational pickets began as soon as the last contract offer was implemented. So did the effort by a group of eight union stewards to contact 156 local businesses in Wausau to have them display "We Support Local 1791" posters. About 100 businesses chose to display the signs.

"We kept track of who supported us and who didn't," Wadinski said. "People who supported us, we would shop there or buy gas there in a group on weekends. Those who didn't support us didn't get our business and we let everyone know who they were."

Local 1791 also printed up a form letter and gave it to every shop worker. The letter was to inform the employees' banks and creditors that they might have to file for protection from creditors under a chapter of the Federal Bankruptcy Act because of Marathon Electric's pay cuts. The letters helped to increase negative public opinion toward the company.

Counter measures began inside Marathon Electric as well, as workers implemented several workplace strategies. They included:

- Asking for a written job description and working only as much as required—no more, no less. There was no more helping supervisors or pitching in to improve production or quality.
- Reporting all illnesses and injuries, no matter how slight.
- Documenting and dating every conversation or statement that was made to a superior.
- Asking to see one's personnel file at least twice a year.
- Wearing blaze orange clothing as a sign of solidarity (it was widely believed that company president Russ Hale hated blaze orange).
- Leaving work during breaks to march in protest around Marathon Electric's plant.
- Taking 15-minute bathroom breaks in mass, effectively shutting down the plant at various times during each shift.
- Holding sick days, where a large group of workers would call in sick.

Local 1791 leaders also were successful in working a connection to get one of the toughest inspectors from the Occupational Safety and Health Administration to inspect Marathon Electric. "He spent three days, and only came up with \$15,000 to \$20,000 in fines," Olmsted said. "But the company had to change a lot of machinery to comply."

On the work-to-rule side, Wadinski figured about 70% of the



shop workers actually worked to rule. "On one job a guy operated, they had to move two parts of his job to two different stations." This resulted in a substantial loss of incentive pay. "He sacrificed a great deal."

Working at 100% of incentive, rather than the 140% to 150% they had worked at prior to the work-to-rule campaign, meant additional wage cuts for those who participated.

Local 1791 leaders encouraged the other 30% of the shop workers to do what they could. "We didn't want to make them feel like outcasts," Wadinski said. "Some people truly couldn't afford to lose the money."

The stewards, Wadinski and Olmsted said, were the catalysts that kept the workers organized and fired up. Each steward stayed in near-daily contact with union officers and with a group of employees, keeping the lines of communications open for answering members' questions and for organizing members into pickets or marches.

By March 1988, however, workers had grown tired of the battle. A few, it was reported, were trying to negotiate behind the union's back and were trying to recruit other members.

The inside strategies had succeeded in pulling Marathon Electric's production rate down by nearly 40%, making the company's tough financial condition almost unbearable. Both sides realized things had gone nearly to the point of no return, as was reflected in a newspaper article at the time.

"Loyalty toward Wausau as a manufacturing facility is diminishing with every day that goes by and, quite frankly, if our employees in Wausau are no longer interested in our jobs, we know of plenty of other people who are," the company's vice president of administration told the press.

Wadinski was just as pessimistic: "Marathon Electric will never have a contract with its employees in Wausau because they want one dictated to the workers and shoved down their throats. We'll do whatever we have to do. If they ruin our lives, we'll ruin their corporation. It won't stop here."

Looking back today, Olmsted said the situation was tough to manage for Local 1791's leaders. "We were looking at the possibility of losing. Marathon Electric, I believe, was going to make a big move in Wausau because we were really killing their business. We were turning out terrible products and the long-term repercussions were going to be devastating to them."

For that reason, Local 1791 called a two-week truce in March 1988, and workers went back to working as hard as they could. Within weeks, negotiations had resumed and a settlement was

reached. Shop workers were given job security, a profit-sharing plan, a signing bonus of \$750, and one holiday that otherwise would have been cut. But management kept its wage cuts as prescribed in its implemented offer.

