

Union- Management Relations in Canada

T H I R D E D I T I O N

Morley Gunderson • Allen Ponak

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Addison-Wesley Publishers Limited

Don Mills, Ontario • Reading, Massachusetts
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Executive Editor: Joseph Gladstone
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Design: Anthony Leung
Production Coordinator: Melanie van Rensburg
Manufacturing Coordinator: Angela Booth Malleau
Printing and Binding: Friesen Printers

Canadian Cataloguing in Publication Data

Gunderson, Morley, 1945–
Union–management relations in Canada

3rd ed.

Includes bibliographical references and index.

ISBN 0-201-76607-8

I. Industrial relations — Canada. I. Ponak, Allen M., 1949–.
II. Title.

HD8106.5.G85 1995

331'.0971

C95-930944-6

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ISBN 0-201-76607-8

Printed and bound in Canada.

C D E -FP- 99

To our families:

Melanie Brady and Brendan, Rory, Jesse, and Brady Gunderson

and

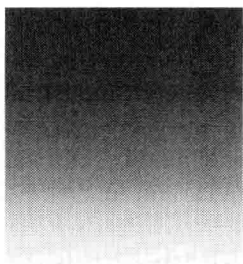
Margaret, David, and Matthew Ponak

And to the memory of our parents:

Ann and Magnus Gunderson

and

Sarah and Sam Ponak



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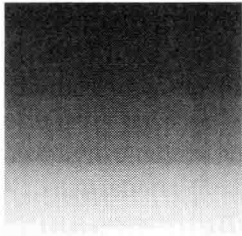
His publications include the books *Comparable Worth and Gender Discrimination: An International Perspective* (1995), *Labour Market Economics: Theory, Evidence and Policy in Canada* (3rd ed., 1993), *Pay Equity* (1990), *Women and Labour Market Poverty* (1990), and *Economics of Poverty and Income Distribution* (1983). He has published numerous journal articles on various topics: gender discrimination and comparable worth; the aging workforce, pensions and mandatory retirement; public sector wage determination; the determinants and impact of immigration; the causes and consequences of strikes; child-care arrangements and labour market behaviour; workers' compensation and reasonable accommodation; labour market adjustment and training; and the impact of free trade on labour markets, industrial relations, and workplace practices.

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PREFACE

The publication of the third edition of *Union-Management Relations in Canada* coincides with a period of profound economic and social change in this country. Unprecedented competitive pressures, North American free trade, deregulation, privatization, massive public debt, and a diminution of our “safety net” are just some of the forces that challenge the assumptions upon which our society, including the present industrial relations system, rests. The nature of the changes that are underway, and their consequences for theory, practice, and research in industrial relations, are recurring themes in virtually every chapter in the book.

Not surprisingly, the theme of change has produced some significant content changes for this edition. Existing chapters have been thoroughly updated and revised to reflect recent developments. A number of chapters, although bearing the same title as in the last edition, have been completely rewritten, especially where a new contributing author was involved. Two entirely new chapters have been added. The first provides an in-depth review of organized labour’s response to the rapidly changing environment (Chapter 8). The second deals with employee involvement programs, describing in detail their increasing importance at the workplace level as unions and employers search for ways to deliver more productivity and a better work environment (Chapter 11).

Features that contributed to the popularity of the first two editions remain intact. The volume relies on a modified industrial relations systems model to provide a unifying framework and structure. Following this model, chapters focus on the environment of union-management relations, the major parties, the collective bargaining process, the outcomes of collective bargaining, and the nature of the relationship between unions and employers. As well, several chapters are devoted to special issues or topics (for example, international comparisons) that warrant separate attention. The result is a volume that provides comprehensive coverage of the subject matter.

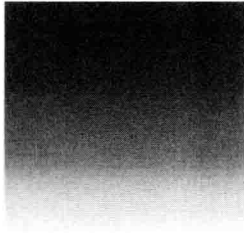
The book continues to benefit from the contributions of many of the country’s leading scholars and teachers of industrial relations. In a country as diverse as Canada, this ensures that the experiences in all regions of the country are reflected in the analysis, examples, and conclusions. This approach also ensures that readers are exposed to the lively mix of views and perspectives that are found within a very vibrant industrial relations community.

The text is designed to present basic introductory material and to provide a stepping-stone to a more analytic and in-depth treatment of each topic. Many of the chapters present material that is on the leading edge of research in industrial relations and, in some cases, contain analysis that is appearing in print for the first time. Most chapters provide extensive reference lists to direct the interested student to more specific information and research studies on each subject. The discussion is also aimed squarely at the practical applications of the theory, research, and statistical evidence. Industrial relations events appear daily on the evening news and in the press. Throughout the book attention is given to how the academic analysis relates to real-world problems and issues.

