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I Said We'd Never Have A Union, 1980

Joseph Richardson Jr
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Abstract
Newspaper article about Richardson Brothers Co. Sheboygan Falls, Wisc., advocating for an open shop, December 18, 1979.
It still hurts, says the author, who tells how it happened and why it shouldn't have.

By Joseph E. Richardson, Jr.

For 131 years the Richardson Brothers Co. has been cutting lumber and making furniture in Sheboygan Falls, Wis. I'm the fifth generation of Richarsons in the family-owned business, and we've always declared we'd never have a union. I felt strongly about that when I became president and chief executive officer in 1975 after 16 years as sales manager. I still feel strongly about it in 1977 when the United Furniture Workers of America, AFL-CIO (UFW), finally succeeded in organizing our furniture plant. And I was determined then that even if we had to have a union contract we'd never have a union shop—i.e., required membership.

Now, a year later, we have even

The author is president of Richardson Brothers Co., Sheboygan Falls, Wis.

that. Every new employee has to join the union. It hurts me like hell, but it was the only way to get back to the business of making furniture.

Union organizers, I've learned, are astute businessmen. They're concerned about just one thing—getting those dues—and they're good at it. In our battle with the union I finally came down to a hard choice: either indulge in the personal philosophy of Joe Richardson and the Richardson family or be a businessman and run the business. We chose to run the business. We really had no other choice.

And although we're running smoothly and profitably now that I've accepted the union shop I said we would never tolerate, I'm still opposed to the union for the same basic reasons as always:

First, roughly half of our employees don't want a union. I feel that I've let them down, especially when a new, young worker asks me, "Do I really have to join?" All I can say is, "Sorry, we're here to make furniture and we need peace and quiet to do it. It was the only way to end the hassle."

Second, the union does nothing for our employees. The unemployment rate in this area is only 3.3%, so we have to offer a competitive wage and benefit package or good employees will leave us. Neither they nor we need a union to tell us that. Wages and benefits have never been an issue at Richardson Brothers. The chief issue has been union security, which means income for union officials. Our workers might as well throw their ninebucks a month union dues into the Sheboygan River.

The events that led to where we are now began in 1956—two years
before I came into the company.

The UFW was soundly beaten then in an organizing election. I guess that since then, getting us has been a matter of pride to them. Some 80% of the furniture business in Wisconsin is organized, and we were the largest nonunion wood furniture manufacturer in the state.

The UFW was back again in 1959, for what proved to be a tough and acrimonious fight. Dealing with an organizing attempt is something like planning and running a political campaign, but our 1959 campaign strategy was more by the seat of the pants than planned.

We did emphasize three points—that we've always offered annual wage increases; that our employment package is as good or better than that of other furniture manufacturers in the area, union or nonunion; and that we have a record of treating people fairly. We passed out handbills inside the plant gate at quitting time, and that made the union organizers furious, because they had to stay outside the gate.

The 1959 election was a tie—meaning that the union lost. They filed objections to the election, attempting to have it held again, but the objections were rejected by the National Labor Relations Board (NLRB) and the election was certified in 1960.

By law, after losing a certified election the union has to wait a year before they can try again. With the 1959 vote so close, they were back in 1961 with a new organizing attempt. This time we hired a Milwaukee labor relations lawyer to advise us on the campaign. My brother and I had just bought out the other side of the family, so we used a "give-us-a-chance" theme and drubbed the union by a 3-to-1 margin.

Through 1975, the UFW made five more attempts to organize our plant. We won them all, but each effort cost us time and money and disrupted plant productivity.

Typically, an organizing drive would be set off by a disgruntled employee annoyed by, say, a change in piece rates or by being shifted from a gravy job to a more demanding one. He'd go down to the union office and they'd say, "So what have we been telling you? If you had a union, none of this would happen."

Then the employee would begin rallying support in the shop and manage to get election cards signed by 65% of the work force. The union would then petition the NLRB for an election and another campaign would be on.

We'd get together with our labor relations attorney and map out a

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**WHY THE UNION FINALLY WON**

By Anthony McKeown and Lee Permenter

Joe Richardson is a classic case, a situation that is repeated across the country because of a lack of preventive maintenance. Why did the union finally win at Richardson Brothers? There are five specific reasons.

1. Inefficient, ineffective management. Most employees come to work to work, not to slough off. They want to get things done. It's management's job to manage—to organize the work schedule and see that production is efficient. Employees turn to unions to organize and manage an operation when management isn't doing its job. Approximately 50% of the union drives occur when the employees have lost confidence in management's ability to manage.

   Because of the disarray in the sanding department, workers in other departments lost confidence in Richardson Brothers' management. So they turned to the union to get the plant in order. We find that 90% of the organizing drives are initiated by an employee inside the company rather than by an outside organizer.

