

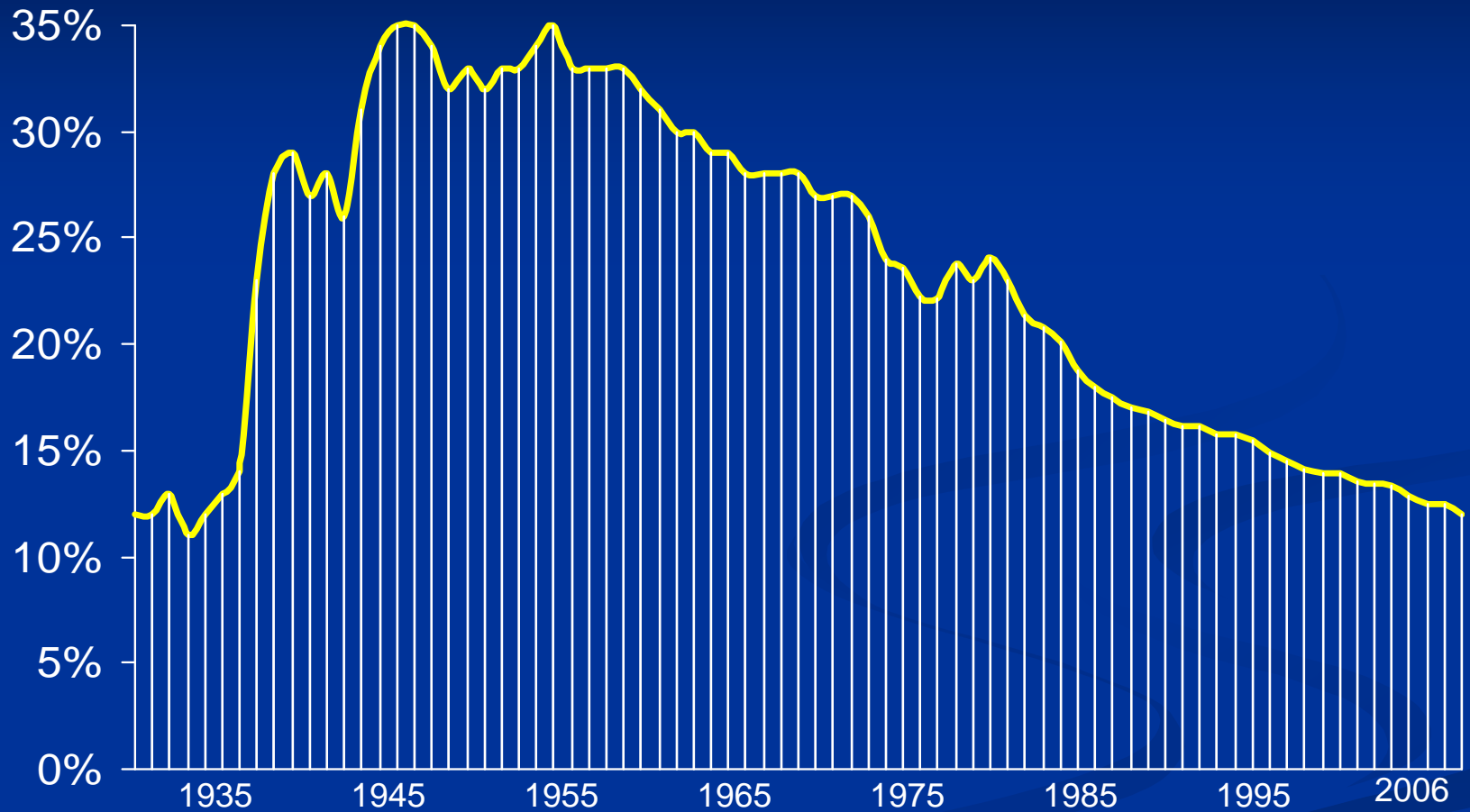
# Management's Plan for Taking from Us in Good Times and Bad

