

“TURNAROUND”
IN
LABOUR RELATIONS AT CARDINAL RIVER COALS

A HISTORICAL PERSPECTIVE

Cardinal River Coals (C.R.C.) operation lies in the heart of the Canadian Rocky Mountains, near Hinton, Alberta. For over 30 years, the mine has produced high quality metallurgical coal for North American and Japanese markets.

The mine began as a joint venture between LUSCAR (of Edmonton, Alberta, with coal mines in Saskatchewan and other parts of Alberta), and CONSOL, (the American coal-mining giant). Late in the 1990's, Luscar's share transferred to the Sherritt Corporation which purchased Luscar Limited. Then, in 2003, Fording Coal Ltd. acquired the property outright.

From the first collective agreement signed in June 1969, the workforce has been organized by the UNITED MINE WORKERS OF AMERICA (U.M.W.A.). In February 1970, Local 1656 received its charter and became the official representative of the then 150 workers at the open pit coal mine.

At the peak of its operations in the early 1980's, there were over 700 hourly and salaried employees. During the 1990's, the mine population dropped below 300 persons, as the available coal at the original mine site reduced in volume.

From 1969 to 1982, the CRC-UMWA relationship might best be described as “stormy”. Confrontation and hostility was the order of the day. The union's militancy was matched by hard-nosed management positions on virtually every issue. The results in grievances and lost production were inevitable.

The turnaround occurred in 1983, with a “Relationship by Objectives” (RBO) program. Key individuals spear-heading this change were Randy Maradyn, Vice-President of Luscar, and Stuart Johnson, UMWA International Representative. For almost all of the last 20 years, a key leader has been Robin Campbell, Secretary-Treasurer of Local 1656. *Ever since 1983*, union and management at Cardinal River Coals have maintained effective labour relations, which is what makes “The Cardinal River Story” (see video) so remarkable.

OVERHEAD: COST OF STRIKES

For the company, the cost in terms of production shortfalls and lost revenues was staggering.

For the employees, the impact was no less severe - who can afford to give up a years salary?

There were, of course, many other costs associated with the labour relations atmosphere of the time which are more difficult to measure.

OVERHEAD: C.R.C. GRIEVANCES

Grievances activity, for example, grew almost exponentially. The most disturbing thing about this growth pattern, was that rather than showing a sharp increase in the months preceding negotiations, with relative peace to follow, the pattern at C.R.C. was for grievances to continue to increase immediately following negotiations.

After the strike in 1974, grievances rose in 1975, the same again in 1979-80, and again, more dramatically in 1981-82. It is clear that what the parties thought was jointly understood at the table, was not agreement at all.

The Companys legal bill in 1981-82 alone was over \$117,000. The additional costs in managers' and employees time spent investigating or arguing over grievances and the cost of industrial relations and union staff's time and travel adds still more to the total.

Along with the dollar costs directly attributable to poor labour relations at C.R.C., were the intangible costs of poor morale. This took its toll in the form of poor planning and co-ordination, conflicting priorities, "buck passing" and inefficiencies in job performance.

Management and the Union can clearly remember the "Bad Old Days"...

So why the change? It seems obvious now that there was a serious problem at the mine, but at the time, recognition was not quite so easy. Conflict had become the status quo.

STRIKE ACTIVITY AT C.R.C.: 1969 - 1984

C.A. EFFECTIVE DATES

STRIKE DURATION

JUNE 1, 1969 - JUNE 30, 1974	MAY 4, 1974 - SEPT 9, 1974 (129 DAYS)
SEPT 9, 1974 - DEC 31, 1975	NO STRIKE (A.I.B. - 10%)
JAN 1, 1976 - DEC 31, 1976	NO STRIKE (A.I.B. - 8%)
JAN 1, 1977 - DEC 31, 1978	FEB 15, 1979 - APR 10, 1979 (54 DAYS)
JAN 1, 1979 - DEC 31, 1980	MAY 8, 1981 - NOV 2, 1981 (159 DAYS)
JAN 1, 1981 - JUNE 30, 1984	

COST OF STRIKES: BASED ON SALES TO JAPAN*

CONTRACT YEAR (APRIL-APRIL)	SHIPMENTS	DEMAND	SHORTFALL DUE TO STRIKE	LOST REVENUE
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1970-1971	786,240			
1971-1972	1,001,280			
1972-1973	1,135,680			
1973-1974	1,144,640			
1974-1975	721,280	1,120,000	398,720	8,887,469
1975-1976	1,385,440			
1976-1977	1,653,120			
1977-1978	1,868,160			
1978-1979	1,826,720	1,904,000	77,280 ***	3,055,651
1979-1980	1,471,680			
1980-1981	2,083,200			
1981-1982	1,031,520	2,520,000	1,448,480	60,589,918
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			1,924,480	72,533,038

