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Herbert R. Northrup
University of Pennsylvania

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Hot Topic

"Future Worker
Management"

TESTIMONY OF HERBERT R. NORTHRUP

PREPARED FOR

THE COMMISSION ON THE FUTURE OF WORKER-MANAGEMENT RELATIONS

U.S. Department of Labor, Washington, D.C.

September 8, 1994

Mr. Chairman and Members of the Commission:

I requested the opportunity to be heard because, having studied, researched, and written about union tactics for more than fifty years, I am concerned that the Commission has not given the same attention to union policies and tactics as it has to those of management. I am today concentrating on tactics known as "union corporate campaigns" and "inside games," which I believe the record demonstrates have an adverse impact on companies, their managements, and the employees involved. My testimony is based upon the research which I did for the article, "Union Corporate Campaigns and Inside Games As a Strike Form," copies of which I have also brought for the Commission. The article provides a much fuller explanation of my views than time allocated here can permit. My key sources are publications of unions and union adherents and comments attributed to union officials or staff, all of which are cited in the article.

Union Corporate Campaigns

The tactics utilized in the corporate campaign involve publicity and direct confrontation, attacking the company and its

management at every possible relationship and to all possible sources of opinion generation, including members of the board of directors, stockholders, vendors, dealers, investment bankers, government officials and agencies in this country and abroad, customers and potential customers in this country and abroad, the press including television and radio, opinion leaders such as college faculty and students, and the general public so as to decrease the confidence in the company's products and therefore, adversely affect its sales and profits.

The purpose of the corporate campaign is typically to attempt to alter the resistance of the company to union demands by casting company management and its products in disrepute among all its possible constituencies and to impugn management to employees so that they will be willing to pursue destructive actions, thereby reducing production quantity and quality, adversely affecting sales and profits, and if possible, causing a change to a management more willing to meet union demands.

According to the AFL-CIO Industrial Union Department (IUD):

A coordinated corporate campaign applies pressure to many points of [corporate] vulnerability to convince the company to deal fairly and equitably [from the union's point of view] with the union ... It means vulnerabilities in all of the company's political and economic relationships -- with other unions, shareholders, customers, creditors, and government agencies -- to achieve union goals.¹

Richard Leonard, who directs corporate campaigns for the Oil, Chemical and Atomic Workers (OCAW), adds this:

A part of what a corporate campaign does is not only to organize our side, but to disorganize management.... Companies are by definition organized. They operate by command....

When we turn their tactics around and disorganize management, we find that as this takes place, it has the reverse effect of organizing ourselves....²

According to Ray Rogers, who claims to have initiated corporate campaign strategies:

"...we develop a campaign strategy that has a beginning point A and an end point Z. Point Z is total defeat or annihilation of your adversary." In reality, few, if any, campaigns reach point Z. "You have got to develop a plan such that you feel totally confident that if you proceed from Point A towards Point Z, there is a breaking point or point of compromise, a Point C. But there has to be an escalation of the fight, you have to create more tension...."³

A Troublemaker's Handbook affirms the Rogers upscaling of a labor dispute in which a corporate campaign is utilized by declaring that such campaigns "are effective when they inflict costly consequences on the target company or its allies."⁴

Corporate campaign strategy calls for use of federal and state regulatory agencies as a means of pressuring companies with mass filings, charges, and complaints regardless of their merits. The National Labor Relations Board (NLRB), the Occupational Safety and Health Administration (OSHA), and the Environmental Protection Agency (EPA), are major recipients of such tactics, but so are other federal and state agencies:

Both public institutions and private companies are subject to all sorts of laws and regulations, from the Securities and Exchange Commission to the Occupational Safety and Health Act, from the Civil Rights Act to the local fire codes. Every law or regulation is a potential net in which management can be snared and entangled. A complaint to a regulatory agency can cause the company managerial time, public embarrassment, potential fines, and the costs of compliance.⁵ One well-placed phone call can do a lot of damage.

Corporate campaigns had been found to be most effective against companies which sell directly to the public, and less effective against those that sell primarily to other companies. This, combined with the increased willingness of workers to cross picket lines, led unions to develop the inside game.