## Recession, Restructuring and Robber Barons

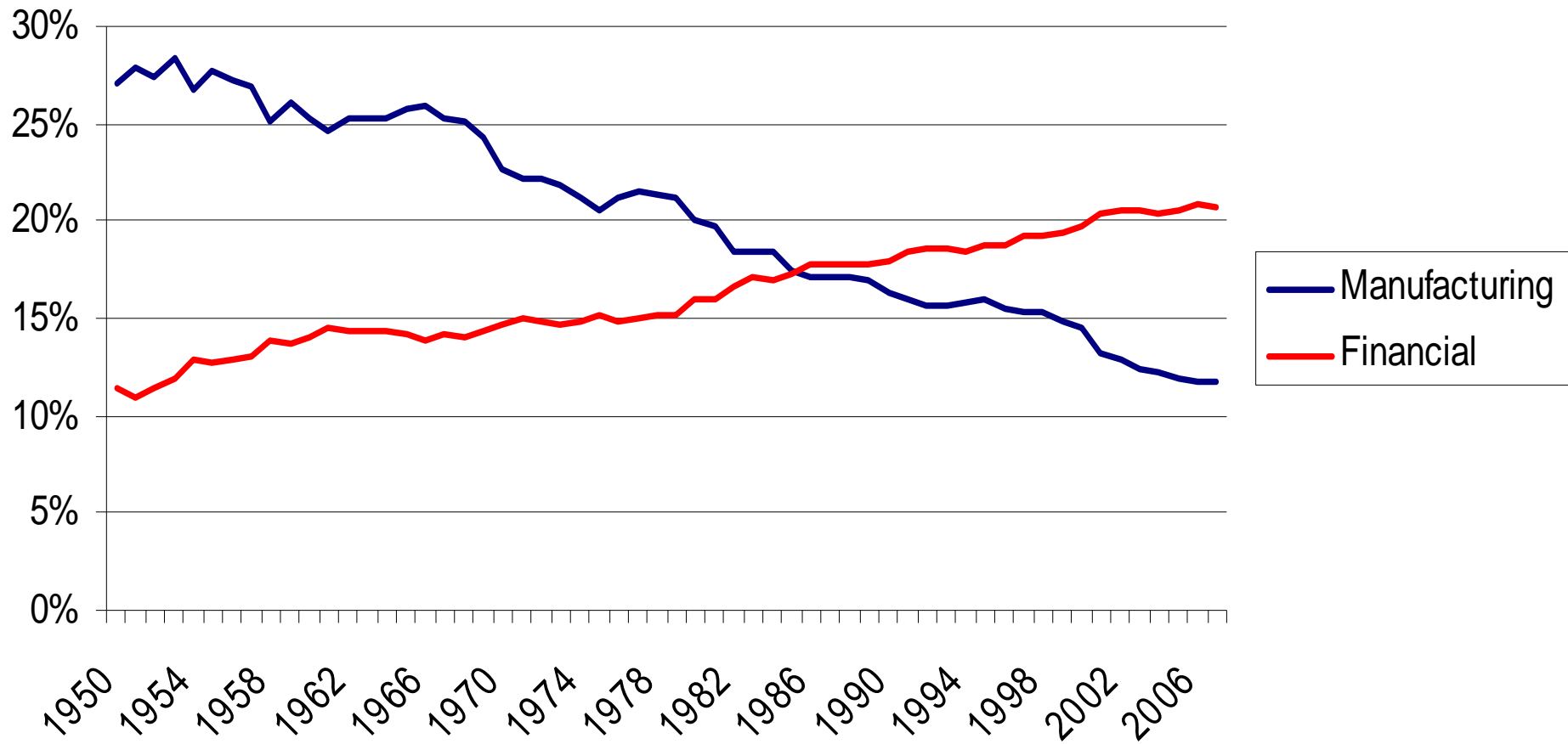


Charley Richardson  
UMass Lowell Labor Extension  
Charles\_Richardson@uml.edu

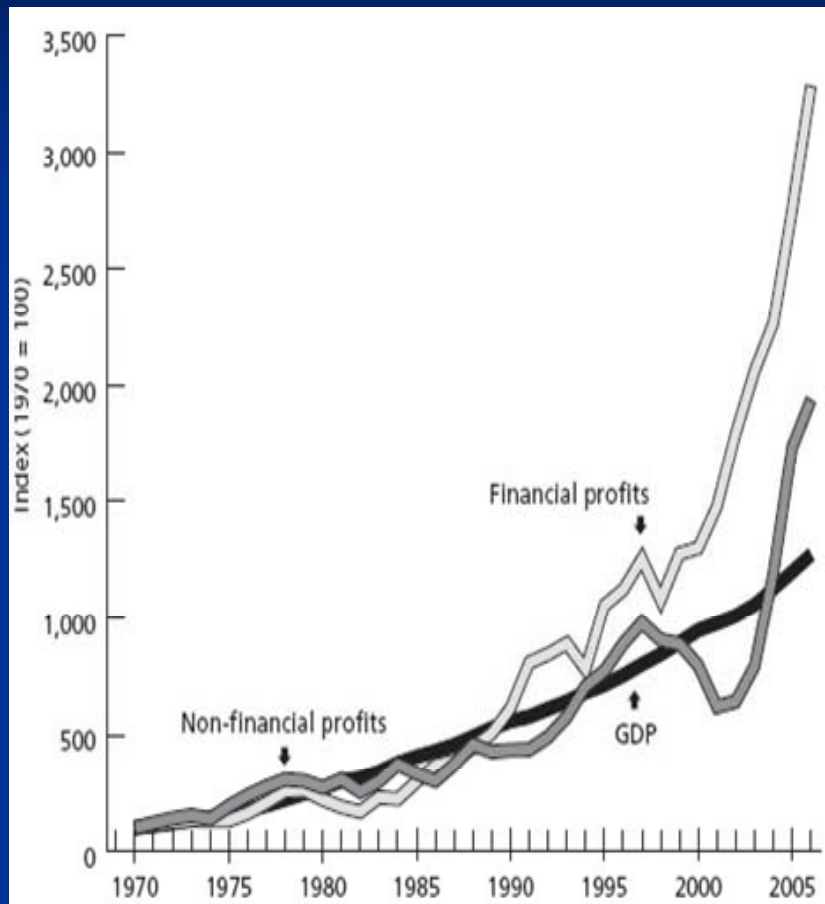
# *Percent of Workers Who Belong to Unions Has Decreased*



# Finance Replaced Manufacturing



# The Economy's New Command Center



The command center is the place that pulls in profits from the economy (because of its higher profitability) and decides where they'll go.

The financial sector is now 5% of the nation's workforce but 41% of the profits.

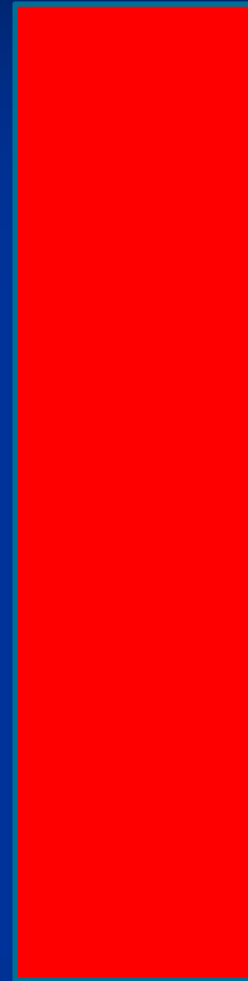
(Martin Wolf, Financial Times)

WHERE THE MONEY WENT:

# CEO Compensation, A Bribe to Strip Your Company

Average worker:  
\$30,653

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Average S+P 500  
CEO:  
\$10,544,570

# WHERE THE BIG MONEY WENT:

## Hedge & Private Equity Fund Managers



Top 50 Hedge and  
Private Equity  
Fund Managers  
(average):  
\$588 million

Average S&P 500  
CEO:  
\$10,544,570

## HOW THEY'RE STRIPPING THE WEALTH:

# GM Strips Itself

- From 1986 through 2002 GM spent 95% of its net income – 43% for stock buybacks and 52% in dividends to shareholders.
- This meant **GM only kept 5% of its net income** to finance its future operations and growth.
- If GM had instead banked the \$20.4 billion it distributed to shareholders as buybacks from 1986 through 2002 with a 2.5% after-tax annual return...
- **It would now have \$33.8 billion of its own cash** to help keep it afloat.
- Or maybe it could have invested in high-quality, energy-efficient cars.