* IN CST,
DOES NOT INCLUDE SALES TO INDIA & KOREA

***DOES NOT INCLUDE PROD'N SHORTFALL OF 63,000 CST
IN 1977-78 - ADDITIONAL REVENUE LOSS OF \$2,789,942

R.B.O. - THE PROCESS

R.B.O., or Relationships By Objectives, is an in-depth conflict resolution process, bringing both parties together to:

- analyze their problems
- decide on common objectives
- agree on ways and means to implement goals.

The R.B.O. is not a panacea. It demands a great deal of trust and patience from its participants. It should be used with caution and only when the participants recognize and accept the poor elements in their relationship.

So, involvement in the R.B.O. is conditional on several factors:

1. Both parties must recognize that they need help;
2. Both parties must want and accept help;
3. Both parties must be able to commit the full support of their constituencies;
4. Both parties must communicate constantly with their constituencies throughout the program.

The first R.B.O. sessions were held in Jasper in June, 1983. They were not easy, nor were they particularly enjoyable - at least not initially.

For many participants, the R.B.O. approach to problem-solving involved a major re-evaluation of their management style, personality and role in the labour-management relationship. These first sessions were marked by frequent outbursts of frustration.



*Succeeding
Together!*



R.B.O. Steps in the Process

Commitment _____

- Interviews held separately with key union and management people.

Structuring the Process _____

- Three to four days "off site".
- Key players, both sides.

Mine Site Level Focus _____

- Corporate/International monitor only.
- Participation divided into "mixed teams".
- Shown a film and asked to:
 - analyze supervisor/steward attitudes,
 - list union-management relationship problems,
 - recommend improvements,
 - group reassembles to discuss report,
 - stimulates thinking about own situation.

Problem Identification _____

- Now dealing with own real problems.
- Union and management split separate groups.
- Asked to respond to two questions:
 - What should the other party be doing to improve labour/management relations?
 - What should you be doing?
- Responses consolidated - complaints restated as positive goals.



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Together!*



R.B.O. Steps in the Process

Agreeing on Objectives _____

- Whole group asked to consolidate the union and management list into a single set of mutual objectives.
- Goals usually fall under several overall headings, eg.
 - Communications
 - Practices and Procedures
 - Operations
 - Foreman - Steward Relations
 - Attitudes

Implementation - Practical and Realistic Planning _____

- General Subject areas with goals divided between mixed union-management teams who are asked to develop specific action steps by brainstorming.
- Management and union groups then meet separately to review results and further formulate action steps.
- Entire group meets to hammer out remaining differences, review goals, action steps and assignments of responsibility and draw up a timetable.

R.B.O. - 16 GOALS

1. Recognize and respect the job knowledge, skills and importance of the hourly employee to the overall success of C.R.C.
2. Create a working climate where employees are permitted and encouraged to accept individual responsibility for their decisions and job performance.
3. Encourage a climate conducive to employee initiative, input and involvement.
4. Improve followup and provide a timely feedback on the status of employee suggestions, questions or concerns.
5. Enhance the role, responsibility and status of first line foremen and union stewards with the objective of making these respected and effective positions.
6. Avoid conflicting orders or instructions by two or more supervisor/managers.
7. Improve communications at all levels.
 - Senior Management/Supervision
 - Senior Management/Union
 - Foremen/Stewards
 - Foremen/Employee
 - Department to Department/Shift to Shift
8. Provide positive recognition and feedback for job well down.
9. Explore ways to get more membership interest and involvement with the union.
10. Improve training to assure that personnel who are familiar or inexperienced with work areas and/or equipment can provide adequate coverage.
11. Re-emphasize individual responsibility of equipment operators to:
 - assist in diagnosing equipment problems
 - cooperate with dispatcher and shop personnel
 - take pride in how a job is performed
12. Improve communications, coordination and understanding between shop and mining operations relative to priorities and equipment availability, etc.
13. Consistent with the terms and intent to the Collective Agreement, both parties should view the grievance procedure as a problem-solving process.
14. Consistent and equitable administration of rules, policy and discipline.
15. Establish a preventative approach to troubled employees before severe disciplinary action is taken.
16. Recommit to a viable safety program which has the confidence, support and involvement of employees and management at all levels.