The Inside Game and its Combination with the Corporate Campaign

The tactics utilized in the inside game include efforts to convince employees to impede or to disrupt production by slowing the work pace, refusing to work overtime, refusing to do work without receiving minute instructions from supervisors or management even though workers have heretofore not needed such instruction to have been able to perform their jobs, and have actually been well aware of how to perform their jobs without such instructions, filing mass charges with government agencies, filing mass grievances, castigating management and supervision both within and without the plant, starting false rumors of doubt or claims of unfairness, pressuring those in disagreement to go along with, or to refrain from questioning such policies, engaging in sick outs, hit-and-run strikes affecting different areas of the plant, and generally attempting to build a climate in which reasonable worker-management relationships, worker-management cooperation, and normal quality and quantity of production cannot exist. Where there is an integrated combination of the corporate campaign and the inside game, the tactics are designed to increase the potential that employees will be willing to participate in the inside game and to inhibit the normal operation of the workplace.

The purpose of the inside game is typically to increase costs of production of the company's products by inducing employees to reduce productivity, efficiency and quality, thereby limiting the company's ability to meet customers' needs and reducing sales and profits.

From this summary description of the purpose of the corporate campaign and inside game combination, it is clear that it is designed to result in a curtailment of productive activity and output thereby creating a situation that is in fact a form of strike in which the employees may reduce production, hurt sales, undermine the effectiveness of management, and otherwise create a strike situation except that the employees continue to receive compensation for services either not, or only nominally, rendered, and the union is not required to pay strike benefits or other union strike expenses to sustain the strikers. The aim is to damage sales by damaging the reputation, stock price, and income of the company, and ultimately by inducing the labor force to become radically antagonistic to management and thereby to become open to cutting the quantity and quality of production even if one end result is to threaten the existence of the workers' own jobs. Just as slowdowns or sit-down strikes have long been found to be forms of strike, so is the corporate campaign and inside game combination, by any realistic analysis, seen to be a strike form.

Inside Game -- Tactics in Practice

The key tactics commonly utilized in the inside game are as

follows:

1. Symbolic demonstrations of solidarity -- dress, buttons, tapping pencils, standing in place, etc.
2. Massive grievance filings "over every possible contract violation."
3. Avoiding all contacts or conversation with supervisory employees.
4. Utilizing warlike and fighting terminology.
5. Directing warlike literature and activities against company chief executive and other management personnel.
6. Picketing company offices and residences of chief executive and other management personnel.
7. Ridiculing management personnel.
8. Isolating and ridiculing workers who decline to support union policies.
9. Doing job under a "work-to-rule" formula, leaving one's brains behind, thereby engaging in fact in a slowdown.
10. Sabotage.
11. Refusing to work overtime.
12. Hit-and-run strikes, "sick outs," strikes by key personnel, general short strikes, and other direct forms of striking.
13. Direct actions against employees who fail to participate in "work-to-rule," (sabotage), as well as discrimination against them and their families.
14. Calling attention to foreign ownership where it exists, disparaging foreign owner, and pressuring such owners through union

international relationships.

15. Attempt to eliminate all cooperative labor management activities, such as quality control programs, and even joint support of such public support as community chest.

16. Denigrate management policies even if such policies are adopted as a result of employee interest.

17. Enmesh management in a host of charges before government agencies, including NLRB, OSHA, EPA, SEC, federal and state wage and hour administrative agencies, local and state governments, and any government agency which is a customer of the company targeted.

18. Conduct polls in order to determine which employees are supportive of these tactics, which are opposed, and which are leaning one way or the other, and then apply pressure to increase support and to punish opposition.

19. Coordinate all above activities with corporate campaign in order to maximize external support and to increase employee support by denigrating management, the company, and its products.

These tactics are discussed in detail in the article supplied to you. Two tactics can be illustrative of the inside game in practice: "symbolic demonstrations," and "work-to-rule."

Inside game tactics often commence with "symbolic demonstrations of solidarity through such actions as mass wearing of buttons, arm bands and T-shirts...",⁶ then move to more direct tactics. According to the Contract Campaign Manual of the Service Employees International Union (SEIU):

The key is escalation -- implementing tactics one at a time. In the area of job action, for example

you can start with something mild like days when all workers wear the same color clothing, move to one minute moment of solidarity, then to a work to rule campaign where every one does only the bare minimum required by the existing contract, and finally to some form of work stoppage if needed.

