

# **Canadian Labour's Response to Work Reorganization**

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# Canadian Labour's Response to Work Reorganization

## Summary

Workplaces are changing under relentless management pressures to transform methods of production and work in response to changing markets and technology. New forms of work organization, emphasizing flexible work practices, team work, employee involvement, skill-based and performance related compensation systems, and a "cooperative" labour-management relationship to foster a participatory enterprise culture, pose serious challenges to trade unions as well as provide them new opportunities to increase their role and influence in management decision-making.

This paper documents and evaluates Canadian labour's response to work reorganization, focusing on the recent agendas of the Canadian Auto Workers, the Steelworkers, and the Communications Workers now a part of the Communications, Energy and Paperworkers Union. The paper argues that while the three unions differ in their precise goals, approaches and strategies towards workplace changes, reflecting their distinct history and culture and the nature of employers they deal with, the broad philosophical orientation and the scope and nature of their agenda are very similar. Common features include: (a) a culture of resistance and change within an adversarial framework; (b) an insistence on negotiated change; (c) an emphasis on major improvements in work environment; (d) expanded opportunities for and joint control of training; (e) a meaningful employee/union voice in strategic and shop-floor decision-making; and (f) involvement in work reorganization as a part of the broader social and economic change agenda and a program of legislative and political action to extend labour's influence.

The three responses articulate Canadian unions' goal of active intervention in workplace change to affect positive outcomes. They represent an important first step towards a clear, convincing and positive Canadian labour's vision of its role in economic restructuring. The paper further argues that despite employers' reluctance to discuss strategic issues with unions and an unwillingness to give up their management prerogatives, the unions' workplace agenda provides a viable framework for negotiated bargains over flexibility and security concerns and the role of unions in workplace restructuring. An active public policy role in promoting joint consultation and supporting measures to provide unions with greater access to resources to augment their discussion and decision-making capabilities, mandated rights of information and consultation, and to facilitate sectorial agreements is recommended for a broader diffusion of negotiated work reorganization initiatives.

## Introduction

These are "hard times" for workers and their unions. The Canadian economy is undergoing a difficult process of adjustment and adaptation in response to weak and uncertain changes in product demand, increasing globalization of production, trade and investment, accelerated pace of technological change, and the Free Trade Agreement with the United States. Changes in markets and technology have led employers to revamp their production and management systems, rationalize their workforces and push for reorganization of work and reward systems to improve productivity, quality and flexibility. The management quest for flexibility involves: (a) streamlining of work processes through a modification of rigid work rules and practices; (b) linking employee compensation to organizational performance and acquisition of broad skills; (c) decentralization of decision-making authority to operative levels by delayering management and increasing employee involvement in workplace decisions; and (d) developing a "participatory enterprise culture" through self-management teams and "cooperative" labour-management relationships. These "new human resource management" initiatives have significant implications for workers and the unions. They seek to transform the nature and scope of work and the workplace relationships. For a majority of workers, particularly those in mass producing industries and in blue collar unskilled occupations, these changes mean fewer, insecure and stressful jobs as workplaces become increasingly lean and mean with a focus on producing "more with less." Similarly, the emphasis on creating a unitarist participatory culture with a single labour and management vision, the underlying thrust of management's cooperatist workplace agenda, imply a fundamental redefinition of the role and functions of unions, aligned more closely to corporate goals and objectives to improve the organizational effectiveness rather than being a "management watchdog" and a vehicle of employees' collective voice.

Thus, the workplace change based on the new human resource management approach, principally designed to lower costs by workforce rationalization, contingent compensation and reorganization of work around flexible work practices, job rotation and multi-skilling, employee involvement and team work, pose serious challenges to unions, threatening their traditional role of defending worker rights and promoting social justice, equity and fairness through collective bargaining, workplace interaction and legislative action. Unions face a dilemma, whether, and how, to support or reject management initiatives. As Charles Sable (1993:156) has pointed out in a recent paper, whatever the labour's response, management's new work restructuring strategy has the potential of seriously harming the unions. If they resist change unions stand accused of being a special interest group defending their members' privileges. If they condone them they are seen as protecting their organizations at the expense of their current and potential members. If they oppose attempts to increase flexibility, they are termed "dinosaurs," unable to understand the

needs and aspirations of the modern workforce and the exigencies of competition in world markets. But if they cooperate they make themselves and their members hostage to management's competitive agenda. There are incalculable risks for unions whether they oppose or support workplace changes.