*Succeeding
Together!*



Results

LABOUR RELATIONS:

- Effective Union - Management meetings.
- Regular Shop Steward - Foreman meetings.
- Improved communications with employees through regular R.B.O. meetings.
- Dramatic reduction in grievances and associated legal costs.
- Pension Plan established.
- No lost time due to illegal work stoppages.
- Negotiations – 6 Collective Agreements without a work stoppage.
 - All completed on time (One 2 months early).
- U.M.W.A. Recognition at Cheviot mine.
- Intangible (but real) improvements in:
 - communications
 - attitudes
 - work environment
 - cooperation/teamwork
 - increased trust and respect
 - pride in both Company and the Union

SAFETY:

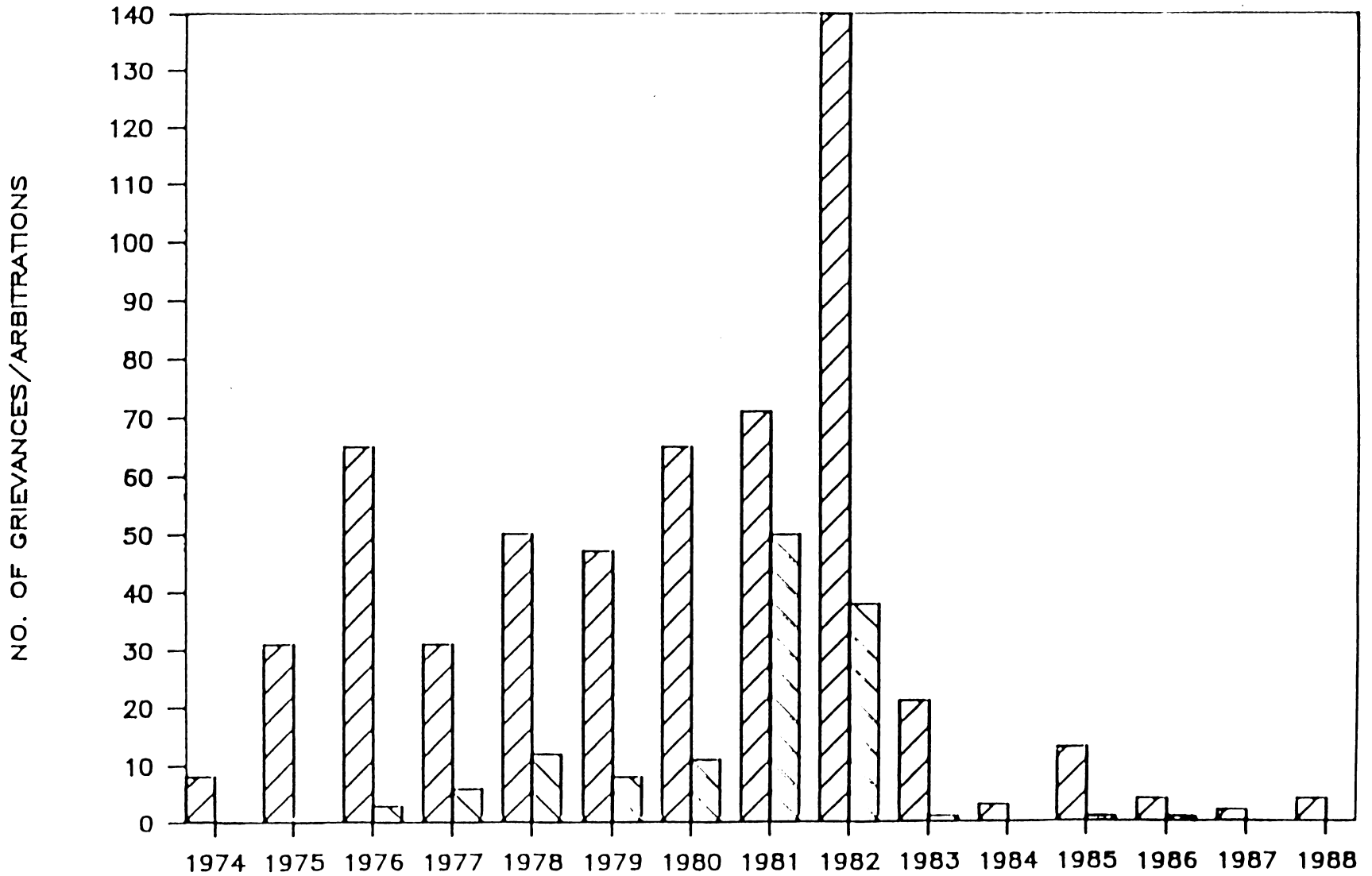
- Executive Safety Council established – later expanded to include Environmental responsibilities (S.H.E. Committee).
- Dramatic improvements in all areas of safety performance.