Other practitioners of the inside game agree:

Although a campaign often begins with "what may seem like tame tactics," ... the wearing of arm bands or buttons is not as tame as it seems," ... [according to Joseph Uehlein who directs corporate campaign and inside game policy for the IUD]. "An office full of employees tapping pencils in unison when a supervisor walks through can be quite intimidating," another union representative said.⁸

Thus, dress and the wearing of special buttons, shirts, etc., are not just expressions of free speech, but rather the first step in inside game tactics designed for the purpose of, as the SEIU Manual notes, "Pressuring the Employer."⁹ Further, such seemingly innocuous tactics, according to the SEIU, have significant results:

It builds members' confidence and commitment....

By escalating tactics, you don't ask them to make a leap of faith all at once. Instead, you start with an activity that is relatively easy to organize and has little risk -- but that shows workers that organized action is possible.

Once workers have taken part in one campaign activity, many will begin to see the campaign and the union as their own. If management responds to, say, a petition or rally by refusing to negotiate reasonably, workers will begin to see this as an insult to them rather than a response to "the union." Filled with increased confidence and emotional commitment, they will be ready to try the next step.¹⁰

(B) Communication Workers of America (CWA) tactics also illustrate this point:

Bargaining unit members wore red every Thursday

from the beginning of contract talks in mid-June until expiration in early August. Standing in place, tapping, and other similar tactics unified the members and let the company know that we would not retreat from our opposition to cost shifting.

As expiration drew closer, we escalated our tactics. We picketed outside work locations before starting the workday with signs that said "Just practicing," and then marched into work in unity. We worked to rule. We forgot our ID cards at major locations where cards must be presented to gain entrance.

About ten days before expiration, we picketed with signs that said "Just Practicing" and then marched in seven minutes late. We knew we'd struck a nerve at the company when, instead of docking employees for a quarter hour of lateness, nearly 100 were given one-day suspensions for participating in illegal job actions, and thousands more received warnings. In some locations, supervisors began to threaten workers with warnings and suspensions if they refused to stop tapping at their desks or standing in place.¹¹

Work-to-rule is the central tactic of the inside game. The name originated in Britain as an euphemism for a slowdown. As practiced in inside game efforts, it involves considerably more than simply following work rules in an orderly, intelligent fashion. Rather it has come to mean doing the minimum possible, doing nothing without minute direction from supervisors, denying or evading personal responsibility for doing the job, wasting as much time as possible, reducing effort from the normal expected and heretofore applied, taking no initiatives to handle problems -- in effect leaving one's brains, training, and normal work practices out of the job. In other words, to "work-to-rule" is actually to create a slowdown.

Sometimes there may be rules that are obsolete, and employees are encouraged to follow them in order to claim that they are obeying orders despite their knowledge that the rule is obsolete

and inefficient, and has been abandoned in normal practice. Thus, the SEIU Manual states:

In many cases, the most powerful workaday tactic is for members to do only what they are required to do by the union contract and no more. In some workouts, this means that workers....

- **Follow supervisors' instructions to the letter**, even when those instructions are wrong or the supervisor has mistakenly left out key steps.

- **Do not make any suggestions or take it upon themselves to solve problems that come up.** They wait until the supervisor tells them what to do.

- **Insist on following all of the employers' rules.** For example, let's say that to please its insurance company the employer has posted safety rules which say that "no employee shall lift excessive loads."

Workers may now decide to strictly enforce this rule, insisting on being provided with lifting devices or having other workers pulled off their jobs to help with excessive lifting.

- **Report every equipment problem and insist that it be taken care of before work can proceed.**¹²

These tactics are intended to escalate and "can throw any workday into a frenzy," according to Joseph Uehlein of the IUD. Uehlein also believes that such tactics do not necessarily rule out an eventual traditional strike, but that working-to-rule ensures that union members will be "more solidified and more militant" if a walkout ensues.¹³

To put it another way, work-to-rule requires the employee to avoid bringing his education, skill, training, knowledge, and effort to the job, thereby decreasing the added value which he is paid to put into the product. Yet employee engaged in such tactics expect the same wage return for there much more limited work. Thus,

employees are engaging in a form of direct action, in other words a slowdown, and this action should be treated as such as a matter of public policy.

Impact of Corporate Campaign -- Inside Game Combination

I have used two tactics of the inside game and explained the workings of the corporate campaign in the brief time allotted me to illustrate how these union tactics work. When one adds the mass use of government regulatory bodies as tactical weapons, and the other actions listed above which feature corporate campaigns and inside games, it is apparent that public policy questions are raised. In conclusion, a brief review of the impact of these activities on employees and a reiteration of the public policy elements are in order.

