

## CHAPTER 12

# BEYOND COLLISION: HIGH INTEGRITY LABOUR RELATIONS

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Winner of the Silver Screen Award at the 2006 Los Angeles International Film and Video Festival

What are the ingredients of good union–management relationships? The documentary film “Beyond Collision: High Integrity Labour Relations” highlights four organizations and their unions that have created relationships that are productive for the employer, the union, and employees. Filmed on location across Canada and funded by the Federal Mediation and Conciliation Service of Canada and the University of Calgary’s Industrial Relations Research Group, the stories cover pulp and paper, railways, a medical lab, and a government department. The organizations were chosen to provide diversity in terms of geographic location, type of industry, public and private sector, and labour organization. Selection was accomplished through a search of media reports, academic and professional journal articles, and word of mouth to identify an initial list of potential organizations. From there, further investigation and diversity considerations reduced the list to a dozen organizations of particular interest. The list was rank ordered and the highest-ranked organizations were contacted. The selection process was guided by an advisory committee comprised of two senior union and two senior management representatives as well as input from the Federal Mediation and Conciliation Service. It is notable that all employers and unions enthusiastically agreed to participate and were very cooperative. They were all proud of their achievements and delighted that their success had been noticed. We never got beyond number four on our list!

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At each site, preliminary visits by the director and producer identified key people, important themes, and film locations. This was followed by one- or two-day visits with a film crew during which interviews were conducted on-camera with a variety of employees, union officials, operating managers, and head office staff. From the more than 20 hours of on-camera interviews, a 45 minute documentary film emerged. The four sites are featured for ten minutes each and the narrator provides opening and closing commentary.

The organizations chosen for the film are: Norske Canada—Communications Energy and Paperworkers Union; Calgary Laboratory Services—Health Sciences Association of Alberta; Canadian Pacific Railway—United Transportation Union, Brotherhood of Maintenance of Way Employees, and the Brotherhood of Locomotive Engineers (now all part of the Teamsters Union Rail Conference); and Department of National Defence/Canadian Forces—Union of National Defence Employees (division of Public Service Alliance of Canada).

Norske Canada (now re-named Catalyst) is a transformation story. Norske is a pulp and paper company located on the west coast of British Columbia with four mills. This industry and the previous companies that owned the mills were notorious for union–management relations marked by frequent work stoppages, high grievance and arbitration rates, high accident rates, low trust, and government intervention in labour disputes. A new management team was determined to change the cycle of destructive labour relations. The union leadership, which had fought the picket line battles in the past, was prepared to give the new management time to see if the relationship could be changed. The film highlights how the parties have worked together to achieve a labour relations system marked by strong communication, employee involvement, and high levels of trust, and how this resulted in a peacefully negotiated five-year collective agreement, dramatic safety improvements, and a reduction in grievances and arbitration. Filming took place in Vancouver, Powell River, and Port Alberni, all in British Columbia.

Calgary Laboratory Services (CLS) and the Health Sciences Association of Alberta (HSAA) is a story of relationship building. CLS was formed in 1996, as part of a re-structuring of the Alberta health care system, through the merger of numerous public and private sector medical labs. A public-private partnership at its founding, CLS carries out all medical tests in southern Alberta

with a staff of more than 1,000 medical lab technicians and professionals. The creation of CLS meant the consolidation of five different collective agreements, the transfer of bargaining rights from three unions to one, and significant staff reductions, all within a highly politicized environment in which the province's health care system was under intense scrutiny. The film shows how, despite this challenging beginning, the parties focused from the outset on creating a positive union-management relationship for the benefit of the company and the employees. It describes the concrete steps undertaken to build the relationship, the philosophy of the company and union leaders, their approach to problem solving, and the positive outcomes that have been achieved. Filming was carried out in Calgary.

The North American railroad industry has been selling or closing branch lines for the past 30 years, resulting in substantial job loss. With further track closures looming, two running trade unions approached Canadian Pacific Railway (CPR) to see if internal short line rail companies could be created on branch lines that were candidates for sale or closure. Following a joint labour-management study of short line railways in North America, the company established two wholly owned, but operationally independent, short lines in central Ontario and the interior of British Columbia. The film tells the story of the creation of these two short-line railways and the dramatic labour relations changes introduced. These changes included compensation systems that differed from the rest of CPR, employee decision making, low levels of supervision, and more efficient work practices. The unions and company jointly chose the short line managers (i.e., the union has a veto). By creating the short lines, the parties were able to save jobs, maintain employee pension rights, and generate profit on what had been considered marginal properties. The story highlights how changes can be made in even the most traditional labour relations environments. Filming took place in Alberta, Ontario, and British Columbia.

Unresolved interpersonal conflicts can poison labour relations. With a very diverse workforce, the close proximity of civilian and military personnel, and some highly public harassment complaints, the Department of National Defence and the Union of National Defence Employees, working together, introduced a system for the mediation of interpersonal disputes. The system runs parallel to the traditional grievance procedure, which employees may still access. The film focuses on the reasons for creating the program,

the mechanics of its operations, and the outcomes achieved. It re-creates a mediation and describes the experiences of a manager and an employee who used mediation to resolve particular interpersonal disputes. Filming was carried out in Ottawa and several armed forces bases across Canada.

