

EFFECTIVELY MANAGING IN A

UNIONIZED ENVIRONMENT

How do payroll professionals manage effectively in a unionized environment, at a time when the workplace is becoming increasingly complex, and the role of the union has changed?

Unions are less relevant in today's workplace due to increased globalization, consolidation, enhancements to technology, social media, a transient workforce, and alternative work arrangements, to name a few. As a result of these changes, payroll professionals are challenged more than ever to find creative ways to manage effectively within a unionized environment. Before identifying strategies on how to accomplish this, it is important to initially understand the key differences between unionized and non-unionized work environments.

Once such distinction is the presence of

a collective agreement (a negotiated contract) that defines the nature of the union-management relationship. In a unionized environment, employers are not permitted to enter into individual contracts with employees because the union is the sole bargaining agent for a group of employees. From an organization's perspective, it can manage the business, subject only to the limitations in the collective agreement. From the union's perspective, there is a recognition clause that confirms the union as the sole bargaining agent for employees covered under such collective agreement. Issues related to

seniority, potential and actual labor disputes, along with the fact that wages are typically based on years of service rather than merit, also distinguish the unionized environment from the non-unionized environment.

Having outlined these differences, we can now explore the various strategies payroll professionals can adopt to manage more effectively in this context. Specifically, we have identified four key strategies for payroll professionals to enhance and ultimately achieve payroll goals.



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They are as follows:

1. Ensure payroll professionals have a place at the bargaining table.
2. Take a progressive approach when dealing with issues involving unionized employees.
3. Demonstrate initiative to build cooperative relations with the union.
4. Adopt a long term rather than short term approach.

STRATEGY 1

Do you have a seat at the table?

The Collective Agreement includes one group of clauses referred to as the *wage-effort-bargain* and this is the area where payroll professionals have the opportunity to make the greatest contribution impact. These collective agreement clauses refer to what employees receive in exchange for their work (e.g., wage structures/grids, wage rates, benefits, premiums, scheduling, hours of work, etc.). For payroll professionals, it is important to secure a place at the bargaining table whether directly or indirectly, so there is a forum to identify 'pain points.' Establishing open lines of communication is necessary in order for payroll concerns to make it to the negotiation table. For example, some tasks being negotiated may be restrictive and cumbersome for employers to implement such as moving from a bi-weekly to a semi-monthly payroll cycle, or changing the vacation payout from semi-annually to each pay period. While these changes seem administrative in nature, they can cause major headaches for payroll departments.

Ideally, payroll professionals should be involved *before, during and after* the collective bargaining process. Well before negotiations begin, payroll professionals should identify any current and anticipated payroll-related challenges and how these can be addressed proactively. During the negotiations, while at the bargaining table, management representatives are encouraged to consult with payroll to ensure any changes being requested are feasible. Even better, payroll professionals would benefit from being at the bargaining table or at the very minimum, on the bargaining committee 'behind the scenes.' Finally, once negotiations are complete, any changes related to the payroll function must be communicated to facilitate implementation, arguably the most challenging part of the entire change process.

STRATEGY 2

Taking a Progressive Approach Balanced Against Compliance

While compliance is paramount when it comes to payroll matters, professionals should ask themselves whether they can broaden their interpretation of the collective agreement without comprising legislative requirements. The need for compliance is understood, however, one must keep in mind the distinction between the 'letter of the law' versus the 'spirit of the law.' For example, a few years ago there was a case in which the 19-year old son of a unionized employee died tragically while the employee was on vacation. The employee wanted to take bereavement leave but the collective agreement included a clause which prohibited bereavement leave pay while an employee was on vacation. While the collective agreement was unequivocal on this point, the payroll department in consultation with the department-head, demonstrated compassion by making an exception. In short, when faced with these issues, payroll professionals should ask 'is there a different way of thinking about things?' By taking a 'spirit of the law' approach in certain circumstances, all parties will benefit.

STRATEGY 3

Build Cooperative Relations with the Union

There are two differing philosophies when it comes to types of relations with unions. The traditional relationship can be characterized as reactive in nature, is monetary focused and grievance oriented (rather than communication focused) and has a tendency to avoid mutual problem solving. The problem with this approach is it often leads to a poor relationship between worker and employer, resulting in:

- Low employee morale
- Unnecessary grievances
- Confrontational discussions
- Lack of trust and/or poor communication
- Increased business costs
- Reluctance to change and lead

On the other hand, when the approach is based on collaboration between the union and the employer, it bodes well for all parties involved. The collaborative approach tends to be: more job security focused;

open to innovative collective bargaining clauses; involves a willingness to make concessions to build for the future; has a better understanding of business realities; and finally, tends to result in less frivolous grievances. The results of this approach are unionized work environments which:

- Encourage management and employee participation
- Result in increased productivity
- Provide a framework for working together
- Foster common goals and methods of implementation
- Enhance communication and feedback
- Result in improved employee morale
- Encourage joint celebrations of success

It is suggested that payroll professionals try to adopt the collaborative approach wherever possible. Ultimately, this is determined by senior management within an organization, and payroll professionals are encouraged to find opportunities to communicate its benefits.

STRATEGY 4

Adopt a long term rather than short term approach

Lastly, within the unionized environment, payroll professionals should look beyond the payroll cycle by keeping abreast of emerging workplace issues for both the short and long term. Current examples in a unionized environment include: the rapid evolution of workplace drug and alcohol testing; human rights and the duty to accommodate; health and safety awareness; alternative work arrangements; self-employment; work/life balance; technology and automation; and economic volatility. In response to these changes, and in conjunction with the strategies outlined above, payroll professionals can offer their insight on such matters to management, ultimately enhancing their effectiveness in managing in a unionized environment.

Want to learn more? Check out the Canadian Payroll Association's archived webinar, *Effectively Managing in a Unionized Environment*, at payroll.ca → **Professional Development** → **Webinars**. ■

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