

A QUEEN'S UNIVERSITY IRC ARCHIVE DOCUMENT

Originally published by the IRC Press, in 1974 as part of Research and Current Issues Series, No. 22



Settlement Methods in Ontario Collective Bargaining 1970-1973

Laurence A. Kelly

*Assistant Director, Industrial Relations Centre
Queen's University*



Industrial Relations Centre (IRC)
School of Policy Studies
Queen's University
Kingston, ON K7L 3N6

Tel: 613-533-6628
Fax: 613-533-6812
Email: irc@queensu.ca
Visit us at: irc.queensu.ca

© 1974 Industrial Relations Centre, Queen's University
Library of Congress Catalogue Card Number: 74-78030
ISBN: 0-88886-053-6
Printed and bound in Canada.

Settlement Methods in Ontario Collective Bargaining 1970-1973

Laurence A. Kelly, Assistant Director, Industrial Relations Centre, Queen's University¹

Introduction

The state of labour-management relations often tends to be assessed in terms of the number of strikes which occurs in the economy or in particular industries. This ignores the fact that strikes are in part a function of the number of settlements that are negotiated, which varies from year to year and from industry to industry, and the further fact that work stoppages are only one of several routes by which settlements occur. The range includes direct bargaining, conciliation, mediation, bargaining following conciliation or mediation, work stoppages, and occasionally mediation or arbitration following a work stoppage. Strains in collective bargaining, therefore, should be assessed in terms of the ease or difficulty with which settlements are achieved, as reflected in the incidence of different settlement methods.

This paper analyzes the methods by which settlements were arrived at in more than 1400 Ontario collective agreements during the years 1970-1973 and discusses some of the implications of these patterns. The analysis is based on information published jointly by the Federal and Ontario Departments of Labour, covering settlements involving more than 250 employees in industries other than construction.² Included are settlements in federal administration, as well as a number of other settlements which, though they cover workers in Ontario, are in industries that come within the federal jurisdiction.

Settlement Patterns

Table 1 shows the percentage distribution of Ontario settlements, by method of settlement, annually from 1970 to 1973. The data reveal that over the period as a whole one third of the settlements were achieved through direct bargaining, half were reached through conciliation, mediation, or post-conciliation - post-mediation bargaining, some 5 percent were arrived at through arbitration, and 11 per cent followed a work stoppage.

Table 2 shows, for the four year period, the percentage distribution of agreements, by method of settlement, for the six major industry groups. Although the pattern revealed is one of considerable diversity, some generalizations can be made. For example, in all industries except government, fewer than half of the settlements were reached through direct bargaining, and in each of these industries a higher proportion was settled at the conciliation or mediation stage than through any other method. Arbitration was not used as a method of settlement in the primary and manufacturing industries or in trade, and it was significant only in services (notably in hospital settlements) and in government. The proportion of settlements reached following a work stoppage varied widely, the incidence ranging from 2.9 per cent in services to 17.0 per cent in manufacturing industries.

¹ The author wishes to acknowledge helpful comments by W. D. Wood and Pradeep Kumar.

² Canada and Ontario Departments of Labour, *Collective Bargaining Settlements in Ontario*.

Over the four year period, manufacturing industries accounted for just over half the total number of collective agreements and for about four-fifths of the total number of work stoppages. Accordingly, year to year variations in the total incidence of work stoppages - as shown in Table 1 - largely reflect variations in the incidence within manufacturing. During the four year period, the incidence of strikes in manufacturing ranged from 13.6 per cent in 1972 to 19.4 per cent in 1973.

The more detailed industry analysis shown in Table 3 reveals wide variation in settlement patterns within major industry groups. Because of the smaller number of settlements, percentage distributions are shown for three categories only - direct bargaining, work stoppages, and all other methods combined.

In 16 of the 18 industries listed, less than half of the settlements were achieved through direct bargaining, the exceptions being communication and local government. In 15 industries, a higher proportion was reached through conciliation, mediation, arbitration, and non-direct bargaining than through direct bargaining, and in 11 industries more than half of the settlements were achieved through these routes.

