

German union boss becomes head of personnel at ThyssenKrupp

Dietmar Henning
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From union official to company boss with a two million euro income: this is the step that will be taken next year by Oliver Burkhard, leader of the IG Metall (IGM) trade union in the state of North Rhine-Westphalia (NRW). He has been appointed the new head of personnel at the multinational steel producer, ThyssenKrupp.

Following a meeting of the supervisory board, the corporation announced that the 40-year-old will be taking over from Ralph Labonte. His annual income will then climb to around €2 million, or more than €160,000 a month.

The director of labour relations, as personnel directors in Germany's worker-participation companies are called, can only be appointed with the approval of the union and works council representatives on the supervisory board. His position at ThyssenKrupp is therefore determined de facto by IG Metall.

Born in Frankfurt, Burkhard trained as an administrative clerk at the Federal Statistical Office in Wiesbaden, where he subsequently worked as a clerk for a further six years. During his employment, he also studied business administration.

As a member of the SPD in 1997, Burkhard took up the post of political secretary on the executive board of IG Metall in Frankfurt/Main. He was responsible for the department of business, technology and the environment, as well as tariff policy. Ten years ago, he moved to Dusseldorf where he held a secretarial post in IGM's North Rhine-Westphalia district headquarters.

In 2005, he was again on the IGM board in Frankfurt in the post of area director for tariff policy, but returned just two years later to the NRW IG Metall executive to become district manager. IG Metall regarded Burkhard as a potential successor of IGM federal boss Bertold Huber who, by his own admission, is on an annual

salary of “only” about €240,000.

Quite a few commentators describe the change from IG Metall to the board of one of the largest German corporations as a “changing of sides”. This is wrong. Like all union officials, Burkhard was previously on the side of the company and not the workforce. He did not have to change sides.

The unions long ago assumed the task of enforcing job destruction and implementing wage cuts and reduced working conditions for the workforce in the interest of company management. This is certainly the case in the coal and steel industries, where hundreds of thousands of jobs have been dismantled and many sites closed down in recent decades. It is also the case for the auto industry and all other fields of industry.

Consequently, coal and steel companies operate just as profitably with personnel managers drawn from the trade unions. Particularly well-qualified individuals are found among unionists whose negotiations with board members behind closed doors have proved their ability to develop strategies for safeguarding the interests of the corporations and enforcing them in the face of opposition from the workforce. Such qualifications are not undermined if these union officials occasionally rant loudly in public against the corporations—as has Burkhard. On the contrary.

Burkhard will now assume the task of offsetting heavy losses incurred at ThyssenKrupp—last year the concern was €5 billion in the red—by dismantling jobs and imposing wage cuts and flexibility measures on 150,000 workers around the world.

What exactly has qualified Burkhard for this job? Radio Germany claims, “He is regarded as aggressive and assertive”. The broadcaster supports this view by referring to Burkhard's responsibility for the 2008 collective bargaining agreement in the steel industry.

At the time, salaries were increased by a nominal 5.2 percent. Prior to that, however, there had been years of wage freezes. Furthermore, the actual increase amounted to less than 4.5 percent at the end of the 14-month expiry period. The steel companies were able to live with the deal, as wage costs for steel production amounted to only 9 percent of total production costs. Karl-Ulrich Köhler, board chairman of the ThyssenKrupp Steel corporation at the time, declared quite rationally that the result was “acceptable”.

During the clashes between workers and management at the Bochum Opel factory in recent years, Burkhard together with the works council also pushed through a demolition of jobs that prepared the plant for the closure now underway. In April, 2009, he wrote a letter to the Opel workforce, urging them to agree to a wage cut brokered by IG Metall. He blackmailed the Opel workers with the threat that this was “the only way of securing a future for Opel and permanent jobs for its staff”.

Burkhard, who always appears in expensive suits, is not the first German union official to be rewarded with a lucrative income for his services.

Ralph Labonte, Burkard's predecessor as head of personnel, was the IG Metall union secretary in Duisburg from 1979 to 1987, then rose via the IG Metall board in Dusseldorf to personnel director of a Thyssen subsidiary in 1994, and became head of personnel at ThyssenKrupp in 2003. The 59-year old is now retiring with a generous pension due to ill health.

Heinz-Peter Gasse, Burkhard's predecessor at the head of IG Metall in North Rhine-Westphalia, is now director of personnel at the Krupp Hütten plant in Mannesmann. Gasse's predecessor, Harald Schartau, first became labour minister for the state of NRW and then head of personnel at the Georgsmarienhütte steel works near Osnabrück.

Thomas Schlenz, the longtime chairman of the joint works council at ThyssenKrupp Steel, is currently preparing to take over the post of head of personnel in the same corporation after 2013. He succeeds Dieter Kroll, a former pseudo-radical shop steward at ThyssenKrupp Steel, who also rose via the works council chairmanship to personnel director.

Kroll earned an eight-figure sum during his eight years in office. Now aged 56, he is looking forward to a life of extensive traveling. “I'm looking forward to a

life of independence”, he says. Most workers in Germany now confront retirement first at the age of 67. The steel workers betrayed by Kroll in order to rake in his fortune have little chance of a “life of independence”.



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