EMPLOYEE RELATIONS:


- Social Club established – functions include both staff and hourly employees and families.
- Financial Planning program established.
- Company Newsletter – co-edited by union and staff volunteers.
- Luscar Cup

C.R.C. GRIEVANCES

1974 - 1988

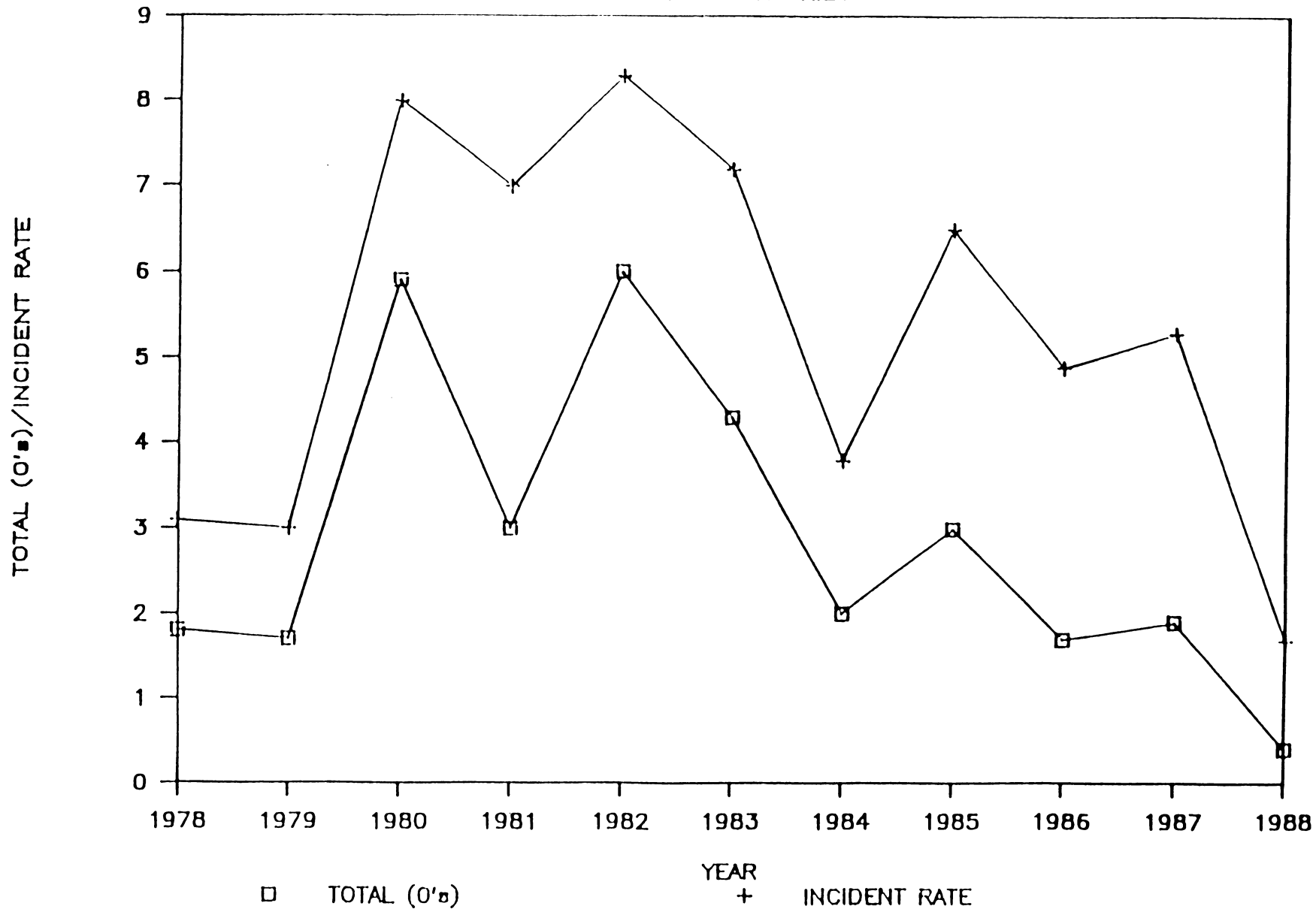


 NO. OF GRIEVANCES

YEAR
 NO. OF ARBITRATIONS

CARDINAL RIVER COALS

LOST TIME INJURIES





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LABOUR - MANAGEMENT RELATIONSHIP AVERAGE RATING