Within each industry group there was wide variation in the incidence of work stoppages. In manufacturing, the incidence ranged from 7.5 per cent in textile industries, to 33.3 per cent in transportation equipment. In the transportation, communication, utilities sector, communication industries had a strike incidence of 7.1 per cent, three times greater than that in transportation. In service industries, 5.4 per cent of the settlements in education and related industries were reached following a strike (none of these involving teachers, who do not have the right to strike) whereas there were no stoppages in the health and welfare sector (reflecting the fact that all hospital employees are denied the right to strike). Constraints on the right to strike also partly explain the wide differential in the incidence of strikes in federal and local governments. At the federal level, only a very small number of bargaining units have opted for the right to strike, as opposed to voluntary arbitration, whereas at the local government level, the right to strike is available to all except policemen and firefighters.

The data revealed no statistically significant association between the proportion of an industry's settlements achieved through direct bargaining and the proportion preceded by a strike. Table 3, in fact, shows wide variations in the incidence of strikes for industries which had similar proportions of settlements achieved through direct bargaining. Food and beverages, for example, which showed about the same proportion of settlements achieved through direct bargaining as textile industries and transportation, had a strike incidence about twice as high as textiles, and about six times higher than transportation. Transportation equipment, which showed the same proportion of settlements achieved through direct bargaining as electrical products, had a strike incidence about two and a half times greater. The proportion of settlements achieved through direct bargaining, therefore, is not a meaningful guide to

Table 1
Collective Bargaining Settlements by Method of Settlement
Ontario, 1970-73

Year	Number of Settlements	Percentage Distribution by Method of Settlement				
		Direct Bargaining	Conciliation-Mediation	Post-conciliation/ Med. Bargaining	Arbitration	Work Stoppages ¹
1970	347	31.4	39.2	14.4	3.2	11.8
1971	372	35.2	32.3	15.3	4.8	12.4
1972	356	36.0	36.5	13.8	5.3	8.4
1973	365	32.1	30.4	18.9	6.3	12.3
1970-73	1440	33.7	34.5	15.6	4.9	11.3

1. Includes settlements achieved via mediation after work stoppage.

Table 2
Collective Bargaining Settlements by Method of Settlement,
Major Industry Groups
Ontario, 1970-73

Industry Group	Number of Settlements	Percentage Distribution by Method of Settlement				
		Direct Bargaining	Conciliation-Mediation	Post-conciliation/Med. Barg.	Arbitration	Work Stoppage
Primary	45	31.1	40.0	24.4	0.0	4.4
Manufacturing	777	28.6	34.6	19.8	0.0	17.0
Transportation, Communication and Utilities	100	41.0	42.0	8.0	2.0	7.0
Trade	51	29.4	49.0	15.7	0.0	7.8
Services (Incl. Finance)	276	33.7	38.0	12.3	12.0	2.9
Government	191	50.8	19.9	5.8	18.8	4.7

Table 3
Collective Bargaining Settlements by
Method of Settlement, Selected Industries
Ontario, 1970-73

Industry	Number of Settlements	Percentage Distribution by Method of Settlement		
		Direct Bargaining	Condi. Med. Arb. and non-direct Bargaining	Work Stoppage
Primary Industries				
Mining	32	31.1	64.4	4.4
Manufacturing Industries				
Food and Beverages	76	28.9	56.6	14.5
Textile	53	28.3	64.2	7.5
Paper and Allied	71	22.5	63.4	14.1
Wood-Furniture	39	43.6	35.9	20.5
Primary Metals	48	31.2	58.3	10.4
Metal Fabricating	71	21.1	57.8	21.1
Machinery	44	34.1	43.2	22.7
Transportation Equipment	89	24.7	40.4	34.8
Electrical Products	103	24.3	62.1	13.6
Non-Metallic Minerals	34	17.6	67.6	26.5
Miscellaneous Manufacturing	37	40.5	45.9	13.5
Transportation, Communication and Utilities				
Transportation	44	27.3	70.4	2.3
Communication	28	67.9	25.0	7.1
Services				
Education and Related	93	36.5	58.1	5.4
Health and Welfare	139	33.8	66.2	0.0
Government				
Federal Administration	87	46.0	52.9	1.1
Local Government	89	57.3	33.7	9.0

Table 4
Collective Bargaining Settlements by
Method of Settlement, Selected Unions
Ontario, 1970-73

