

**“Establishing & Sustaining Effective Communications
Between Labour & Management”**

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At SaskEnergy having an open dialogue process, based on a foundation of trust, has become a cornerstone for the relationship which currently exists between the Company and the Communications, Energy and Paperworkers (CEP) Union, Local 649. This open dialogue process works in that it requires our people to think individually and globally. It is a process that has fostered trust, understanding and enhanced our employee's desire to function as a team.

The process has allowed each employee to ask the most essential questions:

- What is the importance of the individual in our workplace, the Company, the community and the province?
- How can each of us be part of the solution?
- How can each of us work together towards achieving a shared vision.

SaskEnergy and CEP have successfully built a foundation of open communication enabling our process to empower people to take charge and tackle the issues together.

This foundation has allowed us to be creative and innovative while embracing a healthy, proactive Corporate culture. By working together, we have created an open dialogue

culture which is driven by the fundamental personal needs of the individuals who want to find the right solutions for everyone.

Dialogue Process – The Beginning

The beginning of the Dialogue Process between SaskEnergy and CEP was in October 1990 when the leadership of SaskEnergy and the CEP meet to chart a course that we believed would fundamentally change the culture of the organization and lay the groundwork for the relationship which exists today. SaskEnergy had its beginning in 1988 when SaskPower split into two separate utilities, one for electricity that remained under SaskPower, and one for natural gas under SaskEnergy. Through the creation of SaskEnergy there was understandably a lot of uncertainty surrounding who this new Company was and what the future would look like.

In 1990, CEP and the Company both recognized there were a number of economic and operational factors that were contributing to the drive to do something different.

- 1) The newly formed Company SaskEnergy had a very high debt load. SaskEnergy's debt/equity ratio left the Company very vulnerable to economic down turns and as such the Company had to find ways to solve its financial problems.
- 2) Deregulation of the Canadian Natural Gas Industry already had had a marked impact on the Company which was moving towards becoming a major player in the natural gas industry. By 1990, SaskEnergy had tripled the amount of natural gas it handled. Demands for transport, distribution and storage service were increasing rapidly. It became apparent there was a need to redefine the key objectives in keeping with the times.

- 3) Management and the Union leadership recognized the success of the Company was closely tied to having motivated and dedicated employees. To this end, it was evident that the culture of the organization had to shift from a highly beaucratic, impersonal one to a people orientated culture.
- 4) SaskEnergy and the CEP had to develop a culture where employees could feel their work related aspirations had a reasonable likelihood of being met.
- 5) There was too much time and energy wasted by people – management and union – arguing over matters that in the end were of little consequence. Both groups realized that there was a lack of communication, and both held a genuine desire to get away from hidden agendas and surprises.
- 6) Both groups recognized that by re-thinking the way we do business we could develop new and innovative solutions to build and strengthen our Company.

Due to the scope of the issues facing the organization and the commitment of the management and union leadership to a people orientated, viable organization, the decision was made to establish a new direction. Management and the union had to collaborate and jointly become committed to a common set of organizational objectives in order to solve the issues facing the organization.

At the first meeting in October 1990, the Company and the Union jointly developed and endorsed the following objective:

***“To work together in a spirit of mutual trust and co-operation
to improve the financial viability of the Company
and the security and developmental needs of all employees.”***

This objective not only defined the new direction but also the way in which we were going to achieve it.

Setting the Foundation

In order for an open dialogue process to be successful there are a number of prerequisites that must exist:

- a) In our case there was a deep commitment to the process by our President and Chief Executive Officer and the top leadership of CEP. In our view the process will not grow if there is a commitment only at lower levels. In order for the process to work a broad base of leadership must not only support, but must also champion the process. Employees at all levels of the organization must see that the leadership is prepared to “walk the talk”.
- b) There must be a commitment to making or keeping the organization viable and an agreement must exist on a common set of organizational objectives. This serves as a focal point and guide against which proposed action plans can be tested. It may also serve as a test to determine the health of an organizations corporate culture. If the Corporate culture is one of openness, commitment and trust, then agreement on a common set of objectives is that much easier to achieve.
- c) Trust is a significant prerequisite. Trust does not come easy and grows slowly as each side demonstrates integrity. While some trust is needed initially in order to enter into the process, it is also recognized that trust building continues as both sides continue to work with each other in the process and see the results of their efforts in small successes. As with any process the challenge is to continue to build on the small wins that occur from time to time.