(William Lazonick, "The Stock Market and Economic Insecurity," 2008)

JUMPI!

YOU FUCKERS!

ROAD CLOSED  
NO  
THRU TRAFFIC



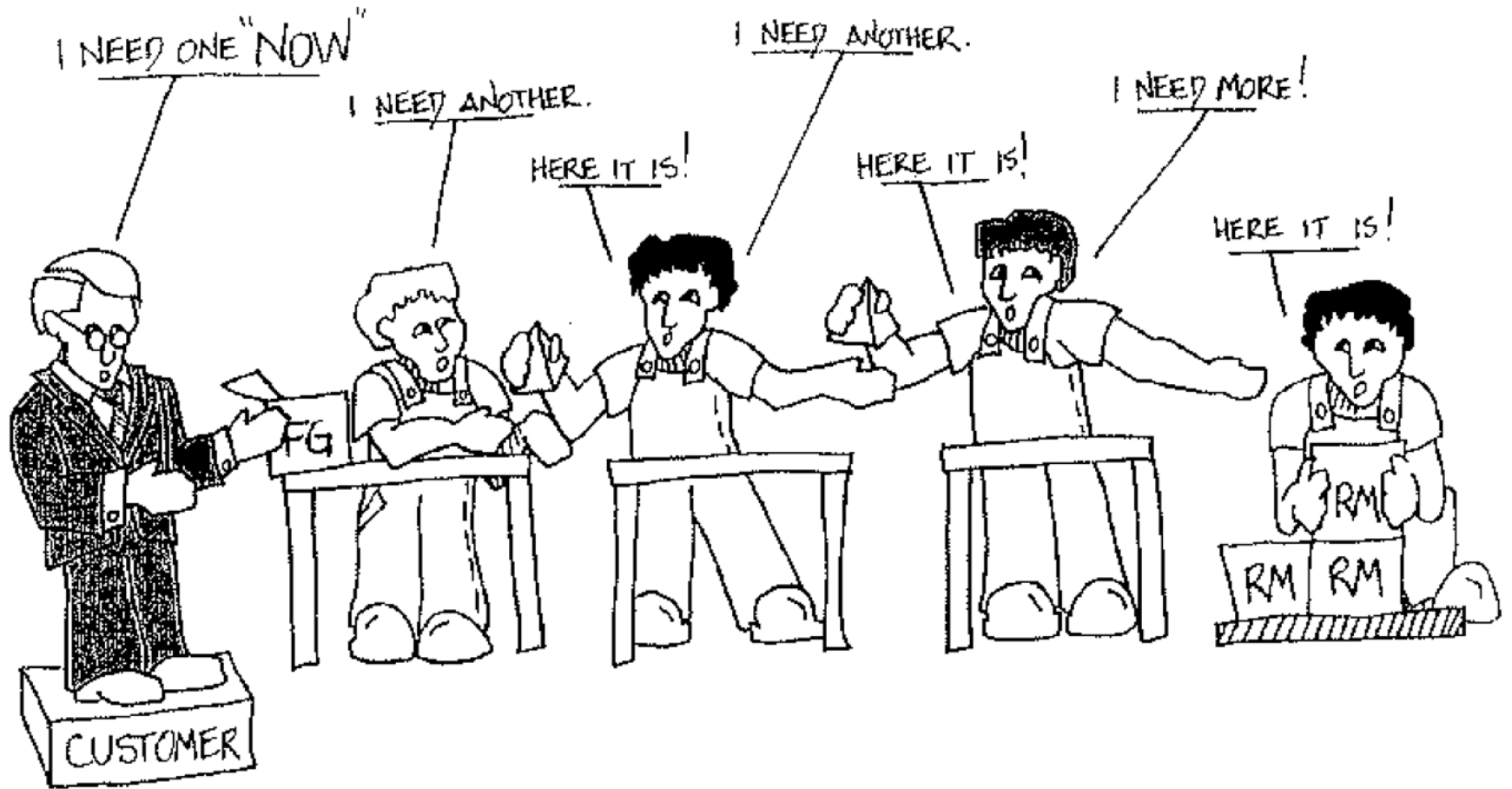


# Impacts of Recession on Health and Safety

- Management Cutting Corners
- Accelerated Work Restructuring
- Loss of Power for Workers