However, a number of recent studies have argued that changes in work organization and relationships sought by management provide unions new opportunities (Bluestone and Bluestone 1992; OECD 1992; Berggren 1992; Turner 1991). Berggren (1992:255), for example, has argued, "[u]nions have the option of simply acquiescing to the managerial push or conducting analyses of their own and devising strategies for a synthesis of both lean and human centered practices." Unions' active involvement in work reorganization based on their strong independent base, an articulated vision of the future, and an alternative worker agenda can greatly expand their role and functions, enabling them to not only more effectively defend worker rights and improve workplace conditions but also providing them "the opportunity to develop a new activism in the workplace, an opening to mobilize members around new - or at least previously underemphasized - needs" (CAW 1993). Similarly, Streek (1993:171) maintains, drawing on training as an example, that "there are today ... numerous opportunities for unions to combine independent, powerful representation of member interests with a pursuit of general social and economic interests. Exploring such opportunities requires cooperative policies and strategies. But the type of cooperation needed here is far from passive acceptance of managerial decisions or self-limitations of unions to implement them. Quite to the contrary, forceful intervention in, and regulation of, managerial behaviour are required with unions potentially and eventually appropriating, through collective political action, a significant share of the responsibility for productive performance." In the same vein, a recent review of union responses in four European and three non-European countries suggests that:

"[the] most significant consequence of unions adopting more positive responses to changes in work organization ... is that it ensures them a role in an industrial relations environment that has undergone fundamental change. The fate of unions which have adopted a negative response to change may be exclusions from any effective future influence. This may occur even when management perceptions of union resistance are inaccurate" (OECD 1992:243-244).

Against this background, the purpose of this paper is to document and evaluate Canadian unions' response to recent workplace changes and new forms of work organization, focusing on the agendas of three major private sector unions - the Canadian Auto Workers (CAW), the Steelworkers (USWA), and the Communications Workers of Canada (CWC), now a part of the Communications, Energy and Paperworkers union (CEP), formed in November 1992 following a

merger of the CWC, the Energy and Chemical Workers, and the Canadian Paperworkers union. The paper, based on a review of union literature and interviews with elected officials and senior members of research staff, examines the nature and scope of union agenda, and the similarities and differences between the three union responses. It addresses two key questions: (1) to what extent the three union agendas represent the Canadian labour movement's vision of the future and its willingness to become a strategic influence and catalyst in transforming Canadian industrial relations; and (2) whether the three union responses provide a framework for consensus-building on the management's desire for greater flexibility and the union goals of enhanced worker rights and renewed quality of life at work?

Section I provides a perspective on the evolution of Canadian unions' agenda on work reorganization. The automobile industry experience, where workplace changes have been most pronounced as well as the union response has been most articulate, is cited as an example. The second section discusses the key elements of the three union agendas together with the similarities and differences between them. The third section explores the Canadian labour movement's vision. The fourth section assesses the employer response. The final section highlights the conclusions and the role of public policy.

## **I. Evolution of Union Response**

Canadian unions, in comparison to European unions (see OECD 1992, and HansBocker Foundation 1992), have been slow in their response to work reorganization issues. While they, individually and collectively through the Canadian Labour Congress, opposed employers' concession demands in the early 1980s and successfully resisted the introduction of QWL and QC in many settings in the 1970s, formal statements on work reorganization incorporating their broad philosophy and program of action, did not come about until very recently. The CAW statement, the first formal national union response to work organization issues, was adopted in 1989 and further refined into a union agenda at the 1993 bargaining convention. The CWC position was articulated in 1990 and was formally adopted as a workplace reorganization agenda in 1992 (the new union, the CEP, has not yet produced a formal statement although, according to its executive vice-president, it continues to follow the principles behind the CWC agenda). Workplace restructuring was a part of Empowering Workers in a Global Economy: A Labour Agenda for the 1990s, a union document discussed at the Steelworkers special conference in October 1991 (USWA 1991). A policy statement and Guidelines for Participation in Work Reorganization were formally endorsed at the Policy Conference in May 1992 (USWA 1992). Canadian Paperworkers Union, now a part of the Communications, Energy and Paperworkers, issued a statement on workplace restructuring in March 1990, focusing on the team concept and its consequences for workers and their unions. The statement was similar to the 1989 CAW Statement. To date, none of the other

unions have adopted a comprehensive position on work reorganization although many of them, for example Energy and Chemical Workers, the Canadian Union of Public Employees, Food and Commercial Workers, Public Service Alliance, Woodworkers, United Electric and Ontario Public Service Employees Union have taken both a proactive and defensive stand on various management initiatives such as QWL, team concepts, and employee involvement to guide their locals involved in workplace changes initiated by management (Rankin 1990:42). On a national level, work reorganization issues first featured in the Economic Policy Statement of the Canadian Labour Congress (CLC) adopted at the 1992 convention (Canadian Labour Congress 1992). The Statement suggested that:

There can be no positive economic restructuring without the active involvement of workers, acting through their unions ... Workers must actively participate in enterprise decision-making on such issues as work organization and reorganization, technological change, job design and training.