A book of this magnitude and collaborative effort reflects the input of numerous persons beyond the editors and contributors. We would like to express our appreciation to numerous colleagues who provided excellent suggestions for material to include in this edition. The editorial staff at Addison-Wesley was professional and well organized; in particular, we would like to thank Linda Scott for her support throughout the project. Professor Ponak would like to recognize the special contribution of the Faculty of Industrial Engineering and Management of the Technion in Haifa, Israel, where he spent his sabbatical leave while working on this book. The Lady Davis Foundation, which helped make the sabbatical possible, also is gratefully acknowledged. Professor Gunderson would like to thank the faculty, libraries, and staff of the University of Toronto Centre for Industrial Relations for their continuous support and assistance.

Morley Gunderson
Allen Ponak





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CHAPTER

1

INDUSTRIAL RELATIONS

MORLEY GUNDERSON AND
ALLEN PONAK*

INDUSTRIAL RELATIONS PLAYS AN IMPORTANT PART IN EVERYDAY LIFE IN Canada. In order to help understand the practice of industrial relations and various perspectives on the study of the field, a model of industrial relations is presented in this chapter as an integrating framework. Dunlop (1958) presents an industrial relations system as composed of three actors—labour, employers, and government—interacting within market, technological, and power contexts, bound together by an ideology to establish a web of rules of the workplace. After discussing the critiques of this system, this chapter presents a modified version of the industrial relations system model. The way in which the chapters of the book follow the industrial relations systems approach is also outlined.

* The authors acknowledge material in this chapter that appeared in the previous edition of the textbook by Anderson, Gunderson, and Ponak (1989).

Contemporary society is characterized by rapid social, political, and economic change. The past decade has seen the creation of a free trade zone from Mexico City to Ottawa, and the general loosening of trade barriers around the world through the General Agreement on Tariffs and Trade (GATT). It has seen the collapse of the Soviet Union, the tearing down of the Berlin Wall, and the triumph of free market philosophies from Shanghai to Prague. Investment capital and multinational companies have proven both mobile and nimble. As the information highway moves from slogan to reality, we are connected by our cellular telephones, fax machines, and electronic mail. With our laptop computers and CD ROMs, our offices are with us wherever we want to take them.

These developments and many more like them exercise a profound impact on all aspects of our daily lives. In this book, we focus on the workplace and examine in particular the nature of employment relationships. Most of us work for a living or expect to once education has been completed. Many students work on a part-time basis during the school year and full time during the summer. How does the free trade agreement affect work opportunities? Do privatization and deregulation mean better jobs or worse ones? What does the accelerating pace of technological change imply for workplace training, job security, and the way in which supervisors and subordinates relate to one another? Has management developed new strategies for dealing with the expectations and insecurities of today's workers? What is the role of unions in all this—are they an archaic remnant of a bygone era or an integral participant in the changes that are underway?

An examination of our industrial relations system can help provide answers to such questions. In the broadest sense, *industrial relations* is the *study of employment relationships in industrial and post-industrial society*. While the field of industrial relations includes both unionized and non-unionized workplaces, the central focus of the field has been the unionized sector. Accordingly, this book has a heavy emphasis on union-management relations, focusing on the changes and adaptations in the thousands of workplaces governed by collective agreements.

Unions represent between 35 and 40 per cent of workers in Canada, which amounts to more than four million union members. These numbers, as substantial as they are, do not do full justice to the importance of unions in Canadian society. Union strength is concentrated in crucial industries including resources, heavy manufacturing, and telecommunications, as well as in the government sector. What happens in these industries matters. Canada's competitiveness and our standard of living are affected by the level of wages workers earn, the ease with which workplace innovations can be introduced, the degree to which employees and unions are partners in the enterprise rather than adversaries, and the amount of full-time regular jobs these industries create.

The unionized sector also has an impact on the nonunion part of our economy. Unions have traditionally led the way for the entire economy with respect to diverse employee benefits such as dental insurance and pension plans. The labour movement was one of the earliest and strongest supporters of universal medical care. Union advocacy has been instrumental in the development of general employment law applicable to all workers that provides, among other things, notice requirements in the event of layoff, premium payment for overtime, paid holidays and vacations, time off for maternity, and the right to refuse unsafe work. Union ideas about due process, typically incorporated in grievance procedures culminating in arbitration, are finding an increasingly receptive audience among major non-unionized organizations.