# Key Changes in the Work Process

- **Work Restructuring – Lean**
  - Standardization/De-Skilling
  - Intensification/Speed-up
  - Multi-Skilling/Job Combination/Flexibility
- **Automation/New Technologies/Monitoring**
- **Moveable Work and Precarious Employment**





# Lean in Education

Lean Education Enterprises, Inc.'s Le2™ Program is a dynamic continuous improvement process that promotes healthy evaluation. It asks questions such as, Can this be done in a better way or with a better outcome? What can be eliminated in the process without reducing value to the customer/end-user? The program is proactive rather than reactive. It seeks to anticipate and prevent problems rather than fix and resolve them.

## **STREAMLINE WORK – ONLY DO WHAT ADDS VALUE**

The Le2 Program seeks to improve processes by streamlining them. This is accomplished by looking at individual process steps from the end-user's viewpoint to identify, reduce and eventually eliminate anything that does not add value. Anything that does not add value is looked upon as waste. When waste is eliminated, only value remains.

# Lean in Health Care

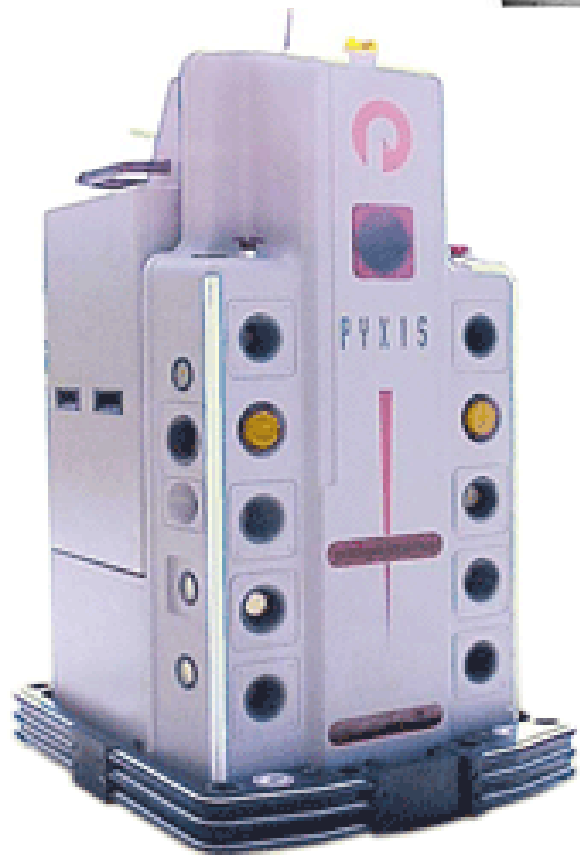
**“In less than a year, a hospital can increase the number of patients it serves by as much as 20% while eliminating lengthy wait-times – gains can be achieved just by implementing the basic end-to-end process improvement tools that Ford and GM used in the early 1980’s.” “... all of the notions associated with the factory floor-are exactly what modern hospitals most sorely need.”**

[Quoted in Medical Economics, Aug. 6 2001 – from McKinsey Quarterly 2001 no. 2 emphasis added]