Union	Number of Settlements	Percentage Distribution by Method of Settlement		
		Direct Bargaining	Council, Med, Arb, and Non-Direct Bargaining	Work Stoppage
Auto Workers	110	20.0	45.5	34.5
Carpenters	28	28.6	57.1	14.3
Chemical Workers	32	21.9	59.4	18.7
C.U.P.E.	168	32.1	59.5	8.3
Electrical Workers - I.B.E.W.	31	16.1	58.1	25.8
Electrical Workers - I. U. E.	22	36.4	40.9	22.7
Electrical Workers - U.E.	24	4.2	83.3	12.5
Food Workers	40	32.5	50.0	17.5
Machinists	54	27.8	50.0	22.2
Nurses' Associations	41	56.1	43.9	0.0
Paper Workers*	51	17.6	66.7	15.7
Public Service Alliance	48	52.1	47.9	0.0
Rubber Workers	24	37.5	54.2	8.3
Service Employees	61	18.0	80.3	1.6
Steelworkers	156	23.1	62.2	14.7
Teamsters	26	11.5	73.1	15.4
Textile Workers	36	27.8	66.7	5.6
Woodworkers	23	47.8	43.5	8.7

* Formed in 1972 by merger of Papermakers and Pulp and Paper Mill Workers. Figures include settlements for both unions in 1970 and 1971.

the probability of a strike in a particular industry and, conversely, the incidence of strikes is not necessarily indicative of the ease or difficulty involved in reaching a settlement.³

Table 4 shows the distribution of collective agreements by method of settlement for selected unions. The patterns are largely reflective of industry patterns. At the top of the militancy scale over the 1970-73 period were the Auto Workers, with 20.0 per cent of their settlements achieved through direct bargaining and 34.5 per cent preceded by a strike - the same proportion as in the transportation equipment industry. At the bottom were the Public Service Alliance and Nurses' Associations, with a majority of their settlements achieved through direct bargaining and with no strikes between them, and the Service Employees' Union, which had strikes in only 1.6 per cent of its settlements. It is noteworthy, however, that only 18.0 per cent of the settlements reached by the Service Employees were achieved through direct bargaining - lower than the figure for the Auto Workers! This reinforces the point that strike incidence alone is not indicative of the ease or difficulty with which settlements are achieved.

Although there is a rather obvious relationship between settlement patterns by union and patterns in the industries with which the unions are associated, the pattern of settlement method by union is not simply a mirror of that in the industry with which it is generally identified. The Auto Workers, for example, had settlements in twelve different primary and manufacturing industries. Somewhat more than half of these were in transportation equipment, where 45 per cent of its settlements were preceded by a strike — higher than the incidence for the industry. In other industries in which the Auto Workers negotiated settlements, the proportion of agreements arrived at subsequent to a strike was 24 per cent — higher than the incidence for all but one of these industries. Thus, while characteristics of the industry may go a long way to explaining why some industries have a higher incidence of strikes than others, it is clear that the characteristics of the union are also relevant. Some unions have a higher propensity to strike than others regardless of the industry they are in.⁴

Included in the industry and union figures are a number of settlements involving units of office, clerical, and technical workers. In manufacturing, there were 24 such settlements over the 1970-73 period, most of them involving units of employees represented by the Auto Workers and Steelworkers. Of these 24 settlements, 37.5 per cent were achieved through direct bargaining and 20.8 per cent were preceded by a work stoppage.

³ In aggregate, however, there is a relationship between the proportion of settlements reached through the direct bargaining and the proportion preceded by a strike. Over the 1953 – 72 period, for Canada as a whole, the simple correlation between the proportion of employees covered by direct bargaining settlements and the proportion covered by settlements preceded by a strike was significant at the 2 per cent level.

⁴ It is possible, of course, that some unions and industries with high strike incidences had a shorter average duration of strikes than others. Although this could not be tested with Ontario data on strike duration, a rank correlation between strike incidence in Ontario over the 1970-73 period in the 18 industries listed in Table 3, plus Trade, and the average duration of strikes in these industries in 1970-71 Canada-wide, was significant at the 5 per cent level. Excluding Health and Welfare – which ranked third in strike duration as a result of a province-wide strike in Quebec in 1970 – the correlation was significant at the 1 per cent level. This suggests then that a high strike incidence tends to be accompanied by a longer average strike duration.

