**Case:** *GMFC Custom Conveyer Division*

Last year, General Materials and Fabrication Corporation (GMFC) acquired a manufacturer of custom-built conveyer equipment used in the freight forwarding industry. The nonunion plant, renamed the Custom Conveyer Division (CCD), employs about 120 production employees, 3 supervisors, a general supervisor, a production manager, 2 engineers, 3 office clericals, and a plant manager. The production employees are in five semiskilled job classifications: fabricator, welder, prepper, painter, and assembler.

The fabricators convert raw material, such as steel plates and tubes, into parts using presses, sheers, numerical-control cutting equipment, and the like. Welders take the fabricated parts and create frames for conveyer subassemblies. They also weld sheet metal into complex slides and chutes. Preppers clean welding slag, grind welds, degrease welded assemblies, and perform other cleaning functions for painting. Painters spray paint assemblies using a variety of paints and painting equipment, taking special care not to paint areas where additional parts will be attached. Assemblers, working in teams, use the welded subassemblies and fabricated parts (purchased parts such as rollers, chains, sprockets, belts, motors, and switches) to assemble the equipment and test its operation. Then the assemblers travel to the installation site to combine the subassemblies and test the completed custom installation.

The plant is located in Cumberland, a small rural city of about 2,500. All the employees are hired from about a 20-mile radius around the plant. The starting wage for all classifications is $9 per hour, with an increase to $9.50 after a 60-day probationary period. Wages increase to a maximum of $11 per hour in three 50-cent increases at six-month intervals. About 75 percent of the employees are earning the maximum hourly rate. CCD pays for comprehensive health insurance for all employees and provides for 80 percent of the cost of dependent coverage. Turnover is very low, averaging about 5 percent per year from all causes. Two other plants in Cumberland hire employees with the same types of skills and pay a starting wage of $8 per hour. Most of GMFC's employees have been hired from those plants.

The plant earned over $1.25 million after taxes last year on gross revenues of $9 million. Sales have been increasing about 20 percent per year recently. Total labor costs last year were $4.5 million. Materials cost $1.5 million. Facility maintenance was $0.5 million and depreciation on the plant and equipment equaled $0.75 million. Taxes totaled $0.5 million. Labor and material costs are variable. Maintenance and depreciation are fixed for the next year since the plant has about 20 percent unused capacity. If expansion continues, there is enough space on the current property to double the plant size at a cost of about $10 million. The local labor market can provide workers with the required entry-level skills if the operations were to double over the next four years. Five other competitors manufacture this type of equipment, but GMFC-CCD has established a reputation for high quality and low cost, and its market share is expanding. Because most of the conveyer systems are used in airports and warehouse operations in large cities, transportation is required for each unit shipped. GMFC paid about $16.5 million for the operation when it was purchased last year.

**UNION ORGANIZING**

The district director of the United Steelworkers in the region in which Cumberland is located wants to increase the number of members in the district. He received an e-mail today from Page 190Dave Neumeier, an employee of GMFC-CCD, who is a former Steelworker member. Dave suggested that CCD was ripe for organizing given the $2 and $5 difference in wages between CCD ($11 maximum) and GMFC's main Central City operation. He said some of the preppers were dissatisfied, too, because their work was much more repetitive and dirtier than the other jobs but the pay was the same.

The district director assigned two of his newest organizers, Rebecca Shea and Rick Anderson, to attempt to organize the plant. Rebecca just graduated from the state university with a bachelor's in labor studies. Rick was a welder for a heavy-equipment manufacturer. The district director has given them a copy of the GMFC contract that's currently in force (see the mock negotiating exercise at the end of [Chapter 11](https://jigsaw.vitalsource.com/books/1259220389/epub/OEBPS/17_chapter11.xhtml#chap11)). Rebecca and Rick have been instructed to try to get jobs at the plant and begin organizing internally. If that's not possible, they are to contact Neumeier and get names and addresses. In either event, they need to formulate a strategy for organizing.

**MANAGEMENT**

James Holroyd, the plant manager, has just held his weekly supervisors meeting. A supervisor, Steve Christian, said a new employee who just moved to the area, Dave Neumeier, has a Steelworkers local sticker on the inside of his toolbox. While there has been no union activity at CCD, Holroyd was told by GMFC top management to make sure the operation remained nonunion. While work has been steady lately, a layoff is possible in two months if new orders aren't received.

The plant has a generous recreational program for employees, with a party every quarter, an outboard runabout, a recreational vehicle, and an extensive videocassette library for free use by employees.

**PROBLEM**

If you have a union organizer role, develop a strategy for organizing this plant. Consider such things as the authorization card campaign, contacts with employees, campaign literature, comparisons you want employees to make, bargaining-unit determination, coping with delays, and potential ULP charges.

If you have a management role, develop a strategy to maintain a nonunion employment situation. How would you determine whether an organizing threat is likely? Create employee communications, supervisory training programs, and the like. Consider how you would respond to potentially untruthful campaign literature. How will you deal with Dave Neumeier if he starts to encourage employees to unionize?