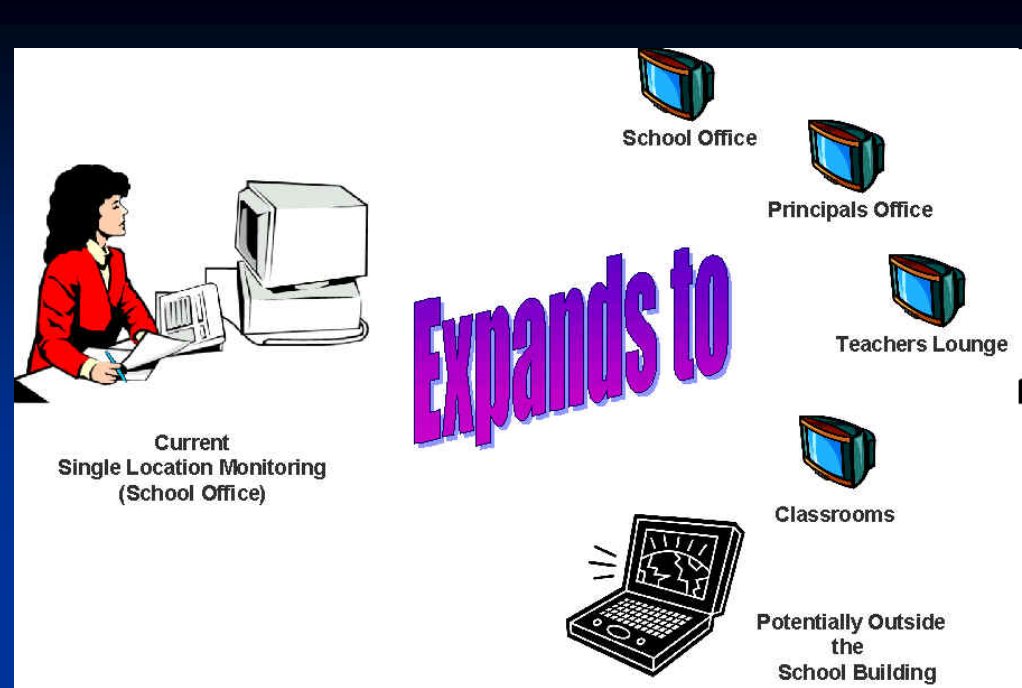
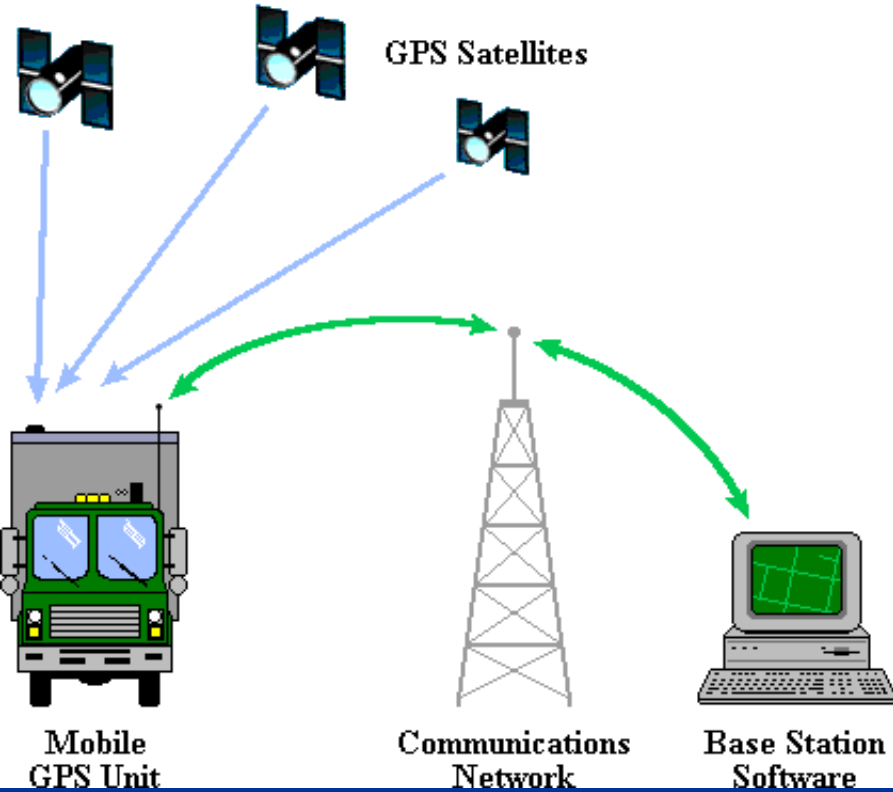
# Lean in Health Care