Employee Impact. Professor David Lewin, Director of the Institute of Industrial Relations, University of California, Los Angeles, has noted that if an inside game "is successful, it will cause a decline in productivity and have a negative impact on the employer's business just as a strike will. An action that harms the company will harm the workers, too, over the long term...." ¹⁴

My research has found Lewin to be correct.

For example, Moog and Schwitzer have been touted as the first great success stories of the inside game, and indeed the unions won the first round in both. Today, however, employment at the Moog St. Louis facility is down to about 250 hourly employees, one-half of the number in 1981-82 when the inside game was instituted. Moog has moved work from St. Louis to plants in Mississippi and

Tennessee which have not been unionized. Meanwhile, Schwitzer went farther. It closed its plant at Rolla, Missouri, and moved all the work to a nonunion facility in Georgia.¹⁵

The McDonnell Douglas facility at Long Beach, California, was a third early test of the inside game. Employment there is now one-half of what it was earlier, largely of course because of the decline in the aerospace business, but the inside game actions certainly impacted adversely on the company's ability to compete.¹⁶

Colt Firearms saw a long campaign and strike in which the union persuaded the Connecticut state senate to urge the federal government to revoke the company's contract for the M16 rifle, which was done. The union also lobbied police departments not to buy Colt firearms. Then, when the company was bought out with state help and the strikers returned to their jobs, enough business had been lost so that layoffs and bankruptcy resulted.¹⁷

Eastern Air was, of course, totally destroyed by a combination corporate campaign, inside game, and strike, with about 30,000 jobs lost. Charles Bryan, the local leader of the Machinists union commented when the company shut down permanently that it provided "a sense of relief" to striking members of the union because "they feel they have been liberated in a way."¹⁸

John Bavis, who headed the pilots' union at Eastern until he was deposed for desiring to call off the strike, had a quite different comment:

... what had started out as a struggle to keep Mr. Lorenzo from selling Eastern's assets to bolster other parts of his airline empire became a personalized confrontation in which some

union leaders were determined to get rid of Mr. Lorenzo at any cost. At its forefront was Charles Bryan, the head of the machinists union [at Eastern] and a onetime ally of Eastern.¹⁹

Public Policy. Fundamentally, the union aim is to create a strike situation without an overt work stoppage -- that is, a strike in place. Management is then faced with the need to prevent that situation from coming to fruition without sacrificing the essential job of operating the plant efficiently, safely, and profitably.

The basic contrast between a traditional strike and a combination corporate campaign and inside game, if successful, is that in the latter case, workers continue to receive paychecks and unions are not called upon to pay strike benefits, unless employees are discharged. Thus, one object of the combination corporate campaign -- inside game combination is to force the company to subsidize a strike against itself.

The corporate campaign -- inside game combination can be a powerful union weapon if employees are willing to put their own jobs and their company's future at risk. What is involved has been succinctly put by Michael Eisenscher, who masterminded an "inside" strategy against the PacTel InfoSystems subsidiary of Pacific Telesis. He calls his study "Creative Persistent Resistance (CPR) -- Strategic Options -- A Primer for Unions Taking the Strike Inside."²⁰ This is indeed what the inside game is -- a strike conducted within the plant. It becomes more potent when combined with a corporate campaign which, among its other objectives, is designed to gain employee and public sympathy for the union and its inside actions.

Other labor union supporters acknowledge that the corporate campaign--inside game combination are analogous to a strike action. Thus, Jerry Tucker, who claims to be the originator of the inside game, states:

In-plant, alternative activities require the same commitment to concerted action and solidarity as strikes. And, in some ways, are more difficult, although less economically punishing, to conduct. Workers will tell you that it's much harder to look the boss in the eye on a "work-to-rule" programs than it is to carry a picket sign a couple of time a week.²¹

According to an analysis of the current UAW activities at Caterpillar by Jack Metzgar, an experienced pro-union student of comprehensive corporate campaigns and inside games and the author of the, "Running the Plant Backwards", an account of the Moog inside game:

These new union tactics take awhile to develop and bear fruit, but over the long term they can put tremendous pressure on a company's ability to manage itself.²²