2. Internal inequities. Because of their proximity and high visibility, internal inequities—where one department, like sanding, is making hay at the expense of everyone else—are far more of an irritant to a work force than external inequities, such as wage differentials between companies or industries. Internal inequities should be redressed immediately rather than allowed to fester as they did at Richardson Brothers. By not moving quickly and decisively to remedy the situation in the sanding department, Richardson upset the whole plant.

3. Precipitous reaction. Richardson reacted precipitously by putting a ceiling on earnings to remedy the situation. That was a mistake. He was punishing the innocent with the guilty. First, he should have instituted adequate supervision, and poor quality should not have been tolerated. Second, he should have had his foreman retime the job and reset the piece rates. This is the supervisor's right. The most competent employees would still have been duly rewarded. Third, Richardson should then have communicated to the rest of the company why he changed the piece rates. The truth was that the company could not afford either the high costs or the poor quality from the sanding department, and this situation was jeopardizing everybody in the company. If Richardson had communicated these reasons, he would have delineated the union's allegations that the action was arbitrary.

4. Inadequate use of front-line supervision and poor communication. Inadequate supervision and communication are the twin bugsaboos that never allowed Richardson to get out of the union organizing rut. With eight elections in 20 years and probably four or five signature drives that never resulted in an election, quite obviously the underlying problems were never solved, perhaps not even addressed.

Richardson never used his front-line management staff—the supervisors and foremen in the departments—to help him in the fight for the loyalty of his workers. And this was a critical oversight, because the line managers could have been his most valuable asset. They are top management's direct, minute-by-minute representatives with the employees. Their jobs, to direct production and keep the process moving, are the toughest in the entire organization.

Supervisors are neglected all too frequently by too many companies. They must feel they are a part of management and have the support of management to do their jobs effectively. They need authority and a good, fair salary. The supervisors should not see production line employees earning
strategy. I'd write letters and deliver speeches to employees. We'd put notes in paychecks comparing our wages and benefits with those of other employers in the area. And we'd hold meetings with supervisors and take straw polls to determine how the vote was likely to go.

As I've said, we have a strong core of antunion employees and the union was voted down each time, but the organizing campaigns were distracting us from the business of making furniture.

Nor was the campaign itself the end of it. Each time the union lost, it would file objections to the election that had to be refuted. They claimed, for instance, that my speeches were coercive, that I threatened loss of wages and benefits, that we threatened not to bargain in good faith, that management stood too close to the polling area, and that our attorney ordered people not to vote. Each time, the union claim was rejected by the NLRB. We figured the direct costs of each campaign and the ensuing litigation at about $6,000. The indirect costs of management time consumed and productivity lost in the shop added a lot more.

The 1975 organizing attempt was set off by a squabble over piece rates and quality control in the sanding department. About 85% of our work force is on an incentive basis, but the sanding department was making the incentive program a sham. By sacrificing quality, the workers there could pull in two or three times base pay. Then we'd order a time study and they'd move at a snail's pace.

The sanding situation was killing morale in the other departments, and our product quality was suffering. To be fair to others and to protect our product reputation, we had to bring the situation under control.

We did not cut a single rate, but we put a ceiling on earnings in the sanding department—base pay and a certain percent more—regardless of the amount of production. You can imagine the reaction. The first thing the Sanders did was run down to the union. The union's response was, "We've been telling you about rate cuts for years." Then the organizers went around to everyone else on piece work warning, "This could happen to you tomorrow." There was a violent reaction. Everybody was stirred up. They made it sound as if we'd acted arbitrarily. We knew we were in trouble.

The 1975 campaign was the most vigorous ever. Emotions were running high, and we worked especially hard at explaining management's position in letters, flyers, and in several town meetings

more than they do because of big chunks of overtime pay. That will make them disappointed. And if they are disappointed with management, what will be their effect on the workers?

Richardson's supervisors were neither consulted nor well tuned in to management's thinking. Hence, they were unable to refute allegations made on the production line that management's action was capricious and unfair. They should have been able to communicate management's views to the workers. Instead, as the president coming in to make announcements, Richardson only diminished their stature. And Richardson's open-door policy was a myth. People don't feel at ease walking into the president's office. In this case, it was easier talking with the union.

Moreover, the employee action committee may well have been a Trojan horse, a fall-back for the union if they lost the appeal. We've seen this type of committee in action, and, lacking skill in rules or discipline, it often tends to be more disruptive than salutory. Its existence follows a pattern. The first year relations are friendly. The second year, they cool. And the third year, the employee representatives are accused of selling out, and a greater militancy develops. It becomes too costly to manage to continue satisfying the demands of the committee simply in order to keep the union out, so management balks. Employees then feel they need the clout from the big boys, and they vote the union in.