The stories featured in the documentary share a number of common characteristics that provide useful lessons for labour relations:

1. *All employers accepted the legitimacy of their unions and made the unions aware of this fact.* This acceptance was reflected in deeds, not just words. At Norske, management invited local union presidents to participate in the weekly senior managers' meeting. At CLS, joint supervisor–steward training sessions were held to explain the new collective agreement. At the Department of National Defence, the union participated in the initial design of the dispute resolution system.
2. *The senior industrial relations manager had an influential role within the organization and enjoyed the support of the chief executive officer (CEO).* At CLS and Norske, the Vice-President of Human Relations was the second person hired in the new or re-structured organization, right after the CEO. At CPR, the Assistant Vice-President was universally respected and was able to sell the short-line concept to a skeptical board of directors. In the Department of National Defence, senior Generals publicly supported the mediation initiative.
3. *Union leadership was open to management initiatives and vice versa, notwithstanding negative past experiences.* The union leadership at Norske, which had fought confrontational strikes in the recent past, was willing to listen, and be patient, when new management claimed that they wanted a different relationship. Management at CPR was willing to listen when the union approached them with the suggestion of independent, internal short lines. Within the Union of National Defence Employees, each local, often led by skeptical leaders, was given the opportunity to opt in or out of the interpersonal mediation system; after initial positive experiences, most opted in and the mediation approach has since spread to other parts of the federal public service.

4. *Union and management leadership was provided by experienced people in each of the settings.* These success stories were not the result of newcomers to labour relations; almost all the people instrumental in the successful relationships were seasoned professionals. A realistic and sophisticated appreciation of the labour relations landscape by the key players and strong political capital were indispensable ingredients in the positive outcomes in each organization.
5. *Leadership on both sides was willing to take risks.* For example, CPR was willing to let its unions exercise a veto over the selection of short line general managers. The union at Norske was willing to break away from pattern bargaining to negotiate early, a politically risky step for elected leaders. At the Department of National Defense, a classic command-and-control organization, civilian and armed forces leaders allowed mediation to take place between military personnel and civilians, with unpredictable and uncontrollable outcomes. At CLS, the employer left the drafting of the critical first collective agreement to the union, once the principles had been agreed upon in bargaining.
6. *There was almost no evidence of jargon, popular buzzwords (mutual gains), flavor of the month, or the latest "guru" books.* The parties focused on their own needs and resources. They rarely used outside consultants. They managed their own relationships and resolved problems internally.
7. *Tremendous attention was given to communication.* The parties were committed to sharing information, good and bad. At CPR and Norske, employees had access to financial and productivity information. At the Department of National Defense, the mediation program was designed jointly by the union and management. At CLS, post-merger bad news was delivered by the union leadership and the senior management team together. One of the best quotes in the film is that of Norske's Vice-President of Operations, who states that "managers think listening is telling other people what you think; listening is asking a question and then shutting up."
8. *The parties sustained their success by recruiting new people who shared the same values.* Attention was paid to ensuring that the next generation of leaders shared the same values as the current generation. In several situations, people who

could not adapt to the new approach were replaced. As the Norske CEO stated, “sometimes it’s easier to change people than to change people.”

9. *Change is continuous.* Initial interviews with the selected companies and unions took place in 2004 and filming was conducted in 2005. Since the film was released, the changes have been dramatic. Norske changed its name to Catalyst, is now owned by a venture capital firm, and the CEO left. The Canadian dollar soared and the price of newsprint dropped, hammering Norske’s profits and dropping its shares from \$4 to \$1. Labour–management cooperation continues. At CLS, both leaders who were instrumental in establishing the early relationship have since left. The private partner withdrew and CLS is now a fully owned government agency with less autonomy. The union–management relationship remains strong under new leadership. The Department of National Defence and Canadian military went from a peacekeeping role to war footing in Afghanistan, with a concomitant shift in values. A more conservative political party replaced the previous government and a new prime minister was elected. Key union leaders retired and the head of the mediation program was promoted to a new job. The interpersonal mediation program has continued, but future funding is uncertain. At CPR, the unions behind the short line initiative were absorbed by the Teamsters and their leaders replaced. The influential head of industrial relations for the company retired. New leaders have kept the short-line experiments alive and collective agreements have been successfully re-negotiated. Both short lines remain profitable and in business.

These lessons are a guidepost to best practices in union–management relations. As many organizations in Canada, the United States, and elsewhere have discovered, a commitment to high-integrity labour relations can serve all participants well. The film has been shown, usually with in-person commentary by the producer/narrator, to receptive audiences at professional organizations such as the National Academy of Arbitrators (NAA), Ontario Mediation Services, the Canadian Industrial Relations Association, and the Association of Labor Relations Agencies. Organizations interested in turning around their own union–management relationships have shown the film to their employees and managers.

It has been used in joint union–management training programs (e.g., Canadian air traffic controllers) and in university classrooms around the world. The documentary is accompanied by written case studies on each of the four stories featured in the film. The producer, Allen Ponak, is a proud member of the NAA. In 2006, the film and director received the Silver Screen Award at the Los Angeles International Film and Video Festival.