Implications and Conclusions

The fact that only about one-third of the collective bargaining settlements negotiated in Ontario in recent years were achieved through direct bargaining points to a rather considerable strain on the collective bargaining process, a strain which presumably reflects the difficult economic and social climate in which negotiations have been conducted. Although five out of every six settlements which were not achieved through direct bargaining were settled without a work stoppage, the heavy reliance on third-party intervention, and the wide variations in settlement methods for different industries and unions, raises a number of issues and questions.

For one, the heavy dependence on conciliation, mediation and arbitration underscores the need, noted recently by Judge Walter Little, for increasing attention to be given to the recruitment and training of conciliators, mediators, and arbitrators.⁵ Theirs is a key role in the collective bargaining process. Yet, to date, there has been inadequate provision for the training of professionals in this field. In view of the growth of collective bargaining in the government and service sectors and the rather substantial proportion of settlements achieved through arbitration in these sectors, there appears to be a particular need for increasing numbers of persons skilled in the art of arbitrating interest - as opposed to rights - disputes. Secondly, reliance on third-party intervention raises questions about the processes of wage determination. What factors enter into the determination of wages at different settlement stages? Are wage awards higher the greater the difficulty involved in achieving a settlement? What criteria do arbitrators use in making wage awards? There is undoubtedly scope for fruitful research to be done on these and related questions.

Wide variations in the pattern of settlement methods, including the incidence of work stoppages, between different industries and unions also raise important questions. The figures noted above, for example, indicate that the common generalization about strikes being the exception rather than the rule is one that has to be considered in context. There seems nothing particularly exceptional about a strike incidence of 19 per cent - the figure for Ontario manufacturing last year - or about strike incidences of more than 30 per cent for particular industries and unions over the 1970-73 period, and there is a need for research into why such high rates exist relative to other industries and unions.

There are many possible reasons why the incidence of work stoppages, and indeed the pattern of the settlement methods in general, varies so widely—differences in the economic conditions of industries, differences in the ability of industries to withstand a strike because of differences in their capability to stockpile or adopt other forms of protection, differences in the degree of unionization or in the financial strength of unions. With increasingly better statistical information available, there is much greater scope than before for empirical testing of some of these well-known hypotheses.

An additional hypothesis that merits investigation is that differences in settlement method patterns, including differences in strike incidence, reflect, in part, differences in contract duration. A priori, there is reason to think that the longer the duration of the agreement being negotiated the greater would be the difficulty in reaching agreement: first, because the more likely it is that there will be divergence of views between management and unions about future business conditions and the company's ability to pay;

⁵ Walter Little, *The Road Ahead in Industrial Relations* (Kingston: Industrial Relations Centre, Queen's University, 1972), Reprint Series No. 20.

secondly, because unions may be more willing to strike, and management more willing to accept a strike when the opportunity to do so does not arise as frequently. One would also expect that when a strike does occur, it would be of longer duration during the negotiation of a long-term agreement because of the higher stakes involved for the parties. The limited data available on strike duration did not permit this latter aspect to be looked at but strike incidence figures give some tentative support to the hypothesis. For example, in 49 manufacturing agreements of under 18 months' duration, only one strike was recorded. And in most industries, the incidence of strikes was higher in agreements of over 24 months' duration than in those of 18-24 months' duration. This evidence, though far from being conclusive, seems sufficient to justify the further research that is planned by the Centre on this aspect.

The one general conclusion that can be drawn from this analysis is that the state of labour-management relations is not to be gauged by the number of strikes which occurs, or even by the incidence of strikes. The collective bargaining process is a complex one and difficulties in labour-management relations may be reflected not just in strikes but in other non-direct bargaining methods of settlement. This suggests the need for greater recognition to be given to the importance of settlement method statistics as measures of the effectiveness of collective bargaining.



Industrial Relations Centre (IRC)
Queen's University
Kingston, ON K7L 3N6
irc.queensu.ca



SCHOOL OF
Policy Studies
QUEEN'S UNIVERSITY