### Once More, With Feeling

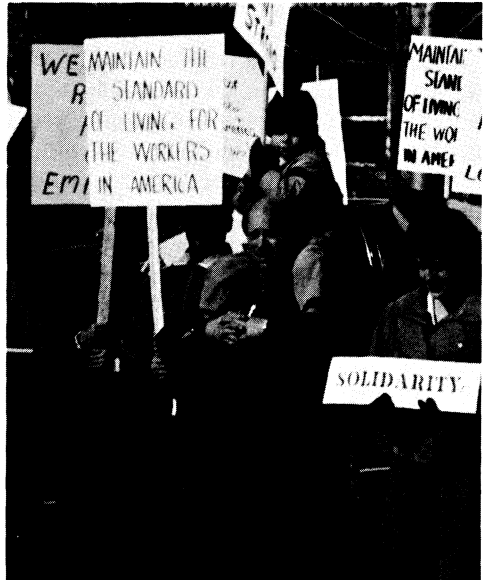
"That was probably one of the biggest mistakes we made," Olmsted said. "There was a lot of bitterness after the contract was accepted and people went back to work with a contract nobody wanted."

That bitterness continued to fuel the workplace strategy of working only to one's job description—with or without the direction of Local 1791's leadership. Morale continued to drop in the shop, and the cost of saving the union started to wear on everyone.

"After the 1988 settlement was the toughest time," Olmsted said. "Grievances started piling in and a lot of hostilities between the union and the company were formed." During Olmsted's three years as Local 1791's president, there were 383 grievances filed. The normal rate had been about 15 a year before the end of the three-year contract in September 1987. "It was an every day battle and you didn't know what you were going to run into," he said.

Marathon Electric's management, however, began a process that Local 1791 would later describe as its biggest mistake: it began building up its order base as soon as the March settlement was reached, anticipating that work would return to normal in the plant by late 1988. But production didn't improve, Olmsted said, because workers remained bitter.

Company president Hale, meanwhile, suddenly left his post and was replaced in December 1988 by long-time Marathon Electric veteran and previous vice president John Slayton.



Olmsted said that about four months after the change in command, he received a phone call at home from someone he believes was Hale. "The guy on the phone asked me 'what are you going to do about Marathon Electric?' and it sounded just like Russ Hale," he said. "He told me how they had screwed us over, that they didn't need the money, and after that, things started eating at me."

Olmsted then decided that members of Local 1791 needed to encourage Marathon Electric in its pursuit of higher order volume because, he said, "we knew damn well that if they got their customers back and we went to war again, they would never get them back again."

By mid-summer of 1989, Olmsted had sent Marathon Electric's executives a letter saying that because the overall economy nationwide had improved, and because the company's hardships had faded, the shop workers deserved a pay increase. "We went in and told them flat out that they were going to have to give these people something back, and if they didn't, it would get terrible again in the shop," Olmsted said.

By September, both sides had negotiated a new contract that gave the 590 shop workers a 16% increase in wages, all of their holidays back, significant increases in pension benefits, an increase in accident benefits, and a \$250 signing bonus.

"Surprisingly enough, the new package was passed 260 to 218, and we had 100 members who didn't even vote on it," Olmsted said.

Since the first of this year, productivity is back to 1987 levels at Marathon Electric, Olmsted said. Marathon Electric has finished investing \$10 million into capital improvements at the facility and is planning to stick another \$10 million into it fairly soon.

"It's just getting better out there now," he said. "But some of those people will never be the same again. Some started to realize that they were there to make a living," not support the company with extra effort.

Wadinski, Olmsted, negotiating committee member Tom Bittner and others also ended up paying a price for their efforts. Besides pay cuts, some of them became targets of managers who were unhappy with their use of the workplace strategies. And public support, though strong throughout most of the three-year battle, was often taxing to try and maintain.

"It was one thing to read about these things, and to listen to people talk about them," Olmsted said about the need for, and use of, workplace strategies. "It was another to live it." ■