The Statement noted that the Congress will promote active discussion of various options through a paper (yet to be issued) "which will analyze the relevant issues in great detail." The new CLC President, however, does not appear to see the need for a formal Congress agenda on work restructuring (Wright 1992). He believes that the CLC's role is primarily educational and research, "to allow the debate and the experiment to take place and let people draw experiences from that. It's not for the Canadian Labour Congress to say to an affiliate "you can't do that" just because one of us does not like it. We want to research these experiments and see what is happening." The CLC and its affiliates, nonetheless, have articulated their position in a report of a joint labour-business committee on economic restructuring, organized by the Canadian Labour Market and Productivity Centre (1993). The Committee recommended that

business and labour expand joint approaches to enterprise and work organization and technological change that focus on: 1. a more decentralized approach to decision-making and problem solving that incorporates greater employee involvement; 2. quality improvement, innovation and customer service; 3. employment and income security; and 4. equity concerns.

There are many reasons behind the slow pace of labour's response to work organization issues. First, because of the relatively strong and long economic recovery from the 1981-82 recession the business community in Canada was quite late in recognizing the serious competitive pressures facing Canada. Second, the Canadian management has been slow in appreciating the significance of human factor in productivity and quality

performance. Moreover, even when the need for work restructuring became apparent, the management has been laggard and cautious in implementing changes and has not been as aggressive as its American counterpart (Kochan 1988, 1992). The Canadian management's reluctance to take a more conscious and aggressive action is also related to the fluid nature of the workplace changes and the uneven experience with QWL and QC experiments of the 1970s. Unlike the United States, management in Canada, due to the relatively greater strength of the union, is seriously constrained in its ability to introduce human resource innovation unilaterally (Verma and Kochan 1990). The unions in Canada, until recently, have looked upon work reorganization initiatives towards participatory decision-making as management "gimmicks," as "token gestures without any serious commitment towards improving the quality of worklife." Thus, partly as a result of the unions' cynicism and partly due to the lack of a coherent management strategy there have been very few initiatives towards systematic changes in work organization in Canadian industry. The innovative organization design at the Sarnia Shell Chemical plant in 1978, based on principles of social-technical system, is a significant but isolated example of negotiated work reorganization initiatives (for details of this experiment see Rankin 1990).

Indeed, work reorganization did not emerge as a key issue for the unions until the late 1980s when employers in such key industries as auto, steel, mining and telecommunications began to aggressively pursue work reorganization (especially employee involvement, job classification consolidation, job rotation and training, and team work) to improve lagging productivity and quality, clearly divorcing work reorganization from the early 1980s demands for monetary concessions in the form of wage freezes and wage cuts, lumpsum payments and the like designed to lower wage costs (see Chaykowski and Verma 1992).

### **The Auto Industry Example**

The auto industry provides a good example of the evolving management strategy and labour's response to workplace changes and reorganization (see Kumar and Meltz 1992; Kumar and Holmes 1993). The industry, facing formidable international competitive pressures, especially from Japanese manufacturers, has been engaged for the past decade in the process of restructuring of its production and management systems to achieve cost and quality competitiveness. Management goals include greater flexibility in compensation and work arrangements and a partnership with workers and their unions in workplace reorganization and administration. Initially, in the early 1980s, the Big Three (General Motors, Ford and Chrysler), which dominate the industry, sought monetary concessions in the form of flexible compensation (profit sharing, lump sum payments, COLA freeze and cuts in holidays and vacations) in exchange for employment security. They were able to win

these concessions in the United States by persuading the union, the UAW, that the flexibility-security tradeoff was necessary to regain industry competitiveness. The Canadian workers were not convinced and refused to deviate from their traditional contractual arrangements. In the mid-1980s, the Big Three shifted their attention to work reorganization following the revelation that their competitive disadvantage was not related as much to wage costs as to differences in productivity and product quality. Japanese superiority in these areas was widely attributed to their emphasis on employee involvement in workplace decision-making, team work and a partnership with unions. The Big Three started imitating the Japanese style management systems to reorganize work methods and were again able to convince the UAW to go along and forge formal partnership with the union (formalized in the "Attachment C" of the 1987 GM-UAW agreement, the establishment of Saturn corporation, Modern Operating Agreements at Chrysler, and Ford's Employee Involvement Program). The Canadian union, however, refused to endorse the new strategy believing that a partnership with management was not in the long run interests of the union, and managerial efforts to transform work systems on the lines of Japanese production methods could potentially undermine worker rights, create intolerable working conditions, and erode the independence of the union. The opposition was based on the negative experience of the QWL and QC experiments in the 1970s and mistrust of companies' motives (Rinehart 1984; Wells 1987). The Big Three kept up the pressure, however, enticing locals to agree to work rule changes and new forms of work organization by threats of plant closures, plant relocation or offers of increased investment to modernize facilities or introduce new technology. Thus, despite the national union's overt opposition, the Big Three in Canada were able to introduce, formally or informally, at a number of plants changes in work organization including flexible work rules and scheduling, job consolidation and variants of team concepts, and employee involvement programs. They were, however, unable to change compensation systems, especially the shift from annual base rate increases to profit sharing, pay-for-knowledge, and lump sum payments, or to persuade locals into formal partnership. While a number of locals (e.g. Ste. Therese local of the CAW) provided commitments to "work together," encouraging employee input and voice on matters relating to product, and to "continuously seek new ways" to improve product quality, the basis of the relationship continued to be a mutual recognition of each others' objectives based on "mutual trust, respect and dignity." The CAW Statement on Work Reorganization in 1989 was a product of the Big Three's technique of whipsawing locals to adopt changes in work organization, "causing stress and insecurity among workers," according to the union (CAW 1989). Following extensive consultation and debate with local leadership and activists, the Statement reaffirmed the adversarial nature of labour-management relationship based on conflicting goals and a mutual "commitment to building quality products and services." The Statement made clear that while "there is nothing inherently bad about working