5. Concession to the union. Finally, the monkey of forced union membership ends up on Richardson's back, when it belongs with the union. A union shop is anathema to Joe Richardson. But he accepts responsibility when he says to the new workers, "Sorry, I can't help it." What he should say is, "Gosh, I'd love to negotiate an exception for you this afternoon. Just go down to the union hall and tell them you want out, and we'll take care of it in a snap." They would quickly learn, and would remember, who the real culprit is.

Richardson is a humane, decent individual who has been finessed by the skilled, persistent union men. He thought he had won a victory when the first contract was approved by a meager two votes. But despite their behavior, approval was just what the union men wanted. They didn't have to let nonunion people in to vote. But they did, because they didn't want a strike. It wouldn't have been supported. Enough nonunion employees would have come to work to keep the plant open. The union would have been defeated.

(Grant Christenson, president of UFW Amalgamated Local 800, denies that this was the union's strategy. "We let everyone in to the union hall to vote on the first contract to be fair, and to interest them in joining the union because we needed more members.""

The union survives on the illusion of power. Right now, Richardson seems to be running the company on sufferance of the union. This impression has to be erased. Joe Richardson has to assert control. He has to show that he runs the company through his department foremen fairly and according to well-defined rules. Then his employees might decide the union is unnecessary.

Lee Pimentel (left) and Anthony McKeown are consultants with Modern Management Methods, a Chicago-based firm that specializes in labor relations.
speeches I made to each department.

On election day, 124 workers cast their ballots. Approximately 50 workers were either ineligible to vote, having not been with the company long enough, or just didn’t bother.

Union observers at the polls, however, challenged the votes of six employees. They claimed the six weren’t eligible to vote under labor law. The real reason, we knew, was that they assumed those votes against the union. But the challenge meant those votes could not be counted, and the union had 61 votes to our 57.

Those six employees had not been challenged by the union in the previous election. They were a clerical person, a couple of part-timers, a man who was on a three-month leave of absence, a man initially hired as rough mill supervisor but later transferred at his request to a production job, and a leadman, one who takes over different production jobs as needed when workers are absent.

Everything went on hold while we awaited a formal hearing on the challenged votes before an examiner at the NLRB’s district office in Milwaukee.

Meanwhile, one of our employees suggested that we form an employee action committee to meet regularly with management, express gripes, and find mutually acceptable solutions. A representative from each department would serve on the committee. Previously, we had followed an open door policy. Any employee with a gripe had free access to our office at any time.

We thought the committee was a great idea and encouraged the employees to go ahead with it. Because of the pending NLRB action, management was prohibited by law from direct involvement in setting the committee up. But the employees worked out the details despite discouragement from union supporters. The committee set rules and compiled an employee handbook. And we began meeting on a monthly basis, or more often if there was a specific complaint. It worked beautifully.

The NLRB hearing in Milwaukee on the vote eligibility finally came in May 1976. It took two days. Then we had to wait for the examiner’s ruling. That didn’t come until September 1976. The examiner allowed four votes to be counted, but threw out the votes of the two part-time workers. That should have made the election a tie at 61–61, giving the victory to us.

But before the votes were counted, the union appealed the examiner’s ruling, taking it to NLRB headquarters in Washington. Our attorney assured us that the chance of overturning the district office was very remote. It would happen only if there was an obvious mistake, he said. He was wrong. The NLRB threw out the vote of the leadman, accepting the union’s assertion that he had authority to reprimand employees and therefore was part of management. In fact, he did not have such authority. His role was simply that of a utility player, filling in as required to keep production going. The ruling knocked out the potentially tying vote, making the union the winner.

I was stunned by the decision. After 130 years, Richardson Brothers Co. was going to go union—on a technicality over one vote. We appealed and lost. And so it was final. We had no other recourse. We had to accept the union and negotiate a contract. I was determined that if we had to have a contract we were not going to have a union shop. No one was going to be forced to join a union that they didn’t want or need.

The contract negotiations got underway in May of 1977. There was no dispute over salary and benefits. We offered what we would ordinarily have given, and the union accepted it. The union didn’t even insist on a union shop. But they did insist on a two-year contract and maintenance of membership. That means that everyone who joins the union must remain a member for the duration of the contract. We insisted on a one-year contract with no maintenance of membership. We felt that no one should be required to remain a member against his will.

The negotiations came to a stalemate in September. The union was telling our employees they were fighting for working conditions and wages—not their real demand of union security. They accused us of stalling.