**“At Park Nicollet, they’re embracing Toyota’s lean production process with almost religious zeal. The organization is engaged in an aggressive team-oriented program to eliminate wasted time, space, and motion in order to save patients, provide them with more punctual results and keep them healthier. The hospital says it saved \$7.5 million last year, cut infection rates and freed up surgical capacity.”**

**[Phelps, 2005]**



Automation



Monitoring



# Work that has been

- **Standardized**
- **Analyzed**
- **Automated**
- **Simplified**

**Is work that is easier to  
Contract Out, Outsource and Move**

The 87,000 square-foot structure's facade was assembled entirely from concrete panels cast in Mexico....  
...Mr. Fastag's firm cast more than 2,000 individual panels at its plant in the Mexico City suburb of Atizapan de Zaragoza, then shipped them 2,350 miles north. Carried on mammoth flatbed trucks -- a total of 140 truckloads for the Salt Lake City library -- each panel was delivered in the order of its assembly. --- Wall Street Journal



**In Construction**

101010101010  
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Information is digitalized

Digital information is being moved  
X-rays, EMR's, Patient Monitoring



The Patient is being  
moved Medical Tourism



In Health Care

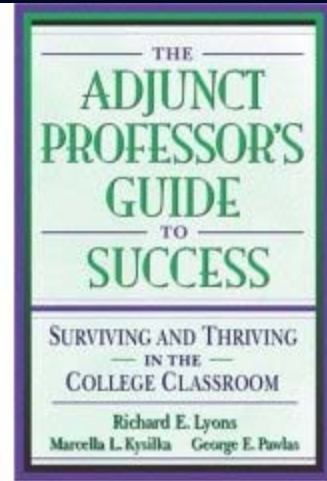


# Miles away, 'I'll have a burger:

When Jairo Moncada pulled up to the drive-through at Wendy's in Burbank, Calif... The woman taking his lunch order was sitting 3,000 miles away at a computer terminal in Nashua (New Hampshire), and fielding calls from Wendy's customers at drive-throughs as far away as Florida and Washington, D.C.

Jenn Abelson, The Boston Globe  
November 5, 2006

In Fast Food



In an arrangement proving profitable to all, Aashish Sharma (above) in Wellesley receives chemistry guidance from George Mathew in Cochin, India. (Evan Richman/ Globe Staff)

“India has hundreds of thousands of science and math scholars, willing to work cheaply.”

**In Education**

**TOP 10 PRIVATE CONTRACTORS IN IRAQ  
AND AFGHANISTAN, 2004-2006**

1. **KBR Inc.** (formerly Kellogg Brown & Root)  
\$16,059,282,020
2. **DynCorp International** (Veritas Capital)  
\$1,838,156,100
3. **Washington Group International Inc.**  
\$1,044,686,850
4. **IAP Worldwide Services Inc.** (Cerberus Capital Management LP)  
\$901,973,910
5. **Environmental Chemical Corp.**  
\$899,701,070
6. **L-3 Communications Holdings Inc.**  
\$853,535,680
7. **Fluor Corp.**  
\$736,853,200
8. **Perini Corp.**  
\$720,859,110
9. **Orascom Construction Industries (OCI)**  
\$617,089,510
10. **Parsons Corp.**  
\$579,265,450

SOURCE: publicintegrity.org

GLOBE STAFF

# Blackwater

In the Military

**Especially in recessionary times, fear is used, along with Six Sigma, Continuous Improvement, Kaizen, Problem Solving Teams, 5S, Self-Directed Work Groups, and other restructuring programs, is used to get the workforce to:**

- Accept the Idea of Change, and**
- Contribute their Ideas and Knowledge to Management's Plans for Change**

Change

---

# **Change is Required**

To Cherish Traditions, Old Buildings, Ancient Cultures and Graceful Lifestyles is a worthy thing....but in the world of technology, to cling to Outmoded Methods of Manufacture, Old Product Lines, Old Markets or Old Attitudes among Management and Workers is  
**A PRESCRIPTION FOR SUICIDE.**