together and there may be some advantages," the union "will not support management attempts to use the team concepts or quality circles, to manage the workplace by stress, to introduce speed up or to encourage workers to discipline each other." It also rejected the inference that workers are part of the management team, arguing that "true partnership means a measure of equality. None of the examples of work organization promoted by management includes workers or their union in any meaningful way in the decision-making process." However, while the union pursued "ideological resistance" to new forms of work organization sought by management, using both the carrot and stick as a selling point, it did not rule out what the union termed as "positive changes in the workplace" that "use workers' experience, knowledge and skills to produce good quality products and quality services in well-designed workplaces equipped with the proper tools and equipment."

This pragmatic orientation to workplace changes, within the framework of ideological resistance to any form of "concessions and structures that undermine union solidarity," led the union to participate in a number of work reorganization experiments (e.g. Ste. Therese and Oshawa plants of GM, Ford plant at Oakville, and Chrysler plants at Bramalea and Windsor, and at CAMI, a greenfield joint venture of GM and Suzuki) with a view to learn "whether they can have input into the changes that actually improve the life of workers and their working conditions." In fact, the union negotiated with CAMI management the provision of a two-year longitudinal study of new work methods, to gain a more systematic understanding of the Japanese style human resource management policies and practices (see Robertson et al. 1992).

It appears that both employers and the union have benefitted from the experiments. The employers on their part have realized that they can work around "the labels" and still improve their productivity and quality performance. As Katz and Meltz (1989) discovered in their 1987 survey of auto assembly plant practices that even though Canadian plants do not have formal team concepts or employee involvement programs, management has been able to considerably increase flexibility in work rules. The incidence of informal employee participation and communication on productivity and quality issues has been on the increase resulting in substantial improvements in productivity and product quality. Consequently Canadian plants are rated high in both economic performance and industrial relations climate (see Kumar and Meltz 1992 for details). Indeed, almost all Ford and Chrysler assembly and parts plants have won many internal and external awards for quality, and are noted for their superior productivity achievements (Harbour 1992). Anecdotal evidence also suggests that despite the militancy of the union and its flat rejection of any form of partnership with management, the Big Three have been engaged in considerable information sharing and communications with the union. The positive "working relationship" was an important factor in substantial new investments announced by Ford and Chrysler recently. For its part the

union has learned that it can effectively pursue its goals and objectives and can even change production and work methods that benefit workers through participation and resistance. The recent union success, following a long strike, the first work stoppage at a Japanese transplant in North America, in persuading the Japanese management at CAMI to modify team concepts and practices and accept union influence on production standards, has been a big source of optimism and support for those in the union who favour positive intervention in work reorganization (CAW 1992). Based on the positive, but "uneven," experience with these experiments the union has been able to articulate a convincing alternate worker agenda on work reorganization. The new union strategy, adopted at its recent collective bargaining convention in May 1993, "is to oppose lean production from a position of engagement and to work to change it through negotiations." The strategy is inspired by the philosophy of "working relationship" based on different interests and unequal power, emphasizing the importance of an independent base for negotiating with management. The new CAW agenda of involvement and participation, with resistance and change, stresses the importance of negotiating access to company information, to resources, and for the right to have input into, and influence over, the reorganization of work and the negotiation of specific training/education time to upgrade and develop worker skills, understanding and capabilities. The union believes that if there is involvement (in work reorganization efforts) it can not be passive; the "participation is premised on advancing the interests of workers and strengthening the union as an organization capable of advancing those interests" (CAW 1993).

The auto industry example illustrates the Canadian unions' incremental and evolutionary approach to change. Like the CAW, the Steelworkers and the Communications Workers response to work reorganization has evolved from the experience of workplace changes in steel (e.g. Stelco), telecommunications (e.g. Bell), and electrical appliance (e.g. Inglis) industries. In all three cases, with some variations, the union position on work reorganization has shifted from resistance to a positive intervention within the framework of adversarial labour-management relationships of conflicting interests and mutual objectives and commitments.

