CASE STUDY 8-3

The Disputed Safety Bonus

Bob Dale and Sam Brady were employed as truck drivers by Jackson Transportation Inc. (JTI) a nonunion firm engaged in interstate commerce. JTI provided transportation services for nonunion Acme Steel Corporation (ASC) hauling steel coils between ASC's various plants and directly to various ASC customers. Dale and Brady performed all of their work assignments, transporting steel coils on ASC property.

To encourage safe trucking operations, ASC implemented a safety bonus program that paid trucking firms employed by ASC an amount equal to one $1 for each safe hour of work performed by each firm's employees. ASC strongly encouraged the transportation firms with whom it contracted for services to pass the $1 per safe hour of operation bonus on to their employees.

JTI decided to pass one half of the safety bonus payment (50 cents) on to its truck drivers and keep the remaining 50 cents to fund certain safety equipment purchases and the company's annual Christmas party. Bob Dale learned from talking to drivers at other firms employed by ASC that they were receiving the full $1 bonus from their employers. This upset Dale, who thought his employer (JTI) should also be giving drivers the full $1 per hour bonus payment. Dale discussed his complaint with several other employees, including Sam Brady.

On December 9, employee Dale told Brady that he was on his way to see Phil Cook, ASC's transportation manager at the plant where both Brady and Dale were assigned. Brady said he would accompany Dale to the meeting as he didn't want to miss any of the fireworks. At the meeting, Dale explained to Cook his complaint about JTI not paying its drivers the full $1 bonus amount. Cook replied that essentially this was not a decision over which he had any control, and any complaints should be delivered directly to JTI managers, not ASC. The meeting ended after about 15 minutes and Dale and Brady exited Cook's office. Cook then telephoned R. C. Ridley, the JTI terminal manager who supervised Dale and Brady, and explained to him the nature of the conversation Cook had engaged in with Dale in Brady's presence.

On December 19, Ridley, accompanied by a security guard, escorted Dale from the ASC property, explaining that he was being removed because "they believed that he was trying get a union started because he had talked to Cook." Ridley told Dale that ASC had barred Dale from its property. Dale responded that he was not trying to start a union and had never even spoken to anyone about doing so. Ridley stated the company would have to investigate the matter further.

On that same date (December 19), Ridley, accompanied by a security guard, also escorted Brady from the ASC property. Ridley told Brady he was being removed from the property because he had been present when Dale met with Cook about the safety bonus issue. Brady indicated that he had not known in advance the specific nature of the statements that Dale planned to make that day in Cook's office.

On December 27, Ridley informed Dale that he was being terminated in the best interest of the company. Dale's written termination notice stated that he was terminated because he was "not able to function on ASC property." Ridley also informed Brady on the same date that he too was terminated because ASC did not want him back on its property. Brady's written termination notice stated the reason for termination was "not able to function on ASC property." Brady and Dale subsequently filed an unfair labor practice with the NLRB, alleging that JTI's discharge action represented unlawful discrimination against them under the LMRA, as amended.

Questions

1. Was the discharge of Dale and Brady a violation of Section 8(a)(1) and (3) of the LMRA? If so, what should be the appropriate remedy?
2. Was the decision by JTI to award only half of the safety bonus money available to its truck drivers a lawful employer decision?
3. If you had been advising JTI on the safety bonus issue, would you have recommended the company retain half the bonus money for the purposes described by the company (i.e., buy safety equipment and pay for the annual Christmas party)? Why or why not?