The SEIU Manual states that the basic purpose of the corporate campaign inside game combination must be "Costing the Employer Money." Employees about to undertake an inside game should ask themselves whether they can "reduce productivity? or "increase costs?"²³

The inside strike in combination with the corporate campaign can be understood and properly dealt with only if such comprehensive programs are understood for what they are, that is, a strike in fact, especially by management, but also by all corporate constituencies including government agencies. Moreover, the inside game -- corporate campaign form of the strike is still

a strike even if it does not achieve the union objectives and is, from the union point of view, unsuccessful. This is true of any strike. For example, an ordinary strike in which employees leave the premises and picket the company facility where they were employed is still a strike even though large numbers of the employees may cross the picket lines and return to work in defiance of the union leadership. As a strike, the corporate campaign -- inside game combination must be understood as such and treated as such if the company targeted is to deal with its consequences and to continue as a viable organization. Likewise, employees should recognize the combination corporate campaign -- inside game for what it is, namely, a form of unprotected partial strike which may result in discipline, discharge, or even the elimination of their jobs.

NOTES

1. Developing New Tactics: Winning with Corporate Campaigns (Washington, D.C.: Industrial Union Department, AFL-CIO, 1985), p. 1.
2. Quoted in Dan La Botz, A Troublemaker's Handbook How to Fight Back Where You Work -- And Win (Detroit: A Labor Notes Book, 1991). p. 134.
3. Ibid, p. 128.
4. Ibid, p. 127.
5. Ibid, p. 127. (Emphasis in original.)
6. "Growing Numbers of Unions Adopting In-Plant Actions to avoid Strikes," Daily Labor Report, No. 151 (August 6, 1991), p. C-4.
7. Contract Campaign Manual, Service Employees International Union, (1988), p.3-4. Hereinafter cited as SEIU Manual.
8. "Growing Numbers of Unions....," note 6, above, p. C-6.
9. SEIU Manual, note 7 above, p. 3-1.
10. Ibid, p. 3-4. (Bold and emphasis in original.)
11. Holding the Line in '89. Lessons of the NYNEX Strike (Somerville, MA: Labor Resource Center, n.d.), p. 9.
12. SEIU Manual, note 7, above, pp. 3-10-11 (Bold in original).
13. "Growing numbers of Unions....," note 6, above, p. 4.
14. Ibid, pp. C-1-2.
15. Personal research on current status of these cases.
16. According to the company, production was slowed "pretty severely" while the inside game was in effect. See "Incumbent Local

Election Ousted in UAW Election at Douglas Aircraft," Daily Labor Report, No. 172 (September 8, 1987), pp. A-7, 8.

17. See,, e.g., "Union Leaders Call for Boycott as Strikers Mark 1st Anniversary," Associated Press, January 24, 1987; "Connecticut Legislators Seek Federal Ban on Colt Contracts," United Press International, January 28, 1987; "Army Drops Colt as Producer of Rifle," New York Times, October 3, 1988, p. B4; Frank Swoboda, "Colt Firearms Sold in UAW-Led Buyout; Connecticut Aids Deal for Strike-Torn Firm," Washington Post, March 23, 1990, pp. 50-51; "Colt Lays Off 20 percent of Its Work Force," Associated Press, December 3, 1991; and Michael Remez, "Colt's Files for Chapter 11 Protection; Colt's Turns to Bankruptcy Court; 925 Jobs, State Money at Stake," Hartford Courant, March 20, 1992, p. A2.

18. "Eastern Shutdown Provides Sense of Relief, Machinists' Leader Says," Daily Labor Report, No. 15 (January 23, 1991), p. A-10.

19. Agis Salpukas, "A Fierce Struggle Kills Eastern Air," New York Times, January 20, 1991, p. 22.

20. Michael Eisenscher, Creative Persistent Resistance (CPR) (San Francisco: the Author, 1990). n.p.

21. Tucker, in Ken Gagala, (ed.), Union Power in the Future -- A Union Activist's Agenda (Ithaca, N.Y.: Labor Studies Program, New York School of Industrial and Labor Relations, Cornell University, 1987), p. 149.

22. Jack Metzgar, letter to editor, Business Week, September 7, 1992, p. 12. Metzgar is the author of the article, "Running the Plant Backwards in UAW Region 5," Labor Research Review, Fall 1985, pp. 35-42.

23. SEIU Manual, note 7 above, p. 3-6.