So at the end of September, I decided to meet with the employees and let them know exactly what the sticking points were. I felt they were entitled to know the truth—that the hang-ups did not relate to their own jobs but rather to the aggrandize-
There is no page 85 in the hardcopy.
throughout the UFW. That's precisely what the local's president and its business agent didn't want the workers to hear.

We delivered our final offer to the union on October 5, 1977. It was a one-year contract with no maintenance of membership. To make sure our employees weren't misled about what was in the package, we passed out copies of it that day.

The union was furious. They accused us of revealing secret negotiations and insisted on putting the proposed contract to a vote in an employee meeting that night. "Either they accept the package as is and we'll go along with it, or we're going to strike," warned the union. They permitted all employees to attend, union members or not. Well, it was a long evening, but our employees accepted the contract by two votes. So on the morning of October 6, the union capitulated.

"If that's what the employees want, they can have it," the union leaders said. "But you're going to have problems."

They were right. The contract took effect on January 1, 1978, and we soon found that the union strategy was to harass us at every opportunity by pouncing on every petty grievance they could find. I guess that given their objective—getting those dues—they had no choice. The contract gave them little power in the plant. So they had to put on a good show to try to convince the workers that the union was representing them.

The incidents were petty indeed. Our new personnel manager, for example, made an error on the seniority list, placing one worker higher than she should have been. When we discovered the mistake and corrected it the union insisted that the error stand. They took that to arbitration and lost, but it cost us over $500 in direct expense alone.

At one period we were dealing with a couple of such matters a week. The lost time, the lost production, and the energy spent in frustration was incalculable.

In that first year of unionization it appeared that the disruptions were getting to the employees, too. The union started the contract year with about 90 members out of our total work force of 185, and membership dropped to about 40 by year's end.

And in June 1978—six months into unionization—our antiunion employees collected enough signatures to petition the NLRB for a decertification election. We were off on another campaign, but this time management had to watch from the sidelines.

Legally, a decertification contest is strictly between the employees—the prounion ones on one side and the antiunion ones on the other—and management is not involved. Al-

"My own convictions against a union were still strong, but I could see no alternative."

though we were intensely interested in the outcome, we had to be careful what we said. It's tough because if the union loses, they'll really jump in and pick apart everything you said to challenge the election.

The decertification vote came on September 16, and our antiunion employees lost, 60 to 69. Ironically, I'm convinced that they lost because we didn't have a union shop and because we didn't have maintenance of membership. A typical employee view seemed to be, "What have I got to lose with the union here? I can always join or quit, but I've got it if I want it." If there had been forced membership, I believe, there would have been at least five workers sick of paying $9 a month. Five changed votes is all it would have taken to put the union out.

With the sobering thought that the loss of union security had made union secure, we had to turn our attention quickly to negotiating a new contract to become effective January 1, 1979.

The union indicated that if we'd give them acceptable security, they'd be reasonable and leave us alone. And after all the unrest and disruption we'd been through, there was no question that we had to find a way to establish peace and stop the aggravating grievances.

We decided that the time had come to get back to work at the business of making furniture. If some of our people want a union, then we'll have to accept that as fact and work with it, I reasoned.

This time, what the UFW meant by acceptable security was a union shop. I recalled my promise to our employees at the time of the vote on the first contract that they would never have to join a union if they didn't want to. And my own convictions of principle against a union shop were still strong. But I could see no alternative.

So, effective January 1, 1979, the UFW has a three-year contract and a union shop. I did keep my word to my old employees. The contract specified that they could join or not, as they chose. Eighty-eight of 148, or 60% of them, chose not to join, but people hired after January 1 have no choice.

I will say that the union has kept its word, too. We've even solved the problem of the incentive program in the sanding department. The terms for changing the piece rates were negotiated into the contract, and since January we've reset many rates in that department. One of the sanders—the most prominent guy in the shop—raised the root, and the union filed a grievance. We had only to point to the contract.

The union hired its own time-study consultant, who agreed with us. "Boys," he pointed out, "it's right there in the contract. You negotiated it." That settled the grievance. Ironically, the very issue that brought the union in has been resolved to our total satisfaction.

Now we're going through the plant resetting many piece rates and putting our house in order. Previously, we might not have, fearing disruption in the form of another organizing campaign.

We have very few grievances now. The union won't waste time on foolish complaints. We're running smoothly, making good furniture and making it efficiently.

True, we lost the union fight and I had to swallow my convictions. But I think the real loss is suffered by our employees. They're not getting anything for their nine bucks a month that they wouldn't have gotten otherwise. It's the United Furniture Workers of America who have gained.

Perhaps down the pike in three years, if the same antiunion crew is here, they'll launch another decertification campaign and vote the union out. If the situation is to change, they'll have to change it themselves. But I'll do everything in the world legally to help them.