

# Kaiser's Divide and Conquer Bargaining Strategy

Kaiser management's two-tier wage and benefit proposal is disrespectful, harmful, and dangerous. A two-tier structure means that some members are compensated less than other members for the same job. A two-tier wage and benefit structure puts a target on the back of older, higher-paid employees; it lowers everyone's standard of living and it creates divisiveness in the workplace and in the union.



## Two-tier puts targets on the backs of older, higher-paid employees

Union employees on the higher tier become targets for discipline and termination by managers who look to replace them with lower-paid new hires. Management is also more likely to favor workers with cheaper benefits when it comes to promotions and scheduling.

## Two-tier will degrade our standard of living

In a two-tier wage and benefit structure, when new hires are compensated less than existing employees, it opens the door to concessionary bargaining in future contract negotiations. Also, as higher paid employees retire or quit, the wage rates and benefits will continue to get lower and lower, erasing years of hard work and sacrifice made by union members to improve wages and working conditions.



As many will recall, in the 1980s ESC Local 20, along with many other Kaiser Unions, eliminated divisive and harmful multi-tier wage scales. Kaiser management's proposals seek to undo our hard work and reimplement two-tier wage and benefit structures. While we want to move forward, Kaiser management prefers to backtrack on the years of fruitful partnership with Kaiser Unions.

## Two-tier is a shameless attempt to weaken union solidarity

Lower-paid new hires will be doing the same work as their coworkers, but for less money and inferior retiree benefits, violating one of the foundational principles of unions: "equal work for equal pay." This dissatisfaction creates division within the unionized workforce, undermining the power of union solidarity. The union will then be forced to expend our bargaining power on closing the gap between second tier and first tier wages, instead of raising the ceiling on wages.

## Tales of Two-tier: A typical employer “divide and conquer” strategy

A loss: In the 1970s, the United Auto Workers union (UAW), hoping to keep the auto industry competitive and their jobs secure, agreed to the auto industry’s demands of a temporary two-tier system. While the destructive nature of the two-tier structure was not immediately apparent, the door to concessionary bargaining had been opened. Over time, the automakers began forcing more and more concessions out of UAW. These concessions encouraged managers to target older and higher-paid union members for discipline and termination, eroded union members’ standard of living, and undermined union solidarity and power. Seeing the success of automakers in crippling the unionized workforce, other employers across the country began forcing unions to accept two-tier wage and benefits structures, lowering the standard of living for millions of Americans.

A victory: Some unions have fought and won against this divide and conquer strategy. Just last month, after workers waged five powerful strikes and countless other actions, the University Professional and Technical Employees, CWA 9119 (UPTE) successfully fought back against the University of California administration’s attempt to force them to accept a two-tier pension benefit structure. UPTE members, which include Clinical Lab Scientists and other health professionals, recognized the threat a two-tier wage and benefits structure posed to their standard of living and their union’s strength and solidarity and resoundingly rejected UC’s divide and conquer strategy -- a win for all workers.

### Kaiser’s Proposal: Divide and Conquer

	Wages	Retiree Medical
Current Employees	Industry leading wage scale and wages	Premium subsidy for retiree medical benefits
New Hires	Lower wage scales and wages (15% on average)	Eliminate premium subsidy for retiree medical benefits in 2021
IMPACT	Lower wages for all workers and drags down market rates	Reduced retiree standard of living for all over time