## **II. Key Elements of Unions' Agenda: Similarities and Differences**

While the three unions - the CAW, the USWA, and the CWC - differ in their precise goals, approaches and strategies towards management initiated workplace change, reflecting their distinct history and culture and the nature of employers they deal with, their broad philosophical response to work reorganization is substantially the same. As the following discussion demonstrates, the scope and nature of their workplace agenda, and the methods of attaining it, are also very similar:

1. All three unions believe in an active involvement in work reorganization programs to affect positive outcomes for workers. They appear convinced that "work reorganization is a global phenomenon" and when unilaterally initiated by management can "undermine or isolate the union and take away hard earned worker rights and benefits." The individual union's goals and objectives, however, vary. The Steelworkers, for example, aim at worker empowerment and codetermination to increase worker influence at all levels. The union believes that "if properly implemented, work reorganization can lead to many benefits for union members, including job security, greater responsibility, and involvement of shop floor workers, better training and increased compensation." The Communications Workers seek to promote their vision of "prosperity and progress" based on high wage, high skill economy, employment security, recognition by management of union 's role in the workplace, equity and ownership of skills. The CAW, on the other hand, sees union intervention in workplace change not only as a way of defending working conditions, "to make jobs more rewarding and workplaces more democratic," but also an "opportunity to develop a new activism in the workplace, an opening to mobilize ... members around new - or at least previously underemphasized needs." The union hopes that an active union intervention can lead to greater worker control, improved work environment and expanded job mobility for both skill trades and production workers.

2. All three unions strongly adhere to the adversarial framework of labour-management relationships, noting different interests and unequal power, and emphasize the necessity of a negotiated change. As the CWC (1990) document states, "The adversarial system has won important advances for union members and it does not make any sense to abandon that system and put those advances in danger." The three unions reiterate their belief that labour and management goals of work reorganization are different. The Steelworkers union, for example, points out that, "[the] employer is attracted to work reorganization because it can help create a more efficient, competitive and profitable company ... However, the union 's objectives are deeper ... to create better jobs through higher skills, increase worker responsibility and control over the workplace, to create a safe, hazard-free work environment free of discrimination and harassment and to enhance employment security." The CAW suggests that the primary reason for a basic conflict between labour and management is that labour's income is employer's costs. Arguing that labour is not a commodity, "[a]nd, since selling labour is different than selling other things like a washing machine or a car - the "sale" of labour can not be separated from the human being that accompanies it - there

is a conflict over how the labour is used." The union maintains that "[management wants the flexibility to use what they bought as they see fit, while we want to retain control over what happens to our bodies and minds: the environment in which we work, how we are used or abused, how our skills are developed or wasted." All three unions stress that while they care about productivity, a central source of improving workers' standard of living, and quality of product and services, they want a meaningful voice in decisions and a share in the benefits of higher productivity. They also seek to maintain and build a strong and independent workplace presence. The CAW (1993) articulate this view by emphasizing the need for "discussions and debates, the research and education work, the growth of a culture of resistance to the corporate agenda" to strengthen the union, "to make workers confident to take on these new issues without losing independence."

3. The three unions insist workplace changes have to be negotiated. The United Steelworkers Union, for example, argues that "work reorganization must be based on collective agreement obligations negotiated by the employer and the union which are expressly incorporated into the collective agreement. This must include the identification of issues which require on-going negotiations during the term of the collective agreement" (United Steelworkers 1992). The union adds, however, that "collective bargaining language is not intended to set out in rigid details rules and regulations covering every situation." Rather, it is aimed to provide "a flexible framework, that can be changed by mutual agreement, ... to provide certain negotiated safeguards and protections which ensure that local union is able to maintain an identity and organization separate from management ... and which protect individual members from employment loss." The Steelworkers union also stresses that "work reorganization must not result in the development of structures which by-pass traditional [collective bargaining] functions and structures." The CAW and the Steelworkers further emphasize that to effectively negotiate work reorganization issues, union must have access to "similar kind of resources, support, training and information as the employer." Both unions stress the need for detailed information about the company's long-term business and investment plans. They believe it is essential to be offered necessary training and education time, paid by the employer, to upgrade and develop understandings, capabilities and skills early in the process of work reorganization.

4. All three unions believe that along with teamwork, job rotation, greater employee involvement and responsibility and broader jobs, work reorganization needs to include good job designs and extensive training and retraining opportunities. "Workers should have more authority and not just added responsibility, opportunities to learn new skills

not just to perform additional tasks, more mobility in the workplace rather than just being moved around," according to the CAW National President (Hargrove 1993). A recent CAW (1993) document notes that:

*Developing good job design means:*

- Jobs which are not only safe but healthy ...
- Jobs which are constructed on the basis of deepening skills and expanding discretion rather than the reverse.
- Workplaces that have a mix and range of jobs and not a regulated way of getting to them.
- Workplaces that accommodate injured workers so that there would be no additional pressures on other workers (CAW 1992).

Expanded training opportunities and an active union role in workplace training is an integral part of unions' workplace agenda. Their goal is to change the extent, distribution and content of training to enhance accessibility, to provide greater emphasis on more generic skills rather than specific job-related training, and to ensure joint control of training programs. As the Steelworkers document (1992) notes: i) training must be an integral part of every job; ii) it should be developmental and continually deepen the employee knowledge; iii) it should emphasize portable generic skills; iv) it should be negotiated through collective bargaining and offered to all workers on a fair and equitable basis; v) it should be jointly developed and delivered through union trained instructors. Encouraged by their recent involvement in sectoral training and adjustment programs, all three unions stress the importance of community and sector-based training.