**All of these trends have  
negative impacts on workers  
including on health and safety**

Speed-up

Stress

Job Loss/Insecurity

Repetitive Strain Injuries

Loss of Skill

Low Morale

# All of these trends also have negative impacts on union strength

Elimination of Skilled Work/Harvesting Work  
Process Knowledge

Moveable Work Processes

Loss of Security/Bargaining Leverage

Loss of Solidarity/Isolation and Division

Loss of Jobs, Members and Dues

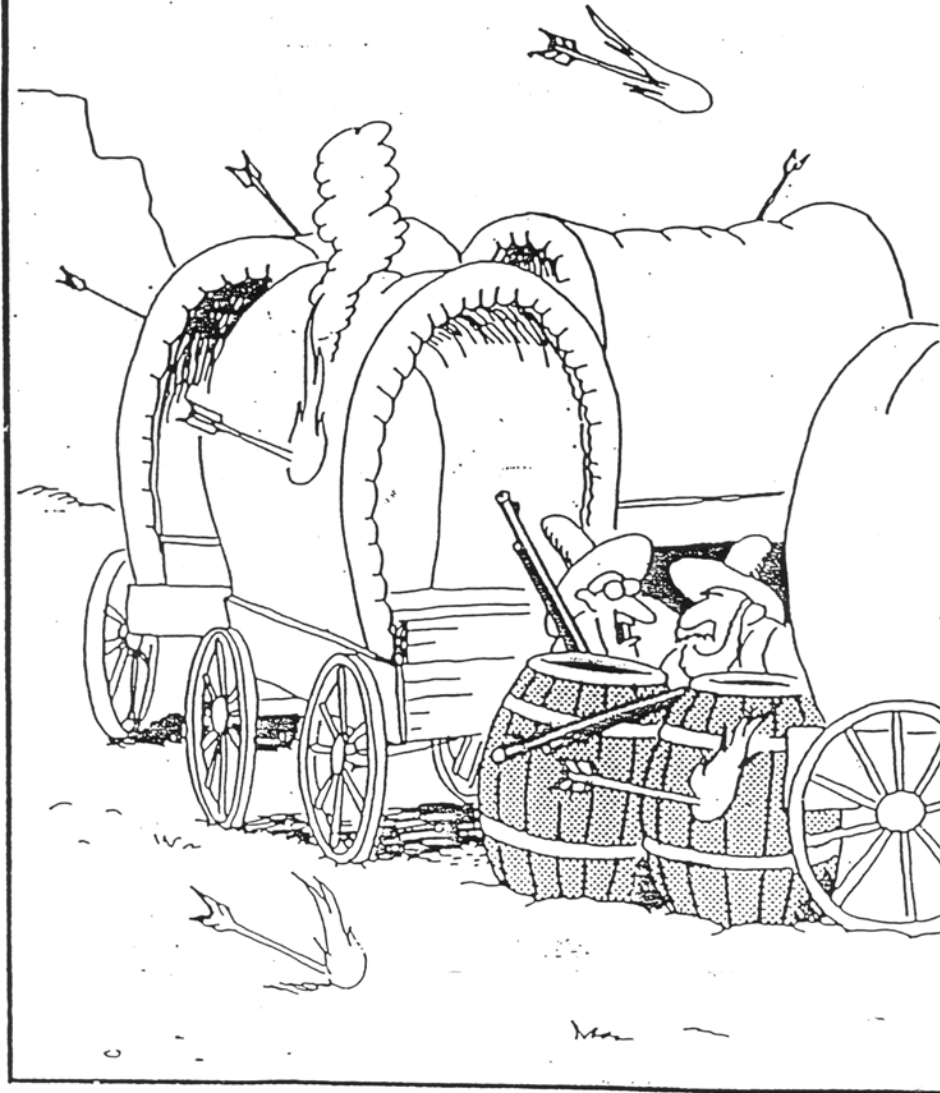
Drain on Union Resources

Loss of Faith in Unions/Collective Action

Larson

8-1

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“Hey! They’re lighting their arrows! . . .  
Can they DO that?”