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Replacement Workers: Management's Big Gun

By PETER T. KILBORN, Special to The New York Times

WASHINGTON, March 12— To keep operating in a strike, more and more companies have been deploying a weapon they long shunned -hiring permanent replacements for workers who are on the picket lines.

When 6,300 drivers for the Greyhound Corporation abandoned their buses 10 days ago, management had 700 new recruits on hand to drive its fleet and 900 more in training. Thousands of new pilots, mechanics and flight attendants who have been assured careers with Eastern are keeping the airline aloft. And long after the end of the strikes in which they were hired, thousands of new workers remain on the job at the International Paper Company, the Boise Cascade Corporation, the Phelps Dodge Corporation and at Continental Airlines.

The American Federation of Labor and Congress of Industrial Organizations has made prohibition of replacement workers its No. 1 labor law goal this year. But legislation in Congress prohibiting such workers, introduced last month by Senator Howard M. Metzenbaum of Ohio and Representative William L. Clay of Missouri, both Democrats, faces tough going and a probable veto by President Bush if Congress should pass the bills.

Meanwhile, the Supreme Court has agreed to decide a case that could strengthen management's hand in using replacement workers to thwart unions. The case involves a request by a small company in Texas that the National Labor Relations Board presume that permanent replacement workers oppose unions, thus expediting the company's effort to banish the union.

'The Balance Has Shifted'

Labor experts maintain that management's wide use of permanent replacements has upset the symmetry that has been a tradition of labor disputes. On the one hand, management has said it has a right to lock workers out at the risk of losing profits; on the other, labor has said it can withhold its services at the risk of losing income.

"The balance has shifted," said Mark A. de Bernardo, director of the Labor Law Action Center at the United States Chamber of Commerce here. "Labor's trump card in a dispute, the strike, is no longer trump."

Robert M. Baptiste, a Washington attorney for labor unions, said that in a strike "there was always a sense that people would eventually say, 'Enough, let's sit down and get serious.' " But he added, "Now, companies just want to get rid of unions."

One reason that companies now think that goal is possible is the lesson they drew from the illegal strike of 11,500 Federal air traffic controllers in August 1981, seven months into Ronald Reagan's first term as President. After the controllers defied a back-to-work order, Mr. Reagan dismissed them, filled their ranks with permanent replacements, and the union collapsed.

'A Signal to Other Employers'

The Government's success in keeping the air traffic system working impressed many unionized companies."Reagan made it respectable to bust unions," Mr. Baptiste said.

Gary Burtless, a labor economist at the Brookings Institution, said Mr. Reagan emboldened management to risk the strain to its business of taking on less experienced workers. "The fact that the President was able to keep the air traffic system going indicated that there was a lot more scope for replacing workers than people imagined," Mr. Burtless said. "If you can replace air traffic controllers you can certainly replace bus drivers."

The permanent replacements, often recruited from the ranks of the unemployed or from low-paid employees of other businesses, are a variation on the temporary substitutes vilified by trade unionists as "scabs" or "strikebreakers" but nevertheless regarded as a part of management's legitimate arsenal. Temporary replacements leave at the end of a strike, but permanent replacements are assured the strikers' jobs. After a strike, the law allows strikers first claim on their old jobs, but only if replacements vacate them.

Risk of Permanent Replacements

Many companies still shun permanent replacements, in part because they run some risk in using them. Even if they decide they can get by without the expertise of skilled workers, companies must weigh the potential costs of incurring the wrath of workers who are not involved in the strike and of losing customers because of consumer doubts about the quality of the service provided by replacement workers.

This change in management's attitude has occurred along with a change in workers' loyalties, both to their unions and to their companies, which makes it harder for unions to sustain strikes and easier for management to persuade workers to move into the strikers' jobs.

Workers no longer think unions can deliver the gains in wages and benefits that made blue-collar members the world's best paid workers. For several years, union workers in private industry have been winning smaller wage increases than nonunion workers, and trade union membership as a part of the national work force has declined from 30 percent in the 1970's to 16.4 percent in 1989.

And for all that attention that recent strikes at companies like Greyhound, Eastern, the Pittston Coal Group Inc., Boeing and the Nynex Corporation have received, unions are increasingly wary of using their ultimate weapon, the strike, and risking both their members' jobs and the embarrassment of failing to win concessions from management. In the 1970's the Bureau of Labor Statistics recorded an average of 289 strikes a year involving 1,000 or more workers. In the last five years the average was 52.

The Seeds of Acrimony

Furthermore, some companies have found it easier than they expected to find replacement workers.

That is what happened in an especially vitriolic strike in 1987 and 1988 involving three International Paper mills in Jay, Me. The company proposed eliminating premium pay for work on Sundays and holidays, and the paperworkers union walked out. The company started bringing in permanent replacements just 13 days later, planting the seeds of acrimony that local officials say will persist for years.

"It's something you do only as a last resort," said James W. Gilliland, the company's director of employee relations. "It's not fun for anybody."

In Jay, he said, the company has reduced its work force from 1,250 to 1,062, and 80 percent of the employees are permanent replacements. They started at $9 to $10 an hour, about $4 less than the strikers, Mr. Gilliland said, and premium pay was abolished.

Once the company decided to proceed, Mr. Gilliland said it found a surprisingly large pool of candidates for the strikers' jobs despite the nation's relatively low unemployment rate.

"As more and more young people have entered the labor market, they have found fewer and fewer high-paying industrial jobs," he said. "So when an industrial company enters the market to hire permanent replacements, it has no trouble whatever."

Graph: number of strikes involving 1,000 employees or more. (Source: Bureau of Labor Statistics)