The unions' work reorganization agenda also incorporates expanded employment equity and flexibility provisions for workers, particularly married men and women, to effectively balance their work and family responsibilities. For the Steelworkers, work reorganization must include initiatives that breakdown workplace barriers to traditionally disadvantaged groups including women, people with disabilities, visible minorities, aboriginals and injured workers." The CAW and CWC similarly believe that equity measures including equal opportunities in hiring, transfers, promotions and training, physical access to workplace, flexibility to combine work and family demands, and elimination

of workplace harassment should be a part and parcel of workplace change programs.

5. All three unions seek greater union input in the "conception, development and implementation of any work reorganization initiative." As the CAW (1993) states bluntly: "we are not interested in becoming junior partners in production, but we want to develop an effective relationship with management which improves the conditions of work for our members as well as the productive capacity of the workplace." However, the desired institutional mechanisms for unit input into decision-making vary by individual union. The CWC wants a "meaningful employee/union voice into decision-making and a joint responsibility for work reorganization programs "from concept to implementation." The Steelworkers aspire "co-determination" and outline the need for "senior level joint union-employer steering committees responsible for work organization" consisting of equal union and employer representation. The CAW, opposed to "jointness" with management, desires "expanded opportunities to discuss production issues from a union perspective." It advocates "training committees to assess training needs and develop training programs; ergonomics committees to improve the design of work stations and the design of jobs; technology committees that focus on the design, implementation and the effects of new technology; and environmental committees which discuss environmentally sound products and production methods."
6. The three unions appear to have slightly different approaches to compensation systems. While all three believe that "basic wages must remain the primary form of compensation" and "increased productivity and profitability that results from worker participation in work reorganization" must be shared by workers in the form of increased compensation, the CAW remains opposed to such new forms of payments as profit sharing. The Steelworkers are open to gain sharing or profit-sharing program, but insist that they must be fully negotiated and incorporated into the collective agreement." The CWC believes that "incentive schemes, sometimes part and parcel of work reorganization, must be equitable, accessible, fair and subject to membership approval." The union prefers "direct sharing of productivity gains" to profit-sharing which it believes "are generally less advantageous to workers."
7. Finally, for all three unions, their active involvement in workplace changes and work reorganization is an outgrowth of their commitment to industrial democracy, and a part of their broader social and economic agenda for full employment, equitable distribution of

income and wealth, and social justice. The CAW, for example, advocates the defense of social wage - the set of social programs like Medicare, pensions, UI, childcare, education, housing, and social services for the needy - as a right of "citizenship" that "represent a crucial foundation for fairness, equality and security within our society" (CAW 1993). The Steelworkers union states that "if unions are to maximize their potential as dynamic economic and social forces, their role in the society and economy should expand beyond the traditional scope of collective bargaining." All three unions believe that their collective bargaining activities need to be supplemented by legislative and political action for progressive social and economic reforms that benefit not just the union members but all Canadians. In pursuit of these social unionism goals all three unions actively promote coalition building with other social and community groups, and national and international labour solidarity as a means of expanding their economic and political influence. According to a recent CAW (1993) document:

The only way we can achieve the more significant changes, the only way we can move unionism to a higher level - one that can play a role in introducing those alternatives that really matter - is by building a labour movement and a social movement that can eventually challenge and transform power in our society.

### **III. Towards A Canadian Labour's Vision and Workplace Agenda**

Over the past few years the Canadian labour movement has been engaged in a critical assessment of its role and functions to more effectively meet the economic and social challenges facing Canada in the 1990s. In articulating its vision of the future, centred around "a highly productive, technologically sophisticated and innovative economy," it has emphasized the need for an active involvement in the process of economic restructuring (Canadian Labour Congress 1992; see Jackson 1993 for elements of a labour's response). A key element of this strategy has been to intervene in the workplace changes. As a CAW document (1993) aptly states, "Unions live and die in the workplace. Building a strong union begins with having a strong and independent workplace presence." To this end - building a strong and independent social democratic labour movement that can eventually challenge and transform power in the society (CAW 1993) - unions have realized that they must "challenge business control of decision-making over production and investment over what is produced and how it is to be produced." At the same time they must advance an alternate worker agenda to influence enterprise decision-making on such issues as work reorganization, technological change, job design and training to improve performance of firms in the areas of product quality, productivity and organizational

design. Unions have come to the conclusion that their participation in restructuring of work has to be on the basis of their "own independent vision which includes real union and worker participation in the firm's decision-making process" (Canadian Labour Congress 1992; United Steelworkers 1992; and CAW 1993). As a Communications Workers union document declares, unions must initiate and not just react; mold change rather than oppose it; innovate rather than rest on their laurels; and be confident rather than diffident (CWC 1990).

The work reorganization agenda put forward by the Autoworkers, the Steelworkers and the Communications Workers - the three leading private sector unions claim close to half a million members, one in eight of all union members in Canada, and represent a diverse group of workers in various industries and sectors - is an important first step towards a clear, convincing and positive vision for labour's role in restructuring of work and production systems. While their precise goals and approaches vary (the CAW terms it an opportunity to develop a new activism in the workplace; the Steelworkers' aim is worker empowerment and co-determination; the Communications Workers believe that it is "an important part of bringing more democracy to the workplace" and a means of "taking charge of the future"), the three union responses provide an independent and viable labour's vision of the future shape of work organization. Their common features include:

- a culture of resistance and change within an adversarial framework, and a rejection of partnership with management;
- an insistence on negotiated change, extending the boundaries of collective bargaining from traditional distributional issues of equity and fairness to productive efficiency areas;
- an emphasis on major improvements in work environment through union participation in job design and technological change;
- expanded opportunities and joint control of training to enhance accessibility, ensure provision of generic skills, and to expand union influence in the delivery of training;
- a meaningful employee/union voice in strategic and shop-floor decision-making within the framework of existing collective bargaining institutions; an integration between work reorganization and equity measures to advance unions' employment equity and work flexibility agenda; an extensive education and training program to build skills, capacities and union activism;
- a broader social and economic reform agenda and a program of legislative and political action to reinforce and extend labour's influence beyond the workplace and collective bargaining sphere.

The many similarities in the three leading private sector unions' response to work reorganization demonstrate that the Canadian labour movement has taken a major step

forward in articulating an alternate independent labour's vision and a cohesive strategy for restructuring of the Canadian economy. The nature and scope of labour's agenda exhibits the Canadian labour movement's vitality, strength and solidarity in the face of many adversities, and its willingness to adapt and change when faced with new challenges and opportunities. If the positive and proactive attitudes of the CAW, the Steelworkers and the CWC are any indications, unions in Canada are unquestionably a dominant, strategic factor in the transformation of industrial relations policies and practices, capable of influencing employer behaviour and public policy. To what extent their agenda provides a viable framework for a negotiated compromise between employers' need for a skilled, adaptive and flexible workforce, to enable them to effectively adjust to changing markets and technology, and labour's goal of ensuring institutional and employment security is a key question.

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#### **IV. Negotiating Workplace Changes: Employers' Response to Union Agenda**

Negotiating workplace change and work reorganization within an adversarial framework of labour-management relations is not an easy task. A key prerequisite is mutual trust and recognition of each other 's goals and priorities. Workers ', and their unions ', and managements' interests and priorities in work reorganization are not always the same. Beyond the rhetoric that workers are their valuable resource, and that a skilled, adaptive, responsive and flexible workforce is needed to respond to changing markets and technology to be able to compete in a global economy, the primary goal of management is improved productivity and product quality on the one hand and greater cost efficiency and managerial

control on the other. Employers' concern to keep costs down and produce better quality products are matched by those of workers to ensure not only a fair rate of pay, but also a working environment which meets their physical and social needs. Thus, unions' interest in work reorganization follows their goal to increase worker responsibility and control over the workplace, to create better and more secure jobs through higher training and skill acquisition, to expand opportunities for advancement and development, to create a safe, healthy and hazard-free work environment, to enhance employment equity and security, and above all to preserve and strengthen union's role in defending worker rights and promoting workers' collective interests. Unions have realized that to have an effective impact they must have influence on both the design and implementation of work reorganization. This means engaging in more long-term strategic discussions on production methods and technological change process. While most employers increasingly stress the need for employee/union involvement they appear unwilling to foster exchange on strategic production and investment issues and give up on their management prerogatives. Both the 1991 Conference Board study (Wright 1991) and the recent Working with Technology survey show that decisions to implement technological change are taken unilaterally by management even in organizations where a substantial majority of workers are represented by a union. The Working with Technology survey further reveals that "unionized establishments were less likely to have involved their unions in tech change negotiations during the 1986-91 period than they did in the first half of the 1980s (McMullen, Lecki and Caron 1993).

Notwithstanding employers reluctance to relinquish control over workplace design and their unwillingness to extend employee/union voice in strategic decision-making, there is evidence, although fragmentary and mostly anecdotal, of growing incidence of information sharing and communication in industries undergoing significant restructuring (e.g. auto, steel, mining, telecommunications and transportation). It also appears that the union resistance to Japanese style human resource management and labour relations practices has made employers more cautious in unilaterally implementing changes in work organization, and in many cases forced them to reassess their strategies to accommodate union concerns. Perhaps more significant is the increasing frequency of negotiations over work reorganization issues with greater union role and influence over work methods, scheduling and training (see O'Grady 1993; Wright 1991; McMullen, Lecki and Caron 1993). The CAW, USWA and the CEP report a number of work organization agreements in auto assembly and parts, steel, pulp and paper, and appliances and telecommunications industries. The growing desire of employers in such key industries as auto, steel and telecommunications industries to engage in negotiations with their unions on work restructuring and related issues augurs well for a future understanding on the possible labour-management tradeoff on flexibility-security concerns.

As John O'Grady and Peter Warrian (1992) have pointed out in a recent unpublished paper:

work reorganization is not inherently a "win-win" situation. If the changes that are implemented go no further than meeting management's goals, the union's role will probably be diminished. If a union is to extend to management constructive cooperation in the implementation of work reorganization, the union must obtain a recognition by management that is greater than that enjoyed by the union in the traditional work organization model. A union achieves recognition when management accords the union a visible role in shaping those decisions that affect the working conditions, living standards, and security of the union's members. Today, these issues must include skills development, the ergonomic aspects of new technology and work organization, and adjustment to loss of employment.

O'Grady and Warrian believe that "resolving the tensions between the new models of work organization and established systems of labour relations will require new bargains." The two such bargains, according to them, need to be around security and flexibility and the role of unions in the workplace. They suggest that to achieve flexibility management will have to provide workers security in the form of reduced reliance on temporary layoffs and greater use of hours reductions, efforts to avoid permanent layoffs including a reduction of subcontracting and outsourcing, and a substantial investment in training. Strengthening the role of unions at the workplace is similarly important. This means involvement of unions in workplace decisions "as a matter of right" and power sharing. O'Grady (1993) argues that since joint committees are an important first step towards changes in workplace governance "there may be leverage in exploring in more depth the link between occupational health and safety and work organization." For example, based on the positive experience with joint health and safety committees, and the natural affinity of training, health and safety, and work reorganization, the "mandated or encouraged use of joint training committees could provide a useful impetus to organizational innovation." For a broader diffusion of negotiated work reorganization, O'Grady and Warrian suggest greater access to technical resources to unions to augment their discussion and decision-making capabilities, and measures to encourage framework sector agreements on work reorganization. Access to technical resources can perhaps be best achieved through a public policy initiative, similar to the federal government role in labour education. Public policy could further strengthen the prospects of negotiated work reorganization if worker rights of information and consultation were mandated similar to legislative provisions in many European countries and on health and safety issues in Canada. Sectoral framework agreements on work reorganization hold a significant promise and potential for success in the Canadian context against the background of similar ventures

on training in the basic steel, electrical and electronics and the auto parts industries. "The distinctive features of sectoral initiatives," according to O'Grady and Warrian, are that "they are owned by labour and management and are clearly distinct from government." They "are arguably the level of broader institutional relations between labour and management that are most consistent with the industrial relations history and traditions of both Canadian employers and trade unions."

## V. Conclusions

Workplaces are changing under relentless management pressures to restructure production and work methods to improve productivity, product quality and enhance workplace flexibility. New forms of work organization have emphasized flexible work rules and scheduling, team work, employee involvement, contingent compensation and more cooperative labour-management relationships to foster a participatory enterprise culture. The unions, who fear erosion of their traditional role of defending worker rights and promoting collective interests, face a dilemma whether to oppose or support these management initiatives. While there are incalculable risks in whatever choices unions make, work reorganization also presents new opportunities to increase labour's role and influence in enterprise decision-making based on their own independent agenda on humanization of the workplace.

This paper has examined three key Canadian unions' workplace agenda. While the three unions differ in their precise goals, approaches and strategies towards workplace changes, reflecting their distinct history and culture and the nature of employers they deal with, the broad philosophical orientation and the scope and nature of their agenda are very similar. Common features include: (a) a culture of resistance and change within an adversarial framework; (b) an insistence on negotiated change within the existing collective bargaining structures; (c) an emphasis on major improvements in work environment; (d) expanded opportunities for and joint control of training; (e) a meaningful employee/union voice in strategic and shop-floor decision-making including a say in job design and technological change; and (f) an involvement in work reorganization as a part of the broader strategy of social and economic change and a program of legislative and political action to extend labour's influence.

The three responses articulate Canadian unions' goal of active intervention in workplace change to affect positive outcomes. They represent an important step towards a clear, convincing and positive Canadian labour's vision of its role in economic restructuring. Furthermore, based

on growing incidence of information sharing and communication, despite employers' reluctance to discuss strategic issues with unions and an unwillingness to give up their management prerogatives, the unions' workplace agenda provides a framework for negotiated bargains over flexibility and security concerns and the role of unions in workplace restructuring. While the interests of labour and management are not mutually exclusive, employers, in an increasing number of industry settings, have recognized that it is possible to address the issues of work environment, worker well-being, productivity and quality together. Negotiated compromises underscore the reality that employers have an interest in a healthy, safe and challenging work environment as much as workers, and their unions, appreciate the necessity of keeping their workplaces efficient and profitable. Greater labour-management exchange on work organization issues can be facilitated by an active public policy role, involving not only investments in public infrastructure, training and education to create necessary preconditions for economic renewal, but also measures to provide unions with greater access to resources to augment their discussion and decision-making capabilities, mandate rights of information and consultation, extension of health and safety joint committees to other areas, and to facilitate sectoral agreements for a broader diffusion of negotiated work reorganization initiatives.

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